

CHAPTER 1**(HB 1)**

AN ACT relating to redistricting and declaring an emergency.

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

Plan HH001A11

Plan SH001A09

Plan CH001A09

SECTION 1. KRS 5.201 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The First Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BALLARD						
CARLISLE						
FULTON						
HICKMAN						
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7025	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7026	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7028	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7029	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7030	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7031	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7032	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7033	
MCCRACKEN	B119		NEW HOPE-MELBER	031300	7034	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2014	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2017	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2018	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2019	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2020	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2021	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2022	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2023	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2025	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	2026	
MCCRACKEN	B125		MASSAC MILAN			
MCCRACKEN	B126		LONE OAK # 3			
MCCRACKEN	C108		LANG			
MCCRACKEN	C110		MAXON			

MCCRACKEN	C112	LAMONT
MCCRACKEN	C113	GRAHAMVILLE
MCCRACKEN	C114	WOODVILLE
MCCRACKEN	C115	RAGLAND

SECTION 2. KRS 5.202 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Second Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
GRAVES						
MCCRACKEN	A118		FLORENCE STATION			
MCCRACKEN	A120		HARPER # 1			
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1009	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1010	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1011	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1012	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1013	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1014	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1015	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1016	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1017	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1018	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1023	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1024	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1025	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1026	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1027	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1028	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1029	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1030	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1031	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1032	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1033	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1034	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1035	
MCCRACKEN	B119		NEW HOPE-MELBER	031600	1036	
MCCRACKEN	B122		HARPER #2			

SECTION 3. KRS 5.203 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Third Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT BLCK SECT</i>
<i>MCCRACKEN</i>	<i>A104</i>	<i>UNION STATION</i>	
<i>MCCRACKEN</i>	<i>A106</i>	<i>BUTLER</i>	
<i>MCCRACKEN</i>	<i>A108</i>	<i>FARLEY</i>	
<i>MCCRACKEN</i>	<i>A115</i>	<i>WOODLAWN</i>	
<i>MCCRACKEN</i>	<i>A116</i>	<i>HOVEKAMP</i>	
<i>MCCRACKEN</i>	<i>A119</i>	<i>JETTON</i>	
<i>MCCRACKEN</i>	<i>A122</i>	<i>HENDRON # 1</i>	
<i>MCCRACKEN</i>	<i>B102</i>	<i>KENNEDY</i>	
<i>MCCRACKEN</i>	<i>B103</i>	<i>SAVAGE</i>	
<i>MCCRACKEN</i>	<i>B113</i>	<i>PAXTON PARK</i>	
<i>MCCRACKEN</i>	<i>B114</i>	<i>SCHNEIDMAN</i>	
<i>MCCRACKEN</i>	<i>B115</i>	<i>BUDDE</i>	
<i>MCCRACKEN</i>	<i>B116</i>	<i>YANCY</i>	
<i>MCCRACKEN</i>	<i>B118</i>	<i>EMMA MORGAN</i>	
<i>MCCRACKEN</i>	<i>B120</i>	<i>ROLLING HILLS</i>	
<i>MCCRACKEN</i>	<i>B121</i>	<i>LONE OAK #1</i>	
<i>MCCRACKEN</i>	<i>B123</i>	<i>CHEROKEE</i>	
<i>MCCRACKEN</i>	<i>B124</i>	<i>LONE OAK #2</i>	
<i>MCCRACKEN</i>	<i>B129</i>	<i>HENDRON # 4</i>	
<i>MCCRACKEN</i>	<i>C102</i>	<i>GALLMAN</i>	
<i>MCCRACKEN</i>	<i>C103</i>	<i>RIEKE</i>	
<i>MCCRACKEN</i>	<i>C106</i>	<i>WILLIAMS</i>	
<i>MCCRACKEN</i>	<i>C107</i>	<i>CECIL</i>	
<i>MCCRACKEN</i>	<i>C109</i>	<i>CONCORD</i>	
<i>MCCRACKEN</i>	<i>C117</i>	<i>BERNHARD</i>	
<i>MCCRACKEN</i>	<i>C118</i>	<i>ARCADIA</i>	
<i>MCCRACKEN</i>	<i>C119</i>	<i>CARDINAL POINT</i>	
<i>MCCRACKEN</i>	<i>C120</i>	<i>CARSON PARK</i>	
<i>MCCRACKEN</i>	<i>C121</i>	<i>AVONDALE</i>	
<i>MCCRACKEN</i>	<i>C122</i>	<i>COUNTRY CLUB</i>	
<i>MCCRACKEN</i>	<i>C123</i>	<i>REED</i>	
<i>MCCRACKEN</i>	<i>C124</i>	<i>WALLACE PARK</i>	
<i>MCCRACKEN</i>	<i>C125</i>	<i>GOTT</i>	

SECTION 4. KRS 5.204 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT BLCK SECT</i>
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CALDWELL**CRITTENDEN****LIVINGSTON****MCCRACKEN A110 CLARKS RIVER #2****MCCRACKEN A112 REIDLAND #1****MCCRACKEN A114 CLARKS RIVER #1****MCCRACKEN A117 OAKS STATION****MCCRACKEN A121 HENDRON # 3****MCCRACKEN A124 OAKDALE****MCCRACKEN B117 HENDRON #2**

SECTION 5. KRS 5.205 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CALLOWAY						
TRIGG	B101		WEST CADIZ			
TRIGG	B102		CANTON #2			
TRIGG	F102		CANTON 1			
TRIGG	G102		NORTHWEST CADIZ			
TRIGG	X002		X002			

SECTION 6. KRS 5.206 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
LYON						
MARSHALL						
MCCRACKEN	A113		REIDLAND #2			

SECTION 7. KRS 5.207 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventh Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
DAVISS	A101		OWENSBORO #1	001300	1024	
DAVISS	A101		OWENSBORO #1	001300	1025	
DAVISS	A104		OWENSBORO #4			
DAVISS	A110		OWENSBORO #10			
DAVISS	A112		OWENSBORO #12			
DAVISS	A138		OWENSBORO #38			
DAVISS	A142		OWENSBORO #42			
DAVISS	A143		OWENSBORO #43			

DAVISS	A147	OWENSBORO #47			
DAVISS	A150	OWENSBORO #50			
DAVISS	B101	SOUTHTOWN	000600	2008	
DAVISS	B101	SOUTHTOWN	000600	2009	0102
DAVISS	B101	SOUTHTOWN	000600	2019	0102
DAVISS	B101	SOUTHTOWN	000600	2026	0202
DAVISS	B101	SOUTHTOWN	000600	2999	
DAVISS	B101	SOUTHTOWN	000600	4024	0102
DAVISS	B101	SOUTHTOWN	000600	4025	
DAVISS	B101	SOUTHTOWN	000600	4026	0202
DAVISS	B101	SOUTHTOWN	000600	4027	0102
DAVISS	B101	SOUTHTOWN	001701	1001	0305
DAVISS	B101	SOUTHTOWN	001701	1008	
DAVISS	B101	SOUTHTOWN	001701	1009	
DAVISS	B101	SOUTHTOWN	001701	1010	
DAVISS	B101	SOUTHTOWN	001701	1011	
DAVISS	B101	SOUTHTOWN	001701	1012	
DAVISS	B101	SOUTHTOWN	001701	2003	0203
DAVISS	B101	SOUTHTOWN	001701	2005	0102
DAVISS	B101	SOUTHTOWN	001701	2006	
DAVISS	B101	SOUTHTOWN	001701	3000	0103
DAVISS	B101	SOUTHTOWN	001701	3001	
DAVISS	B101	SOUTHTOWN	001701	3002	0102
DAVISS	B101	SOUTHTOWN	001701	3003	
DAVISS	B101	SOUTHTOWN	001701	3010	
DAVISS	B101	SOUTHTOWN	001701	3020	
DAVISS	B101	SOUTHTOWN	001701	4000	0203
DAVISS	B101	SOUTHTOWN	001701	4000	0303
DAVISS	B101	SOUTHTOWN	001701	4001	
DAVISS	B101	SOUTHTOWN	001701	4002	
DAVISS	B101	SOUTHTOWN	001701	4003	
DAVISS	B101	SOUTHTOWN	001701	4004	
DAVISS	B101	SOUTHTOWN	001701	4005	
DAVISS	B101	SOUTHTOWN	001701	4016	0103
DAVISS	B101	SOUTHTOWN	001701	4016	0203
DAVISS	B101	SOUTHTOWN	001701	4017	
DAVISS	B101	SOUTHTOWN	001701	4018	
DAVISS	B101	SOUTHTOWN	001701	4019	0202

<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001701</i>	<i>4020</i>	<i>0202</i>
<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001701</i>	<i>4021</i>	<i>0102</i>
<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001701</i>	<i>4023</i>	<i>0102</i>
<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001800</i>	<i>1030</i>	<i>0202</i>
<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001800</i>	<i>1031</i>	
<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001800</i>	<i>1032</i>	
<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001800</i>	<i>1033</i>	
<i>DAVISS</i>	<i>B101</i>	<i>SOUTHTOWN</i>	<i>001800</i>	<i>1034</i>	
<i>DAVISS</i>	<i>B102</i>	<i>NORTHTOWN</i>			
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001701</i>	<i>4016</i>	<i>0303</i>
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001701</i>	<i>4019</i>	<i>0102</i>
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001701</i>	<i>4020</i>	<i>0102</i>
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001701</i>	<i>4021</i>	<i>0202</i>
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001701</i>	<i>4022</i>	
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001701</i>	<i>4023</i>	<i>0202</i>
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001701</i>	<i>4024</i>	
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001800</i>	<i>1035</i>	
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001800</i>	<i>1036</i>	<i>0202</i>
<i>DAVISS</i>	<i>B103</i>	<i>ROME</i>	<i>001800</i>	<i>1037</i>	
<i>DAVISS</i>	<i>B104</i>	<i>WESTSIDE</i>			
<i>DAVISS</i>	<i>C101</i>	<i>SORGHO</i>			
<i>DAVISS</i>	<i>C102</i>	<i>STANLEY</i>			
<i>DAVISS</i>	<i>D102</i>	<i>SAINT JOSEPH</i>			
<i>HENDERSON</i>	<i>A101</i>	<i>HEBBARDSVILLE-BLUFF CITY</i>			
<i>HENDERSON</i>	<i>A102</i>	<i>REED-BEALS</i>			
<i>HENDERSON</i>	<i>B101</i>	<i>SOUTH ROBARDS</i>			
<i>HENDERSON</i>	<i>B102</i>	<i>NORTH ROBARDS</i>			
<i>HENDERSON</i>	<i>B104</i>	<i>NORTH NIAGARA</i>			
<i>HENDERSON</i>	<i>B109</i>	<i>SOUTH NIAGARA</i>			
<i>HENDERSON</i>	<i>C104</i>	<i>SOUTH CORYDON</i>			
<i>HENDERSON</i>	<i>C110</i>	<i>SOUTH CAIRO</i>			

UNION

SECTION 8. KRS 5.208 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>CHRISTIAN</i>	<i>A101</i>	<i>COURTHOUSE</i>			
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1019</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1020</i>	

<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1021</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1022</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1023</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1024</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1033</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1034</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1083</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1084</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1085</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1086</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1087</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1088</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1089</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1090</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1091</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1092</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1093</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1094</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1095</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200100</i>	<i>1096</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1013</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1016</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1017</i>	<i>0103</i>
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1018</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1019</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1020</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1021</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1022</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>1023</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>2013</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>2015</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>2016</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>2017</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>2018</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>3015</i>	
<i>CHRISTIAN</i>	<i>A102</i>	<i>AARON MCNEIL CENTER</i>	<i>200300</i>	<i>3016</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200100</i>	<i>1063</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200100</i>	<i>1064</i>	

<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200100</i>	<i>1065</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200100</i>	<i>1066</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200100</i>	<i>1071</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200100</i>	<i>1072</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3005</i>	<i>0204</i>
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3008</i>	<i>0103</i>
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3008</i>	<i>0203</i>
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3009</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3010</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3011</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3012</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3013</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3014</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>3017</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200300</i>	<i>4019</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1000</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1001</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1002</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1003</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1004</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1005</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1006</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1008</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1009</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1010</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1011</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1012</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1013</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1014</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1015</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1016</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1017</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>1018</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>2000</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>2001</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>2002</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>2003</i>	
<i>CHRISTIAN</i>	<i>A103</i>	<i>PARISH HALL</i>	<i>200400</i>	<i>2007</i>	
<i>CHRISTIAN</i>	<i>A104</i>	<i>WALNUT STREET CENTER</i>			

<i>CHRISTIAN</i>	<i>A105</i>	<i>COURTHOUSE II</i>	<i>200100</i>	<i>1000</i>	<i>0203</i>
<i>CHRISTIAN</i>	<i>A105</i>	<i>COURTHOUSE II</i>	<i>200100</i>	<i>1001</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>A105</i>	<i>COURTHOUSE II</i>	<i>200100</i>	<i>1002</i>	
<i>CHRISTIAN</i>	<i>A105</i>	<i>COURTHOUSE II</i>	<i>200100</i>	<i>1003</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1000</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1001</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1002</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1003</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1007</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1008</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1009</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1011</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1012</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1013</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1014</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1015</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1016</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1017</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>1018</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2010</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2011</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2012</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2014</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2015</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2016</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2017</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2018</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2019</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2020</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2021</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200200</i>	<i>2022</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200300</i>	<i>1009</i>	
<i>CHRISTIAN</i>	<i>B101</i>	<i>MIDDLE SCHOOL</i>	<i>200300</i>	<i>1010</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2000</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2001</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2002</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2003</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2004</i>	

<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2005</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2006</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2007</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2008</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2009</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2013</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2023</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2025</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2026</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200200</i>	<i>2027</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1000</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1001</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1002</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1003</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1004</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1005</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1006</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1007</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1008</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1009</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1010</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1011</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1012</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1013</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1014</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1015</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>1016</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>2000</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>2001</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>2002</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>2003</i>	
<i>CHRISTIAN</i>	<i>B102</i>	<i>NORTH DRIVE MIDDLE SCHOOL</i>	<i>200800</i>	<i>2004</i>	
<i>CHRISTIAN</i>	<i>C101</i>	<i>SECOND BAPTIST ACTIVITIES</i>			
<i>CHRISTIAN</i>	<i>C102</i>	<i>RECREATION DEPARTMENT</i>			
<i>CHRISTIAN</i>	<i>C103</i>	<i>FRIENDSHIP HOUSE 1</i>			
<i>CHRISTIAN</i>	<i>C104</i>	<i>SQUARE DEAL</i>			
<i>CHRISTIAN</i>	<i>D101</i>	<i>FRIENDSHIP HOUSE 2</i>			
<i>CHRISTIAN</i>	<i>D102</i>	<i>MILLBROOKE SCHOOL</i>			
<i>CHRISTIAN</i>	<i>D103</i>	<i>LUTHERAN CHURCH</i>			

CHRISTIAN	D104	HERNDON	200500	2006	0102
CHRISTIAN	D104	HERNDON	200500	2014	0102
CHRISTIAN	D104	HERNDON	200500	2015	0102
CHRISTIAN	D104	HERNDON	200600	1020	0202
CHRISTIAN	D104	HERNDON	200600	2013	0103
CHRISTIAN	D104	HERNDON	200600	2014	0304
CHRISTIAN	D104	HERNDON	200600	2021	0102
CHRISTIAN	D104	HERNDON	200600	2022	0202
CHRISTIAN	D104	HERNDON	200600	2026	
CHRISTIAN	D104	HERNDON	200600	2027	
CHRISTIAN	D104	HERNDON	200900	3013	0202
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	200600	2022	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	200900	3000	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	200900	3009	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	200900	3012	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	200900	3013	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	200900	3014	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1005	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1006	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1007	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1008	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1009	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1013	0202
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1017	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1019	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1020	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1021	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1022	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1023	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1024	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1025	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1026	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1027	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1028	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1029	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1030	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1031	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1032	

CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1033	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1049	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1050	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1051	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1052	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	1053	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	2009	
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	2013	0102
CHRISTIAN	D106	SOUTH UNION BAPT CHURCH	201400	2014	0202
CHRISTIAN	D107	CALVARY BAPTIST CHURCH			
CHRISTIAN	E101	PENNYRILE RURAL ELECTRIC			
CHRISTIAN	E102	BAPTIST LIFE CENTER			
CHRISTIAN	E103	MORNINGSIDE SCHOOL			
CHRISTIAN	E104	HOPKINSVILLE HIGH SCHOOL			
CHRISTIAN	E105	HOPKINSVILLE HIGH SCH #2			
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	1030	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	1031	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	1032	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2000	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2001	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2002	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2003	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2004	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2005	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2006	0202
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2007	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2008	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2009	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2011	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2012	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2013	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2014	0202
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2015	0202
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2018	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	2019	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200400	1019	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200400	1020	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200400	1021	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200400	1022	

<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1023</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1024</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1025</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1026</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1027</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1028</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1029</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1030</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1031</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1032</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1033</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>1034</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>2034</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>2058</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>2059</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>2060</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>2061</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200400</i>	<i>2062</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200500</i>	<i>1018</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200500</i>	<i>1019</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200500</i>	<i>1020</i>	
<i>CHRISTIAN</i>	<i>G102</i>	<i>HILLCREST BAPTIST CHURCH 200500</i>	<i>1021</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2005</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2006</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2007</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2008</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2009</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2010</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2011</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2012</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2013</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2014</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>2015</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>3005</i>	<i>0104</i>
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>3005</i>	<i>0304</i>
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>3005</i>	<i>0404</i>
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>3007</i>	
<i>CHRISTIAN</i>	<i>G103</i>	<i>CHRISTIAN COUNTY RD DEPT. 200300</i>	<i>3008</i>	<i>0303</i>

CHRISTIAN	H101	HICKORY SMOKEHOUSE	200300	1016	0102
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200300	1017	0203
TRIGG	A101	SOUTH CADIZ #1			
TRIGG	C101	NORTH CADIZ #1			
TRIGG	D101	CERULEAN-WALLONIA			
TRIGG	D103	NORTH CADIZ 2			
TRIGG	E101	ROARING SPRINGS			
TRIGG	E102	MONTGOMERY			
TRIGG	E104	SOUTH CADIZ 2			
TRIGG	F101	LINTON-MAGGIE			
TRIGG	G101	BETHESDA			
TRIGG	X001	X001			

SECTION 9. KRS 5.209 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1014	0104
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1014	0304
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1014	0404
CHRISTIAN	A102		AARON MCNEIL CENTER	200300	1015	0102
CHRISTIAN	A103		PARISH HALL	200300	3006	
CHRISTIAN	A103		PARISH HALL	200300	4001	0103
CHRISTIAN	A103		PARISH HALL	200300	4001	0303
CHRISTIAN	A103		PARISH HALL	200300	4002	
CHRISTIAN	A103		PARISH HALL	200300	4003	
CHRISTIAN	A103		PARISH HALL	200300	4004	
CHRISTIAN	A103		PARISH HALL	200300	4005	
CHRISTIAN	A103		PARISH HALL	200300	4006	
CHRISTIAN	A103		PARISH HALL	200300	4007	
CHRISTIAN	A103		PARISH HALL	200300	4008	
CHRISTIAN	A103		PARISH HALL	200300	4009	
CHRISTIAN	A103		PARISH HALL	200300	4010	
CHRISTIAN	A103		PARISH HALL	200300	4011	
CHRISTIAN	A103		PARISH HALL	200300	4012	
CHRISTIAN	A103		PARISH HALL	200300	4013	
CHRISTIAN	A103		PARISH HALL	200300	4014	
CHRISTIAN	A103		PARISH HALL	200300	4015	
CHRISTIAN	A103		PARISH HALL	200300	4016	
CHRISTIAN	A103		PARISH HALL	200300	4017	

CHRISTIAN	A103	PARISH HALL	200300	4018	
CHRISTIAN	A103	PARISH HALL	200300	4020	0202
CHRISTIAN	A103	PARISH HALL	200300	4021	
CHRISTIAN	A103	PARISH HALL	200300	4026	
CHRISTIAN	A103	PARISH HALL	200300	4050	0102
CHRISTIAN	A103	PARISH HALL	201200	2015	0102
CHRISTIAN	A105	COURTHOUSE II	200300	1002	
CHRISTIAN	A105	COURTHOUSE II	200300	1003	
CHRISTIAN	A105	COURTHOUSE II	200300	1004	0202
CHRISTIAN	A105	COURTHOUSE II	200300	1005	0404
CHRISTIAN	A105	COURTHOUSE II	200300	1006	
CHRISTIAN	A105	COURTHOUSE II	200300	1007	
CHRISTIAN	A105	COURTHOUSE II	200300	1008	
CHRISTIAN	A105	COURTHOUSE II	200300	1011	0102
CHRISTIAN	A105	COURTHOUSE II	200300	1012	
CHRISTIAN	B101	MIDDLE SCHOOL	200300	1005	0104
CHRISTIAN	B101	MIDDLE SCHOOL	200300	1005	0304
CHRISTIAN	B101	MIDDLE SCHOOL	200300	1011	0202
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200300	1004	0102
CHRISTIAN	B102	NORTH DRIVE MIDDLE SCHOOL	200300	1005	0204
CHRISTIAN	B103	NEW PALESTINE BAPT CHURCH			
CHRISTIAN	C105	SINKING FORK SCHOOL			
CHRISTIAN	D104	HERNDON	200500	2016	
CHRISTIAN	D104	HERNDON	200500	2017	
CHRISTIAN	D104	HERNDON	200500	3014	
CHRISTIAN	D104	HERNDON	200500	3015	
CHRISTIAN	D104	HERNDON	200500	3016	
CHRISTIAN	D104	HERNDON	200500	3017	
CHRISTIAN	D104	HERNDON	200600	1021	
CHRISTIAN	D104	HERNDON	200600	1022	
CHRISTIAN	D104	HERNDON	200600	1023	
CHRISTIAN	D104	HERNDON	200600	1024	
CHRISTIAN	D104	HERNDON	200600	1025	
CHRISTIAN	D104	HERNDON	200600	1026	
CHRISTIAN	D104	HERNDON	200600	1027	
CHRISTIAN	D104	HERNDON	200600	1028	
CHRISTIAN	D104	HERNDON	200600	1029	
CHRISTIAN	D104	HERNDON	200600	1030	

<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>200600</i>	<i>1031</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>200600</i>	<i>2023</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>200600</i>	<i>2024</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>200600</i>	<i>2025</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>200900</i>	<i>3015</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>200900</i>	<i>3016</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1000</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1001</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1002</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1003</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1004</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1034</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1035</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1041</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>1044</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2001</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2002</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2003</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2004</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2005</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2006</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2007</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2008</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2011</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2012</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2013</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2026</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2027</i>	
<i>CHRISTIAN</i>	<i>D104</i>	<i>HERNDON</i>	<i>201400</i>	<i>2030</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>D105</i>	<i>LAFAYETTE</i>			
<i>CHRISTIAN</i>	<i>D106</i>	<i>SOUTH UNION BAPT CHURCH</i>	<i>200600</i>	<i>2023</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>D106</i>	<i>SOUTH UNION BAPT CHURCH</i>	<i>200900</i>	<i>3016</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>F101</i>	<i>NORTH PEMBROKE</i>			
<i>CHRISTIAN</i>	<i>F102</i>	<i>SOUTH PEMBROKE</i>			
<i>CHRISTIAN</i>	<i>F103</i>	<i>ST. ELMO</i>			
<i>CHRISTIAN</i>	<i>F104</i>	<i>OAK GROVE</i>			
<i>CHRISTIAN</i>	<i>G101</i>	<i>SOUTHSIDE CHURCH OF CHR</i>	<i>200500</i>	<i>3000</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>G101</i>	<i>SOUTHSIDE CHURCH OF CHR</i>	<i>200500</i>	<i>3001</i>	
<i>CHRISTIAN</i>	<i>G101</i>	<i>SOUTHSIDE CHURCH OF CHR</i>	<i>200500</i>	<i>3002</i>	

CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	3003	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	3004	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	3005	0202
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	3006	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	3007	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	3008	
CHRISTIAN	G101	SOUTHSIDE CHURCH OF CHR	200500	3009	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4022	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4023	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4024	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4025	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4027	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4028	0202
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4029	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4030	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4031	0202
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4032	0202
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4033	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4034	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4035	
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4036	0202
CHRISTIAN	G102	HILLCREST BAPTIST CHURCH	200300	4039	0102
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	2001	0202
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	2002	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	2003	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	2004	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	3000	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	3001	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	3002	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	3003	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	3004	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	4000	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	4001	0203
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	4020	0102
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	4031	0102
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	4032	0102
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	200300	4050	0202
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2013	0102

CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2014	0202
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2015	0202
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2016	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2017	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2018	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2019	0102
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201200	2020	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201300	1003	0202
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201300	1004	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201300	1005	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201300	1006	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201300	1012	
CHRISTIAN	G103	CHRISTIAN COUNTY RD DEPT.	201300	1013	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200300	1000	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200300	1001	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200300	1014	0204
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200300	1015	0202
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200300	1017	0303
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200900	1005	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200900	1006	0102
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200900	1007	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200900	1008	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	200900	1009	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	201200	1030	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	201200	1031	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	201200	1032	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	201200	1035	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	201200	1036	
CHRISTIAN	H101	HICKORY SMOKEHOUSE	201200	1037	
CHRISTIAN	H102	WEST CROFTON			
CHRISTIAN	H103	EAST CROFTON			
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	200300	2000	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	200300	2001	0102
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2001	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2002	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2003	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2004	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2005	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2006	

CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2014	0102
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2019	0202
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2022	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2023	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2024	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2025	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2026	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2027	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2028	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2029	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2035	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2036	
CHRISTIAN	H104	GAIL'S COUNTRY KITCHEN	201200	2037	
CHRISTIAN	X001	X001			

SECTION 10. KRS 5.210 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Tenth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HOPKINS	A103		NORTONVILLE 2	971300	3007	
HOPKINS	A103		NORTONVILLE 2	971300	3014	
HOPKINS	A103		NORTONVILLE 2	971300	3015	
HOPKINS	A103		NORTONVILLE 2	971300	3016	
HOPKINS	A103		NORTONVILLE 2	971300	3017	
HOPKINS	A103		NORTONVILLE 2	971300	3018	
HOPKINS	A103		NORTONVILLE 2	971300	3019	
HOPKINS	A103		NORTONVILLE 2	971300	3020	
HOPKINS	A103		NORTONVILLE 2	971300	3021	
HOPKINS	A103		NORTONVILLE 2	971300	3042	
HOPKINS	A103		NORTONVILLE 2	971300	3043	
HOPKINS	A103		NORTONVILLE 2	971300	3046	
HOPKINS	A103		NORTONVILLE 2	971300	3051	
HOPKINS	A103		NORTONVILLE 2	971300	3052	
HOPKINS	A103		NORTONVILLE 2	971300	3053	
HOPKINS	A103		NORTONVILLE 2	971300	3059	
HOPKINS	A103		NORTONVILLE 2	971300	3060	
HOPKINS	A103		NORTONVILLE 2	971300	3061	
HOPKINS	A103		NORTONVILLE 2	971300	3062	
HOPKINS	A104		NORTONVILLE 2A	971300	3004	0102

<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3005</i>	<i>0102</i>
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3008</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3009</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3010</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3011</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3012</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3013</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3022</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3023</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3024</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3025</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3026</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3027</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3028</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3029</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3030</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3031</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3032</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3033</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3034</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3035</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3036</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3037</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3038</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3039</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3040</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3041</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3044</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3045</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3047</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3048</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3049</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>3050</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4000</i>	<i>0103</i>
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4009</i>	<i>0202</i>
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4010</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4011</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4012</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4013</i>	

<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4014</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4015</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4016</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4017</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4018</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4019</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4020</i>	<i>0202</i>
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4025</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4026</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4027</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4028</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4029</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4030</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4031</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4032</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4033</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4034</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4035</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4036</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4998</i>	
<i>HOPKINS</i>	<i>A104</i>	<i>NORTONVILLE 2A</i>	<i>971300</i>	<i>4999</i>	
<i>HOPKINS</i>	<i>A105</i>	<i>MORTONS GAP 3</i>			
<i>HOPKINS</i>	<i>A106</i>	<i>ST. CHARLES 4</i>			
<i>HOPKINS</i>	<i>B101</i>	<i>EARLINGTON 5</i>			
<i>HOPKINS</i>	<i>B102</i>	<i>EARLINGTON 6</i>			
<i>HOPKINS</i>	<i>B104</i>	<i>MOOSE 31</i>			
<i>HOPKINS</i>	<i>B105</i>	<i>PARK 34</i>			
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1032</i>	<i>0103</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1032</i>	<i>0303</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1033</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1034</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1035</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1036</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1037</i>	<i>0102</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1038</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1039</i>	<i>0102</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1040</i>	<i>0102</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1045</i>	<i>0102</i>

<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1063</i>	<i>0102</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1064</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1067</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1068</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1069</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1070</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1071</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1072</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1073</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1074</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1075</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1076</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1079</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1082</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1083</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970100</i>	<i>1084</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970300</i>	<i>1011</i>	<i>0202</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970300</i>	<i>1014</i>	<i>0202</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970700</i>	<i>1002</i>	<i>0202</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970700</i>	<i>1003</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970700</i>	<i>1004</i>	
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970700</i>	<i>1005</i>	<i>0202</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970700</i>	<i>1006</i>	<i>0202</i>
<i>HOPKINS</i>	<i>C101</i>	<i>HANSON 9A</i>	<i>970700</i>	<i>1007</i>	<i>0202</i>
<i>HOPKINS</i>	<i>C103</i>	<i>JAMES MADISON 19</i>			
<i>HOPKINS</i>	<i>C104</i>	<i>JAMES MADISON 19A</i>			
<i>HOPKINS</i>	<i>C105</i>	<i>PARK 20</i>			
<i>HOPKINS</i>	<i>D101</i>	<i>FAIRGROUNDS 21</i>			
<i>HOPKINS</i>	<i>D102</i>	<i>WEST BROADWAY 22</i>			
<i>HOPKINS</i>	<i>D103</i>	<i>PRIDE 24</i>			
<i>HOPKINS</i>	<i>D104</i>	<i>PRIDE 29</i>			
<i>HOPKINS</i>	<i>D105</i>	<i>STATE HIGHWAY DEPT 33</i>			
<i>HOPKINS</i>	<i>D106</i>	<i>STATE HIGHWAY DEPT 33 A</i>			
<i>HOPKINS</i>	<i>E103</i>	<i>WEST HOPKINS 12</i>			
<i>HOPKINS</i>	<i>E104</i>	<i>WEST BROADWAY 25</i>			
<i>HOPKINS</i>	<i>E105</i>	<i>MANITOU 30</i>			
<i>HOPKINS</i>	<i>F101</i>	<i>EARLINGTON 7</i>			
<i>HOPKINS</i>	<i>F102</i>	<i>DAWSON 13</i>			
<i>HOPKINS</i>	<i>F103</i>	<i>DAWSON 14</i>			

HOPKINS	F104	DAWSON 15
HOPKINS	F105	CHARLESTON 16
HOPKINS	F106	ILSLEY 17
HOPKINS	G101	RICHLAND 18
HOPKINS	G102	PARK 23
HOPKINS	G103	ELKS 26
HOPKINS	G104	ELKS 27
HOPKINS	G105	LEGION 28
HOPKINS	G106	LEGION 28 A
HOPKINS	G107	ELKS 32

SECTION 11. KRS 5.211 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eleventh Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HENDERSON	A107		FRONTIER			
HENDERSON	A108		GRANTWOOD			
HENDERSON	A109		BALMORAL			
HENDERSON	A110		BASKETT			
HENDERSON	A111		SPOTTSVILLE			
HENDERSON	A112		WOLF HILLS			
HENDERSON	A113		PEBBLE CREEK			
HENDERSON	B103		ANTHOSTON			
HENDERSON	B105		NORTH ZION			
HENDERSON	B106		SOAPER			
HENDERSON	B108		HIGHLANDER			
HENDERSON	B110		SOUTH ZION			
HENDERSON	B111		LARUE			
HENDERSON	C102		NORTH CAIRO			
HENDERSON	C103		NORTH CORYDON			
HENDERSON	C105		SMITH MILLS			
HENDERSON	C106		GENEVA			
HENDERSON	C107		WEAVERTON			
HENDERSON	C109		PENNYRILE			
HENDERSON	D101		HARRIS			
HENDERSON	D102		BELLS			
HENDERSON	D103		AUDUBON HEIGHTS			
HENDERSON	D106		KAVANAUGH			
HENDERSON	D108		FAIR			

HENDERSON	E101	YOUNG
HENDERSON	E103	HART
HENDERSON	E105	KIMMEL
HENDERSON	E106	NEWCOMB
HENDERSON	E107	RICHARDSON
HENDERSON	E108	BEND GATE

SECTION 12. KRS 5.212 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twelfth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
DAVISS	B101		SOUTHTOWN	001701	3019	
DAVISS	B101		SOUTHTOWN	001701	4009	
DAVISS	B101		SOUTHTOWN	001701	4010	
DAVISS	B101		SOUTHTOWN	001701	4012	
DAVISS	B103		ROME	001701	4011	
DAVISS	B103		ROME	001701	4013	
DAVISS	B103		ROME	001701	4014	
DAVISS	B103		ROME	001701	4015	
DAVISS	B103		ROME	001703	3004	
DAVISS	B103		ROME	001800	1038	
DAVISS	B103		ROME	001800	1039	
DAVISS	B103		ROME	001800	1040	
DAVISS	B103		ROME	001800	2027	
DAVISS	B103		ROME	001800	2028	
DAVISS	B103		ROME	001800	3000	
DAVISS	B103		ROME	001800	3001	
DAVISS	B103		ROME	001800	3002	
DAVISS	B103		ROME	001800	3003	
DAVISS	B103		ROME	001800	3004	0102
DAVISS	B103		ROME	001800	3019	
DAVISS	B103		ROME	001800	3026	
DAVISS	B103		ROME	001800	3027	
DAVISS	B103		ROME	001800	3028	
DAVISS	B103		ROME	001800	3029	
DAVISS	B103		ROME	001800	3030	
DAVISS	D103		WEST LOUISVILLE			
DAVISS	E101		SNYDER			
DAVISS	E102		PLEASANT RIDGE			
DAVISS	E103		UTICA EAST			

DAVIESS	E104	UTICA WEST			
DAVIESS	F102	MASONVILLE			
DAVIESS	F103	HABIT			
DAVIESS	H101	FIELDS			
HOPKINS	C101	HANSON 9A	970100	1047	0102
HOPKINS	C101	HANSON 9A	970100	1048	0103
HOPKINS	C101	HANSON 9A	970100	1048	0303
HOPKINS	C101	HANSON 9A	970100	1052	0102
HOPKINS	C101	HANSON 9A	970100	1053	
HOPKINS	C101	HANSON 9A	970100	1054	
HOPKINS	C101	HANSON 9A	970100	1055	
HOPKINS	C101	HANSON 9A	970100	1056	
HOPKINS	C101	HANSON 9A	970100	1057	
HOPKINS	C101	HANSON 9A	970100	1058	
HOPKINS	C101	HANSON 9A	970100	1059	
HOPKINS	C101	HANSON 9A	970100	1060	
HOPKINS	C101	HANSON 9A	970100	1061	
HOPKINS	C101	HANSON 9A	970100	1062	0102
HOPKINS	C101	HANSON 9A	970100	1065	
HOPKINS	C101	HANSON 9A	970100	1066	
HOPKINS	C101	HANSON 9A	970100	1085	
HOPKINS	C101	HANSON 9A	970100	2007	0102
HOPKINS	C101	HANSON 9A	970100	2008	0202
HOPKINS	C101	HANSON 9A	970100	2023	
HOPKINS	C101	HANSON 9A	970100	2024	
HOPKINS	C101	HANSON 9A	970100	2025	
HOPKINS	C101	HANSON 9A	970100	2026	
HOPKINS	C101	HANSON 9A	970100	2027	
HOPKINS	C101	HANSON 9A	970100	2032	
HOPKINS	C101	HANSON 9A	970100	2033	
HOPKINS	C101	HANSON 9A	970100	2059	
HOPKINS	C101	HANSON 9A	970100	2060	
HOPKINS	C101	HANSON 9A	970100	2061	
HOPKINS	C101	HANSON 9A	970100	2062	
HOPKINS	C101	HANSON 9A	970100	2063	
HOPKINS	C101	HANSON 9A	970100	2083	
HOPKINS	C101	HANSON 9A	970100	2084	
HOPKINS	C101	HANSON 9A	970100	2086	

HOPKINS	C101	HANSON 9A	970100	2087
HOPKINS	C101	HANSON 9A	970100	2088
HOPKINS	C101	HANSON 9A	970100	2089
HOPKINS	C101	HANSON 9A	970300	1003
HOPKINS	C101	HANSON 9A	970300	1004
HOPKINS	C101	HANSON 9A	970300	1005
HOPKINS	C101	HANSON 9A	970300	1012
HOPKINS	C101	HANSON 9A	970300	1013
HOPKINS	C101	HANSON 9A	970300	1068
HOPKINS	C102	ASHBYBURG 10		
HOPKINS	E101	HANSON 9		
HOPKINS	E102	NEBO 11		
MCLEAN				
WEBSTER				

SECTION 13. KRS 5.213 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirteenth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
DAVISS	A101		OWENSBORO #1	000200	1001	0102
DAVISS	A101		OWENSBORO #1	000200	1009	
DAVISS	A101		OWENSBORO #1	000200	1010	
DAVISS	A101		OWENSBORO #1	000200	1011	
DAVISS	A101		OWENSBORO #1	000200	1012	
DAVISS	A101		OWENSBORO #1	000200	1013	
DAVISS	A101		OWENSBORO #1	000200	1999	0102
DAVISS	A101		OWENSBORO #1	001300	1005	
DAVISS	A101		OWENSBORO #1	001300	1006	
DAVISS	A101		OWENSBORO #1	001300	1008	
DAVISS	A101		OWENSBORO #1	001300	1009	0202
DAVISS	A101		OWENSBORO #1	001300	1010	
DAVISS	A101		OWENSBORO #1	001300	1011	
DAVISS	A101		OWENSBORO #1	001300	1012	
DAVISS	A101		OWENSBORO #1	001300	1013	
DAVISS	A101		OWENSBORO #1	001300	1014	
DAVISS	A101		OWENSBORO #1	001300	1015	
DAVISS	A101		OWENSBORO #1	001300	1016	
DAVISS	A101		OWENSBORO #1	001300	1023	
DAVISS	A101		OWENSBORO #1	001300	1027	
DAVISS	A101		OWENSBORO #1	001300	1028	

<i>DAVISS</i>	<i>A102</i>	<i>OWENSBORO #2</i>
<i>DAVISS</i>	<i>A103</i>	<i>OWENSBORO #3</i>
<i>DAVISS</i>	<i>A105</i>	<i>OWENSBORO #5</i>
<i>DAVISS</i>	<i>A106</i>	<i>OWENSBORO #6</i>
<i>DAVISS</i>	<i>A107</i>	<i>OWENSBORO #7</i>
<i>DAVISS</i>	<i>A108</i>	<i>OWENSBORO #8</i>
<i>DAVISS</i>	<i>A109</i>	<i>OWENSBORO #9</i>
<i>DAVISS</i>	<i>A111</i>	<i>OWENSBORO #11</i>
<i>DAVISS</i>	<i>A113</i>	<i>OWENSBORO #13</i>
<i>DAVISS</i>	<i>A114</i>	<i>OWENSBORO #14</i>
<i>DAVISS</i>	<i>A116</i>	<i>OWENSBORO #16</i>
<i>DAVISS</i>	<i>A118</i>	<i>OWENSBORO #18</i>
<i>DAVISS</i>	<i>A119</i>	<i>OWENSBORO #19</i>
<i>DAVISS</i>	<i>A120</i>	<i>OWENSBORO #20</i>
<i>DAVISS</i>	<i>A121</i>	<i>OWENSBORO #21</i>
<i>DAVISS</i>	<i>A122</i>	<i>OWENSBORO #22</i>
<i>DAVISS</i>	<i>A123</i>	<i>OWENSBORO #23</i>
<i>DAVISS</i>	<i>A124</i>	<i>OWENSBORO #24</i>
<i>DAVISS</i>	<i>A125</i>	<i>OWENSBORO #25</i>
<i>DAVISS</i>	<i>A126</i>	<i>OWENSBORO #26</i>
<i>DAVISS</i>	<i>A127</i>	<i>OWENSBORO #27</i>
<i>DAVISS</i>	<i>A128</i>	<i>OWENSBORO #28</i>
<i>DAVISS</i>	<i>A129</i>	<i>OWENSBORO #29</i>
<i>DAVISS</i>	<i>A130</i>	<i>OWENSBORO #30</i>
<i>DAVISS</i>	<i>A131</i>	<i>OWENSBORO #31</i>
<i>DAVISS</i>	<i>A132</i>	<i>OWENSBORO #32</i>
<i>DAVISS</i>	<i>A133</i>	<i>OWENSBORO #33</i>
<i>DAVISS</i>	<i>A134</i>	<i>OWENSBORO #34</i>
<i>DAVISS</i>	<i>A135</i>	<i>OWENSBORO #35</i>
<i>DAVISS</i>	<i>A136</i>	<i>OWENSBORO #36</i>
<i>DAVISS</i>	<i>A137</i>	<i>OWENSBORO #37</i>
<i>DAVISS</i>	<i>A139</i>	<i>OWENSBORO #39</i>
<i>DAVISS</i>	<i>A140</i>	<i>OWENSBORO #40</i>
<i>DAVISS</i>	<i>A141</i>	<i>OWENSBORO #41</i>
<i>DAVISS</i>	<i>A144</i>	<i>OWENSBORO #44</i>
<i>DAVISS</i>	<i>A145</i>	<i>OWENSBORO #45</i>
<i>DAVISS</i>	<i>A148</i>	<i>OWENSBORO #48</i>
<i>DAVISS</i>	<i>H106</i>	<i>RIVERVIEW</i>

SECTION 14. KRS 5.214 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourteenth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>DAVISS</i>	<i>A115</i>		<i>OWENSBORO #15</i>			
<i>DAVISS</i>	<i>A146</i>		<i>OWENSBORO #46</i>			
<i>DAVISS</i>	<i>F101</i>		<i>WHITESVILLE SOUTH</i>			
<i>DAVISS</i>	<i>F104</i>		<i>WHITESVILLE NORTH</i>			
<i>DAVISS</i>	<i>G101</i>		<i>KNOTTSVILLE SOUTH</i>			
<i>DAVISS</i>	<i>H102</i>		<i>NORTH SEVEN HILLS</i>			
<i>DAVISS</i>	<i>H103</i>		<i>PHILPOT WEST</i>			
<i>DAVISS</i>	<i>H104</i>		<i>LOCKHART</i>			
<i>DAVISS</i>	<i>H105</i>		<i>TOLLGATE</i>			
<i>DAVISS</i>	<i>H107</i>		<i>ENSOR</i>			
<i>DAVISS</i>	<i>H108</i>		<i>SOUTH SEVEN HILLS</i>			
<i>DAVISS</i>	<i>H109</i>		<i>THOROBRED EAST</i>			
<i>DAVISS</i>	<i>H110</i>		<i>PHILPOT EAST</i>			
<i>DAVISS</i>	<i>H111</i>		<i>GRAHAM</i>			
<i>DAVISS</i>	<i>H112</i>		<i>PLEASANT VALLEY</i>			
<i>DAVISS</i>	<i>H113</i>		<i>WINDRIDGE</i>			
<i>DAVISS</i>	<i>H114</i>		<i>THOROBRED WEST</i>			

OHIO

SECTION 15. KRS 5.215 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifteenth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>200900</i>	<i>1000</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>200900</i>	<i>1001</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>200900</i>	<i>1002</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>200900</i>	<i>1003</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>200900</i>	<i>1004</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>200900</i>	<i>1019</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1070</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1072</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1073</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1074</i>	
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1075</i>	<i>0303</i>
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1076</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H101</i>		<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1080</i>	<i>0202</i>

<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201100</i>	<i>1081</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1022</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1023</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1024</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1025</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1026</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1027</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1028</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1029</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1033</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1034</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1038</i>	
<i>CHRISTIAN</i>	<i>H101</i>	<i>HICKORY SMOKEHOUSE</i>	<i>201200</i>	<i>1997</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1001</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1002</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1009</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1010</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1013</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1014</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1015</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1016</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1017</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1018</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1019</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1020</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1021</i>	<i>0102</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1039</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1040</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>1998</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2000</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2007</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2008</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2009</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2010</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2011</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2012</i>	
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2013</i>	<i>0202</i>
<i>CHRISTIAN</i>	<i>H104</i>	<i>GAIL'S COUNTRY KITCHEN</i>	<i>201200</i>	<i>2999</i>	

CHRISTIAN	H105	LACY SCHOOL			
CHRISTIAN	H106	FRUIT HILL BAPTIST CHURCH			
HOPKINS	A101	WHITE PLAINS 1			
HOPKINS	A102	WHITE PLAINS 1A			
HOPKINS	A103	NORTONVILLE 2	971300	2005	
HOPKINS	A103	NORTONVILLE 2	971300	2006	0202
HOPKINS	A103	NORTONVILLE 2	971300	2007	
HOPKINS	A103	NORTONVILLE 2	971300	2008	
HOPKINS	A103	NORTONVILLE 2	971300	2009	
HOPKINS	A103	NORTONVILLE 2	971300	2026	0202
HOPKINS	A103	NORTONVILLE 2	971300	2029	
HOPKINS	A103	NORTONVILLE 2	971300	2030	
HOPKINS	A103	NORTONVILLE 2	971300	2031	0202
HOPKINS	A103	NORTONVILLE 2	971300	2032	
HOPKINS	A103	NORTONVILLE 2	971300	2033	
HOPKINS	A103	NORTONVILLE 2	971300	2034	0202
HOPKINS	A103	NORTONVILLE 2	971300	2035	
HOPKINS	A103	NORTONVILLE 2	971300	2036	0102
HOPKINS	A103	NORTONVILLE 2	971300	2049	0102
HOPKINS	A103	NORTONVILLE 2	971300	2050	0102
HOPKINS	A103	NORTONVILLE 2	971300	3000	0102
HOPKINS	A103	NORTONVILLE 2	971300	3006	
HOPKINS	A103	NORTONVILLE 2	971300	3054	
HOPKINS	A103	NORTONVILLE 2	971300	3055	
HOPKINS	A103	NORTONVILLE 2	971300	3056	
HOPKINS	A103	NORTONVILLE 2	971300	3057	
HOPKINS	A103	NORTONVILLE 2	971300	3058	
HOPKINS	A103	NORTONVILLE 2	971300	3063	
HOPKINS	A103	NORTONVILLE 2	971300	3064	
HOPKINS	A103	NORTONVILLE 2	971300	4041	
HOPKINS	A103	NORTONVILLE 2	971300	4042	
HOPKINS	A103	NORTONVILLE 2	971300	4043	
HOPKINS	A103	NORTONVILLE 2	971300	4044	
HOPKINS	A103	NORTONVILLE 2	971300	4045	
HOPKINS	A103	NORTONVILLE 2	971300	4046	
HOPKINS	A103	NORTONVILLE 2	971300	4047	
HOPKINS	A104	NORTONVILLE 2A	971300	4023	0202
HOPKINS	A104	NORTONVILLE 2A	971300	4024	
HOPKINS	A104	NORTONVILLE 2A	971300	4037	

HOPKINS	A104	NORTONVILLE 2A	971300	4038	
HOPKINS	A104	NORTONVILLE 2A	971300	4039	0202
HOPKINS	A104	NORTONVILLE 2A	971300	4040	0102
HOPKINS	A104	NORTONVILLE 2A	971300	4048	
HOPKINS	B103	ANTON 8			
MUHLENBERG					

SECTION 16. KRS 5.216 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixteenth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
LOGAN						
TODD						

SECTION 17. KRS 5.217 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventeenth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BUTLER						
GRAYSON						
HARDIN	C101		EASTVIEW			
HARDIN	C102		STEPHENSBURG			
HARDIN	C103		MEETING CREEK			
HARDIN	C104		WHITE MILLS			

SECTION 18. KRS 5.218 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighteenth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BRECKINRIDGE						
BULLITT	D101		LEBANON JUNCTION #14			
BULLITT	D102		LEBANON JUNCTION #15			
BULLITT	D103		BERNHEIM #16	021100	1022	0202
BULLITT	D103		BERNHEIM #16	021100	1026	0102
BULLITT	D103		BERNHEIM #16	021100	1027	0102
BULLITT	D103		BERNHEIM #16	021100	1028	
BULLITT	D103		BERNHEIM #16	021100	1029	
BULLITT	D103		BERNHEIM #16	021100	1030	
BULLITT	D103		BERNHEIM #16	021100	1070	
BULLITT	D103		BERNHEIM #16	021100	1071	
BULLITT	D103		BERNHEIM #16	021100	1072	

<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1073</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1074</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1075</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1076</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1077</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1082</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1083</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1084</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1085</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1086</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1087</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1088</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1089</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1090</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1992</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3000</i>	<i>0102</i>
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3009</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3010</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3011</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3012</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3013</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3014</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3015</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3016</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3017</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3018</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3019</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3020</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3021</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3022</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3023</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3024</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3025</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3026</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3027</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>3998</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>2046</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>2048</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>2058</i>	

<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3000</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3001</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3002</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3003</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3004</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3005</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3006</i>	<i>0203</i>
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3007</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3008</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3009</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3010</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3011</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3012</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3013</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3014</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3015</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3016</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3017</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3018</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3019</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3020</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3021</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3022</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3023</i>	<i>0202</i>
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3024</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3025</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3027</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3062</i>	<i>0102</i>
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3063</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3064</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3065</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3066</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>3067</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1024</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1025</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1026</i>	<i>0202</i>
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1027</i>	<i>0202</i>
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>2005</i>	

BULLITT	D105	CEDAR GROVE #18	021100	2006	
BULLITT	D105	CEDAR GROVE #18	021100	2022	
BULLITT	D105	CEDAR GROVE #18	021100	2023	
BULLITT	D105	CEDAR GROVE #18	021100	2025	
BULLITT	D105	CEDAR GROVE #18	021100	2026	
BULLITT	D105	CEDAR GROVE #18	021100	2027	
BULLITT	D105	CEDAR GROVE #18	021100	2028	
BULLITT	D105	CEDAR GROVE #18	021100	2029	
BULLITT	D105	CEDAR GROVE #18	021100	3000	0202
BULLITT	D105	CEDAR GROVE #18	021100	3001	
BULLITT	D105	CEDAR GROVE #18	021100	3002	
BULLITT	D105	CEDAR GROVE #18	021100	3003	
BULLITT	D105	CEDAR GROVE #18	021100	3004	
BULLITT	D105	CEDAR GROVE #18	021100	3005	
BULLITT	D105	CEDAR GROVE #18	021100	3006	
BULLITT	D105	CEDAR GROVE #18	021100	3007	
BULLITT	D105	CEDAR GROVE #18	021100	3008	
BULLITT	D105	CEDAR GROVE #18	021100	3028	
BULLITT	D105	CEDAR GROVE #18	021100	3029	
BULLITT	D105	CEDAR GROVE #18	021100	3030	
BULLITT	D105	CEDAR GROVE #18	021100	3031	
BULLITT	D105	CEDAR GROVE #18	021100	3032	
BULLITT	D105	CEDAR GROVE #18	021100	3033	
BULLITT	D105	CEDAR GROVE #18	021100	3034	
BULLITT	D105	CEDAR GROVE #18	021100	3035	
BULLITT	D105	CEDAR GROVE #18	021100	3036	
BULLITT	D105	CEDAR GROVE #18	021100	3999	
BULLITT	D107	CEDAR GROVE #18A			
BULLITT	X001	X001	021200	1000	0202
BULLITT	X001	X001	021200	1003	0102
BULLITT	X001	X001	021200	1003	0202
BULLITT	X001	X001	021200	1998	
BULLITT	X001	X001	021200	2062	0102
DAVIESS	G102	MACEO			
DAVIESS	G103	YELVINGTON SOUTH			
DAVIESS	G104	KNOTTSVILLE NORTH			
DAVIESS	G105	YELVINGTON NORTH			
HANCOCK					
HARDIN	C106	HOWEVALLY	001700	1004	

<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1005</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1007</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1008</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1009</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1010</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1011</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1012</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1013</i>	
<i>HARDIN</i>	<i>E104</i>	<i>YATES</i>			
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1002</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1003</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1004</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1005</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1006</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1007</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1000</i>	<i>0202</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1026</i>	<i>0102</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1060</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1071</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1072</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1073</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1086</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1087</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1089</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1095</i>	<i>0102</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1000</i>	
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1001</i>	
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1002</i>	<i>0202</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1003</i>	

SECTION 19. KRS 5.219 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Nineteenth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>EDMONSON</i>						
<i>HART</i>						
<i>LARUE</i>						

SECTION 20. KRS 5.220 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twentieth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
WARREN	A101		WHAYNE SUPPLY			
WARREN	A102		BROADWAY			
WARREN	A103		MUNICIPAL PARK			
WARREN	A104		POTTER GRAY			
WARREN	A107		BRIARWOOD			
WARREN	A108		SHIVE KIEL			
WARREN	A109		GREENWOOD			
WARREN	A110		EASTWOOD			
WARREN	A111		AIRPORT			
WARREN	B101		B.G. TOWERS			
WARREN	B102		11TH ST. FIRE STA.			
WARREN	B103		HILLVIEW			
WARREN	B104		CHURCH ST.			
WARREN	C101		CARVER HARRIS I			
WARREN	C102		CARVER HARRIS II			
WARREN	C103		T C CHERRY SCHOOL			
WARREN	C104		MCNEIL			
WARREN	C105		CABELL			
WARREN	C106		CRESTMoor	010900	4004	0202
WARREN	C106		CRESTMoor	010900	4007	
WARREN	C106		CRESTMoor	010900	4008	
WARREN	C106		CRESTMoor	010900	4009	
WARREN	C106		CRESTMoor	010900	4010	
WARREN	C106		CRESTMoor	010900	4011	
WARREN	C106		CRESTMoor	010900	4012	
WARREN	C106		CRESTMoor	010900	5003	0202
WARREN	C106		CRESTMoor	010900	5004	
WARREN	C106		CRESTMoor	010900	5005	
WARREN	C106		CRESTMoor	010900	5006	
WARREN	C106		CRESTMoor	010900	5007	
WARREN	C106		CRESTMoor	010900	5008	
WARREN	C106		CRESTMoor	010900	5009	
WARREN	C106		CRESTMoor	010900	5010	
WARREN	C106		CRESTMoor	010900	5013	
WARREN	C106		CRESTMoor	010900	5014	
WARREN	C106		CRESTMoor	010900	5015	
WARREN	C106		CRESTMoor	010900	5016	

WARREN	C106	CRESTMoor	011000	4012	0103
WARREN	C106	CRESTMoor	011000	5000	
WARREN	C106	CRESTMoor	011000	5001	
WARREN	C106	CRESTMoor	011000	5002	
WARREN	C106	CRESTMoor	011000	5003	
WARREN	C106	CRESTMoor	011000	5004	
WARREN	C106	CRESTMoor	011000	5005	
WARREN	C106	CRESTMoor	011000	5006	
WARREN	C106	CRESTMoor	011000	5007	
WARREN	C106	CRESTMoor	011000	5008	
WARREN	C106	CRESTMoor	011000	5009	
WARREN	C106	CRESTMoor	011000	5010	
WARREN	C106	CRESTMoor	011000	5011	
WARREN	C106	CRESTMoor	011000	5012	0202
WARREN	C106	CRESTMoor	011000	5013	
WARREN	C106	CRESTMoor	011000	5014	
WARREN	C108	WATTS MILL II	010700	2008	0202
WARREN	C108	WATTS MILL II	010700	2010	
WARREN	C108	WATTS MILL II	010700	2017	
WARREN	C108	WATTS MILL II	010700	2018	
WARREN	C108	WATTS MILL II	010700	2019	0204
WARREN	C108	WATTS MILL II	010700	2019	0304
WARREN	C108	WATTS MILL II	010700	2019	0404
WARREN	C108	WATTS MILL II	010700	2020	0202
WARREN	C108	WATTS MILL II	010700	2021	
WARREN	C108	WATTS MILL II	010700	2022	
WARREN	C108	WATTS MILL II	010700	2023	
WARREN	C108	WATTS MILL II	010700	2024	
WARREN	C108	WATTS MILL II	010700	2025	
WARREN	C108	WATTS MILL II	010700	2026	
WARREN	C108	WATTS MILL II	010700	2027	0202
WARREN	C108	WATTS MILL II	010700	2028	
WARREN	C108	WATTS MILL II	010700	2029	
WARREN	C108	WATTS MILL II	010700	2030	
WARREN	C108	WATTS MILL II	010700	2031	
WARREN	C108	WATTS MILL II	010700	2032	
WARREN	C108	WATTS MILL II	010700	2033	
WARREN	C108	WATTS MILL II	010800	1025	0102

WARREN	C108	WATTS MILL II	010800	2003
WARREN	C108	WATTS MILL II	010800	2004
WARREN	C108	WATTS MILL II	010800	2005
WARREN	D108	MT. VICTOR I		
WARREN	D112	RIVERVIEW		
WARREN	E110	MILLERS I		
WARREN	F109	MT. VICTOR II		

SECTION 21. KRS 5.221 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-first Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
WARREN	B105		DELAFIELD			
WARREN	B106		REELS			
WARREN	B107		GREENMEADOWS			
WARREN	B108		OCTAGON CASTLE			
WARREN	B109		MILLERS II			
WARREN	C106		CRESTMoor	011100	1010	0202
WARREN	C106		CRESTMoor	011100	1011	0102
WARREN	C106		CRESTMoor	011100	1012	0102
WARREN	C106		CRESTMoor	011100	1013	
WARREN	C106		CRESTMoor	011100	1014	
WARREN	C106		CRESTMoor	011100	1015	
WARREN	C106		CRESTMoor	011100	1016	0104
WARREN	C106		CRESTMoor	011100	1016	0304
WARREN	C106		CRESTMoor	011100	1016	0404
WARREN	C106		CRESTMoor	011100	1026	
WARREN	C106		CRESTMoor	011100	2004	0103
WARREN	C107		HUNTING CREEK			
WARREN	C108		WATTS MILL II	010700	2011	
WARREN	C108		WATTS MILL II	010700	2013	
WARREN	C108		WATTS MILL II	010700	2014	
WARREN	C108		WATTS MILL II	010700	2015	
WARREN	C108		WATTS MILL II	010700	2016	0202
WARREN	C108		WATTS MILL II	010700	2034	
WARREN	C108		WATTS MILL II	010700	2035	
WARREN	C108		WATTS MILL II	010700	2037	0202
WARREN	C108		WATTS MILL II	010700	2038	0202
WARREN	C108		WATTS MILL II	010700	2039	
WARREN	C108		WATTS MILL II	010700	3000	0303

WARREN	C108	WATTS MILL II	010700	3005	0102
WARREN	C108	WATTS MILL II	010700	3007	0202
WARREN	C108	WATTS MILL II	010700	3008	0202
WARREN	D101	SMITHS GROVE			
WARREN	D102	PLUM SPRINGS I			
WARREN	D103	HYDRO	011500	3001	
WARREN	D103	HYDRO	011500	3002	
WARREN	D103	HYDRO	011600	3015	0103
WARREN	D103	HYDRO	011600	3019	0202
WARREN	D103	HYDRO	011600	3023	0102
WARREN	D103	HYDRO	011600	3026	
WARREN	D103	HYDRO	011600	3027	
WARREN	D103	HYDRO	011600	3028	
WARREN	D103	HYDRO	011600	4006	0102
WARREN	D103	HYDRO	011600	4009	0303
WARREN	D103	HYDRO	011600	4010	0202
WARREN	D103	HYDRO	011600	4012	0102
WARREN	D103	HYDRO	011600	4013	0102
WARREN	D103	HYDRO	011600	4014	
WARREN	D103	HYDRO	011600	4015	
WARREN	D103	HYDRO	011600	4016	
WARREN	D103	HYDRO	011600	4017	
WARREN	D103	HYDRO	011600	4018	
WARREN	D103	HYDRO	011600	4019	
WARREN	D103	HYDRO	011600	4020	
WARREN	D103	HYDRO	011600	4021	
WARREN	D103	HYDRO	011600	4022	
WARREN	D103	HYDRO	011600	5021	0102
WARREN	D103	HYDRO	011600	5022	
WARREN	D103	HYDRO	011600	5023	0102
WARREN	D103	HYDRO	011600	5025	0102
WARREN	D103	HYDRO	011600	5026	0103
WARREN	D103	HYDRO	011600	5026	0203
WARREN	D103	HYDRO	011600	5033	
WARREN	D103	HYDRO	011600	5042	
WARREN	D104	OAKLAND			
WARREN	D105	COLLET			
WARREN	D106	WARREN EAST MIDDLE SCH			

WARREN	D111	NORTHGATE			
WARREN	E101	BLUE LEVEL			
WARREN	E102	SANDHILL			
WARREN	E103	RICHARDSVILLE			
WARREN	E104	DAVENPORT			
WARREN	E105	RIVERSIDE			
WARREN	E106	BROWNING			
WARREN	E107	CEDAR GROVE			
WARREN	E108	HADLEY			
WARREN	E109	PLUM SPRINGS II			
WARREN	F101	WOODBURN			
WARREN	F104	ROCKFIELD			
WARREN	F105	RICHPOND			
WARREN	F106	WATTS MILL I	010700	2016	0102
WARREN	F106	WATTS MILL I	010700	2036	
WARREN	F106	WATTS MILL I	010700	2037	0102
WARREN	F106	WATTS MILL I	010700	2038	0102
WARREN	F106	WATTS MILL I	010700	3000	0103
WARREN	F106	WATTS MILL I	010700	3001	
WARREN	F106	WATTS MILL I	010700	3002	
WARREN	F106	WATTS MILL I	010700	3003	
WARREN	F106	WATTS MILL I	010700	3004	
WARREN	F106	WATTS MILL I	010700	3005	0202
WARREN	F106	WATTS MILL I	010700	3006	
WARREN	F106	WATTS MILL I	010700	3007	0102
WARREN	F106	WATTS MILL I	010700	3008	0102
WARREN	F106	WATTS MILL I	010700	3009	
WARREN	F106	WATTS MILL I	010700	3010	
WARREN	F106	WATTS MILL I	010700	3020	
WARREN	F106	WATTS MILL I	010800	2020	
WARREN	F106	WATTS MILL I	010800	3001	
WARREN	F106	WATTS MILL I	010800	3002	
WARREN	F106	WATTS MILL I	010800	3003	
WARREN	F106	WATTS MILL I	010800	3004	
WARREN	F106	WATTS MILL I	010800	3005	0103
WARREN	F106	WATTS MILL I	010800	3005	0303
WARREN	F106	WATTS MILL I	010800	3021	
WARREN	F106	WATTS MILL I	010800	3022	
WARREN	F106	WATTS MILL I	010800	3023	

WARREN	F106	WATTS MILL I	010800	3024	
WARREN	F106	WATTS MILL I	011900	2001	0202
WARREN	F106	WATTS MILL I	011900	2002	0102
WARREN	F107	MOTLEY 22			
WARREN	F110	MOTLEY 21			
WARREN	F111	MOTLEY 23			

SECTION 22. KRS 5.222 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-second Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ALLEN						
SIMPSON						
WARREN	F102		PLANO			
WARREN	F103		DRAKE			
WARREN	F106		WATTS MILL I	010700	3011	0203
WARREN	F106		WATTS MILL I	010700	3013	0202
WARREN	F106		WATTS MILL I	010700	3014	
WARREN	F106		WATTS MILL I	010700	3015	
WARREN	F106		WATTS MILL I	010700	3016	
WARREN	F106		WATTS MILL I	010700	3017	
WARREN	F106		WATTS MILL I	010700	3018	
WARREN	F106		WATTS MILL I	010700	3019	
WARREN	F106		WATTS MILL I	010700	3021	
WARREN	F106		WATTS MILL I	010700	3022	0102
WARREN	F106		WATTS MILL I	010800	3000	0202
WARREN	F106		WATTS MILL I	010800	4022	0103
WARREN	F106		WATTS MILL I	010800	4023	
WARREN	F108		ALVATON			

SECTION 23. KRS 5.223 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-third Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BARREN						
WARREN	D103		HYDRO	011600	5027	
WARREN	D103		HYDRO	011600	5031	
WARREN	D103		HYDRO	011600	5032	
WARREN	D103		HYDRO	011600	5034	
WARREN	D103		HYDRO	011600	5035	

WARREN	D103	HYDRO	011600	5036
WARREN	D103	HYDRO	011600	5037
WARREN	D103	HYDRO	011600	5038
WARREN	D103	HYDRO	011600	5039
WARREN	D103	HYDRO	011600	5040
WARREN	D103	HYDRO	011600	5041
WARREN	D103	HYDRO	011600	5043
WARREN	D103	HYDRO	011600	5044
WARREN	D103	HYDRO	011600	5045
WARREN	D103	HYDRO	011600	5046

SECTION 24. KRS 5.224 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fourth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CASEY						
MARION						
PULASKI	A105		FALL BRANCH # 18			
PULASKI	B103		ANSEL # 21			
PULASKI	B106		BUMCOMBE # 24			
PULASKI	B109		MT ZION # 47			
PULASKI	C103		EUBANK #25			

SECTION 25. KRS 5.225 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fifth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HARDIN	A101		VALLEY CREEK			
HARDIN	A102		E-TOWN EAST			
HARDIN	A103		E-TOWN WEST			
HARDIN	A104		ETOWN NORTH			
HARDIN	A106		CHELF			
HARDIN	A107		CENTRAL			
HARDIN	B101		GLENDALE			
HARDIN	B102		SONORA			
HARDIN	B103		SOUTH DIXIE			
HARDIN	B104		UPTON			
HARDIN	B105		VANMETER			
HARDIN	B106		MEMORIAL			
HARDIN	B107		COUNTRY CLUB			
HARDIN	C105		CECILIA			

<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1000</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1001</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1002</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1003</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1014</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1015</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1016</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1017</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1018</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1019</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1020</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1021</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1022</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1023</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1024</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1025</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1026</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1027</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1028</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1029</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1030</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1031</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1032</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1033</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1040</i>	<i>0102</i>
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1041</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>1042</i>	<i>0102</i>
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>2000</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>2001</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>2002</i>	<i>0202</i>
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>2003</i>	<i>0202</i>
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>2014</i>	<i>0202</i>
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>2015</i>	<i>0202</i>
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>3003</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>3004</i>	
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>5007</i>	<i>0102</i>
<i>HARDIN</i>	<i>C106</i>	<i>HOWEVALLY</i>	<i>001700</i>	<i>5008</i>	<i>0202</i>
<i>HARDIN</i>	<i>C107</i>	<i>ST.JOHN</i>			

HARDIN	C108	HELMWOOD HEIGHTS			
HARDIN	C109	FLINT HILL			
HARDIN	D101	HELM			
HARDIN	D102	RINEYVILLE NORTH	000901	2002	
HARDIN	D102	RINEYVILLE NORTH	000901	2003	
HARDIN	D102	RINEYVILLE NORTH	000901	2005	
HARDIN	D102	RINEYVILLE NORTH	000901	3004	
HARDIN	D102	RINEYVILLE NORTH	000901	3005	
HARDIN	D102	RINEYVILLE NORTH	000901	3006	
HARDIN	D102	RINEYVILLE NORTH	000901	3007	
HARDIN	D102	RINEYVILLE NORTH	000901	3008	
HARDIN	D102	RINEYVILLE NORTH	000901	3009	
HARDIN	D102	RINEYVILLE NORTH	000901	3010	
HARDIN	D102	RINEYVILLE NORTH	000901	3011	
HARDIN	D102	RINEYVILLE NORTH	000901	3012	
HARDIN	D102	RINEYVILLE NORTH	000901	3013	
HARDIN	D102	RINEYVILLE NORTH	000901	3014	
HARDIN	D102	RINEYVILLE NORTH	000901	3015	
HARDIN	D102	RINEYVILLE NORTH	000901	3016	
HARDIN	D102	RINEYVILLE NORTH	000901	3017	
HARDIN	D102	RINEYVILLE NORTH	000901	3018	
HARDIN	D102	RINEYVILLE NORTH	000901	3019	
HARDIN	D102	RINEYVILLE NORTH	000901	3020	
HARDIN	D102	RINEYVILLE NORTH	000901	3032	
HARDIN	D102	RINEYVILLE NORTH	000901	3033	
HARDIN	D102	RINEYVILLE NORTH	000901	3034	0102
HARDIN	D102	RINEYVILLE NORTH	000901	3035	
HARDIN	D102	RINEYVILLE NORTH	000901	3037	0202
HARDIN	D103	RINEYVILLE SOUTH			
HARDIN	D104	FREEMAN			
HARDIN	D106	OAKLAWN	001200	2000	0202
HARDIN	D106	OAKLAWN	001200	2001	
HARDIN	D106	OAKLAWN	001200	2002	
HARDIN	D106	OAKLAWN	001200	2003	
HARDIN	H103	CITY PARK			
HARDIN	H104	MANTLE			
HARDIN	H105	HIGHLANDS			
HARDIN	H108	LINCOLN TRAIL SOUTH			
HARDIN	H109	LINCOLN TRAIL NORTH			

SECTION 26. KRS 5.226 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-sixth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>HARDIN</i>	<i>D102</i>	<i>RINEYVILLE NORTH</i>	<i>000901</i>	<i>2000</i>	<i>0202</i>
<i>HARDIN</i>	<i>D102</i>	<i>RINEYVILLE NORTH</i>	<i>000901</i>	<i>2001</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001001</i>	<i>1029</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001001</i>	<i>1030</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1000</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1001</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1002</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1003</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1004</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1017</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1018</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1019</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1020</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1021</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1022</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1023</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1024</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1047</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1048</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1049</i>	
<i>HARDIN</i>	<i>D106</i>	<i>OAKLAWN</i>	<i>001200</i>	<i>1050</i>	
<i>HARDIN</i>	<i>D107</i>	<i>PINE VALLEY</i>			
<i>HARDIN</i>	<i>E101</i>	<i>VINE GROVE WEST</i>			
<i>HARDIN</i>	<i>E102</i>	<i>VINE GROVE EAST</i>			
<i>HARDIN</i>	<i>E103</i>	<i>RADCLIFF S.W.</i>			
<i>HARDIN</i>	<i>E106</i>	<i>VINE GROVE SOUTH</i>			
<i>HARDIN</i>	<i>E107</i>	<i>PARKWAY</i>			
<i>HARDIN</i>	<i>F101</i>	<i>RADCLIFF NORTH</i>			
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>1017</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>1018</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>1024</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>1025</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>1029</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>1030</i>	

<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>2000</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>2003</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000300</i>	<i>3000</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1001</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1008</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1009</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1010</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1011</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1012</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1013</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1014</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1016</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1017</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1018</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>1019</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>2001</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>2008</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>2009</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>2010</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>2011</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>2012</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>3004</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>3005</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>3006</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>3007</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>3008</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>3009</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>3010</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>4009</i>	
<i>HARDIN</i>	<i>F102</i>	<i>RADCLIFF WEST</i>	<i>000400</i>	<i>4012</i>	
<i>HARDIN</i>	<i>F103</i>	<i>RADCLIFF N.W.</i>			
<i>HARDIN</i>	<i>F104</i>	<i>RADCLIFF EAST</i>			
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1000</i>	<i>0102</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1026</i>	<i>0202</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1074</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1075</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1076</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1077</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1078</i>	

<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1079</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1080</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1081</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1082</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1083</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1084</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1085</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1090</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1091</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1092</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1093</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1095</i>	<i>0202</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1096</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1097</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1098</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1099</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1100</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1101</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1102</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1103</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1104</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1105</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1106</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1107</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1108</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1109</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1110</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1998</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1999</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000400</i>	<i>1000</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000400</i>	<i>1015</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000600</i>	<i>2011</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>001001</i>	<i>2007</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>001001</i>	<i>3009</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>001001</i>	<i>3026</i>	
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1008</i>	
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1009</i>	
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1010</i>	

<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1011</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1012</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1013</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1014</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1015</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1016</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1019</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1020</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000300</i>	<i>1021</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000400</i>	<i>2002</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000400</i>	<i>2003</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000400</i>	<i>2004</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000400</i>	<i>2005</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000400</i>	<i>2006</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000400</i>	<i>2007</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000800</i>	<i>1000</i>
<i>HARDIN</i>	<i>F106</i>	<i>RED HILL</i>	<i>000800</i>	<i>2000</i>
<i>HARDIN</i>	<i>G101</i>	<i>RADCLIFF SOUTH</i>		
<i>HARDIN</i>	<i>G102</i>	<i>RADCLIFF S.E.</i>		
<i>HARDIN</i>	<i>G103</i>	<i>LONGVIEW</i>		
<i>HARDIN</i>	<i>G104</i>	<i>SHELTON</i>		
<i>HARDIN</i>	<i>H101</i>	<i>COLESBURG</i>		
<i>HARDIN</i>	<i>H102</i>	<i>TUNNEL HILL</i>		

SECTION 27. KRS 5.227 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-seventh Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1006</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1007</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1008</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1009</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1010</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1011</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1012</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1013</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1014</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1998</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4006</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4007</i>	

<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4008</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4009</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4010</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4011</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4012</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4013</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4014</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4015</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4016</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4017</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4018</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4019</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4020</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4021</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4022</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4023</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4024</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4025</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4026</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4027</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4997</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4998</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020800</i>	<i>4999</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020900</i>	<i>2000</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020900</i>	<i>2001</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020900</i>	<i>2035</i>	
<i>BULLITT</i>	<i>A101</i>	<i>SHEPHERDSVILLE #1</i>	<i>020900</i>	<i>2036</i>	
<i>BULLITT</i>	<i>A105</i>	<i>CUPIO #13</i>			
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1039</i>	<i>0102</i>
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1069</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1078</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021100</i>	<i>1081</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>2000</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>2001</i>	
<i>BULLITT</i>	<i>D103</i>	<i>BERNHEIM #16</i>	<i>021200</i>	<i>2047</i>	
<i>BULLITT</i>	<i>D104</i>	<i>SALT RIVER #17</i>			
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1019</i>	<i>0102</i>
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1020</i>	

<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1021</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1022</i>	<i>0102</i>
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1031</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1032</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1033</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1034</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1035</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1036</i>	
<i>BULLITT</i>	<i>D105</i>	<i>CEDAR GROVE #18</i>	<i>021100</i>	<i>1037</i>	
<i>BULLITT</i>	<i>D106</i>	<i>BERNHEIM #16A</i>			
<i>BULLITT</i>	<i>X001</i>	<i>X001</i>	<i>021200</i>	<i>1001</i>	
<i>BULLITT</i>	<i>X001</i>	<i>X001</i>	<i>021200</i>	<i>1002</i>	
<i>BULLITT</i>	<i>X001</i>	<i>X001</i>	<i>021200</i>	<i>1999</i>	
<i>HARDIN</i>	<i>E105</i>	<i>WEST POINT</i>			
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1000</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1055</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1056</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1057</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1058</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1059</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1060</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000100</i>	<i>1067</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1001</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1002</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1003</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1004</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1005</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1009</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1010</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1011</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1012</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1013</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1014</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1018</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1019</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1020</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1021</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1022</i>	
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1023</i>	

<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1024</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1025</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1027</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1028</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1029</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1030</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1031</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1032</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1033</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1034</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1035</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1036</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1037</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1038</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1039</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1040</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1041</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1042</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1043</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1044</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1045</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1046</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1047</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1048</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1049</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1050</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1051</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1052</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1053</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1054</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1055</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1056</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1057</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1058</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1059</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1061</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1062</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1063</i>

<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1064</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1065</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1066</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1067</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1068</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1069</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1070</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1088</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1111</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1112</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1113</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1114</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1115</i>
<i>HARDIN</i>	<i>F105</i>	<i>FORT KNOX</i>	<i>000200</i>	<i>1116</i>

MEADE

SECTION 28. KRS 5.228 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-eighth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>A105</i>	<i>PRECINCT 105 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A107</i>	<i>PRECINCT 107 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A108</i>	<i>PRECINCT 108 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A111</i>	<i>PRECINCT 111 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A113</i>	<i>PRECINCT 113 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A114</i>	<i>PRECINCT 114 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A115</i>	<i>PRECINCT 115 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A118</i>	<i>PRECINCT 118 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1012</i>	

<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1015</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1016</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012409</i>	<i>2012</i>	
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012409</i>	<i>2013</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>	<i>012409</i>	<i>2015</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1015</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1016</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1022</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>2004</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>A122</i>	<i>PRECINCT 122 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A123</i>	<i>PRECINCT 123 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A124</i>	<i>PRECINCT 124 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A125</i>	<i>PRECINCT 125 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A126</i>	<i>PRECINCT 126 28 DISTRICT</i>			

<i>JEFFERSON</i>	<i>A127</i>	<i>PRECINCT 127 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A128</i>	<i>PRECINCT 128 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A129</i>	<i>PRECINCT 129 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A130</i>	<i>PRECINCT 130 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A131</i>	<i>PRECINCT 131 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A132</i>	<i>PRECINCT 132 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A134</i>	<i>PRECINCT 134 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B120</i>	<i>PRECINCT 120 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>5000</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>5001</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>5002</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>5003</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6001</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6002</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6003</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6004</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6005</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6006</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6007</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6008</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6009</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6010</i>
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6011</i>
<i>JEFFERSON</i>	<i>O132</i>	<i>PRECINCT 132 44 DISTRICT</i>		

SECTION 29. KRS 5.229 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-ninth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>1000</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>2004</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>2010</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3003</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3004</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3005</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3006</i>	
<i>JEFFERSON</i>	<i>B119</i>		<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3007</i>	

<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3008</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3010</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4009</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4010</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4011</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4012</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012107</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>B124</i>	<i>PRECINCT 124 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2026</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2029</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2030</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2031</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2032</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2033</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2034</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2035</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2036</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2038</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>3008</i>	<i>0104</i>
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>3008</i>	<i>0404</i>
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2010</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3003</i>	<i>0808</i>
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3005</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3006</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3007</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3008</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3010</i>	<i>0203</i>
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3022</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>B127</i>	<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>B127</i>	<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>B127</i>	<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>B127</i>	<i>PRECINCT 127 29 DISTRICT</i>	<i>012001</i>	<i>2001</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>B127</i>	<i>PRECINCT 127 29 DISTRICT</i>	<i>012001</i>	<i>2033</i>	
<i>JEFFERSON</i>	<i>B130</i>	<i>PRECINCT 130 29 DISTRICT</i>			

<i>JEFFERSON</i>	<i>B131</i>	<i>PRECINCT 131 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B132</i>	<i>PRECINCT 132 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B133</i>	<i>PRECINCT 133 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2001</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2014</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2015</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2022</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3000</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3006</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3007</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3008</i>	<i>0304</i>
<i>JEFFERSON</i>	<i>B146</i>	<i>PRECINCT 146 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B149</i>	<i>PRECINCT 149 29 DIST</i>			
<i>JEFFERSON</i>	<i>D127</i>	<i>PRECINCT 127 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D133</i>	<i>PRECINCT 133 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1003</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1010</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1011</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1015</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1016</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1024</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1025</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1026</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1996</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1997</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1998</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1999</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1003</i>	

JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1004	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1005	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1006	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1008	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	1009	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2000	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2001	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2994	
JEFFERSON	F110	PRECINCT 110 33 DISTRICT	011601	2999	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011102	3024	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011102	3025	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011102	3028	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011512	2000	0202
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2005	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2006	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2007	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2008	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2009	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2010	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2011	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2012	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2013	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2014	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2015	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2016	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2017	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2027	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2028	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2029	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2030	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2031	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2991	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2993	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2995	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2996	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011601	2997	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011602	1000	
JEFFERSON	F111	PRECINCT 111 33 DISTRICT	011602	1001	

<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1011</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1014</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1022</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1024</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1025</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1026</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1027</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1028</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1029</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1030</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1031</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1032</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1033</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1034</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1998</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>1999</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2004</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2005</i>	

<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011602</i>	<i>2999</i>	
<i>JEFFERSON</i>	<i>F112</i>	<i>PRECINCT 112 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F113</i>	<i>PRECINCT 113 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F116</i>	<i>PRECINCT 116 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011509</i>	<i>3004</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011510</i>	<i>1000</i>	<i>0303</i>
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011510</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011510</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011510</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011510</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011510</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011510</i>	<i>2004</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F129</i>	<i>PRECINCT 129 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F131</i>	<i>PRECINCT 131 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F132</i>	<i>PRECINCT 132 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F133</i>	<i>PRECINCT 133 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F139</i>	<i>PRECINCT 139 33 DIST</i>			
<i>JEFFERSON</i>	<i>F141</i>	<i>PRECINCT 141 33 DIST</i>			
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2003</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2004</i>	<i>0303</i>
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2009</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2010</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2020</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2024</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F146</i>	<i>PRECINCT 146 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F147</i>	<i>PRECINCT 147 33 DISTRICT</i>			

SECTION 30. KRS 5.230 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirtieth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>C101</i>		<i>PRECINCT 101 30 DISTRICT</i>	<i>011200</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>C101</i>		<i>PRECINCT 101 30 DISTRICT</i>	<i>011200</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>C101</i>		<i>PRECINCT 101 30 DISTRICT</i>	<i>011200</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>C101</i>		<i>PRECINCT 101 30 DISTRICT</i>	<i>011200</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>C101</i>		<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>C101</i>		<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>1009</i>	

<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2004</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2010</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2011</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2012</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2013</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2014</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2015</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2016</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2017</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2018</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2019</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2020</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2021</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2022</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2023</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2024</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2025</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2026</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2027</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>2028</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3000</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3003</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3006</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3007</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3008</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3009</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3010</i>	<i>0203</i>
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3010</i>	<i>0303</i>

<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3011</i>	<i>0103</i>
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3011</i>	<i>0203</i>
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3012</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3015</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3017</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3018</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3019</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3020</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3021</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3022</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3023</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3024</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011403</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011403</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011403</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011403</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011403</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>C102</i>	<i>PRECINCT 102 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C103</i>	<i>PRECINCT 103 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>C105</i>	<i>PRECINCT 105 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C106</i>	<i>PRECINCT 106 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C108</i>	<i>PRECINCT 108 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C109</i>	<i>PRECINCT 109 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C110</i>	<i>PRECINCT 110 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C111</i>	<i>PRECINCT 111 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C113</i>	<i>PRECINCT 113 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C115</i>	<i>PRECINCT 115 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C122</i>	<i>PRECINCT 122 30 DISTRICT</i>			

<i>JEFFERSON</i>	<i>C123</i>	<i>PRECINCT 123 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C124</i>	<i>PRECINCT 124 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C125</i>	<i>PRECINCT 125 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C126</i>	<i>PRECINCT 126 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C128</i>	<i>PRECINCT 128 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C129</i>	<i>PRECINCT 129 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C130</i>	<i>PRECINCT 130 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C131</i>	<i>PRECINCT 131 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>3005</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F118</i>	<i>PRECINCT 118 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F119</i>	<i>PRECINCT 119 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F120</i>	<i>PRECINCT 120 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F121</i>	<i>PRECINCT 121 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F122</i>	<i>PRECINCT 122 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F125</i>	<i>PRECINCT 125 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1998</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>1999</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>	<i>011509</i>	<i>2004</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011509</i>	<i>3000</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011509</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011509</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>	<i>011509</i>	<i>3003</i>	

SECTION 31. KRS 5.231 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-first Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>D101</i>		<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>3000</i>	

<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>3031</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>3032</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4000</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4001</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4002</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4003</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4004</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4009</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4013</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4014</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4016</i>	
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>4017</i>	
<i>JEFFERSON</i>	<i>D104</i>	<i>PRECINCT 104 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D105</i>	<i>PRECINCT 105 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D106</i>	<i>PRECINCT 106 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D108</i>	<i>PRECINCT 108 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D109</i>	<i>PRECINCT 109 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D110</i>	<i>PRECINCT 110 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D113</i>	<i>PRECINCT 113 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D114</i>	<i>PRECINCT 114 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D115</i>	<i>PRECINCT 115 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D116</i>	<i>PRECINCT 116 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D117</i>	<i>PRECINCT 117 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D120</i>	<i>PRECINCT 120 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D121</i>	<i>PRECINCT 121 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D122</i>	<i>PRECINCT 122 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D126</i>	<i>PRECINCT 126 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D129</i>	<i>PRECINCT 129 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D130</i>	<i>PRECINCT 130 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>1003</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>3001</i>	<i>0102</i>

<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>3006</i>
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>3007</i>
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>	<i>011004</i>	<i>3008</i>
<i>JEFFERSON</i>	<i>D132</i>	<i>PRECINCT 132 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D134</i>	<i>PRECINCT 134 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D135</i>	<i>PRECINCT 135 31 DIST</i>		
<i>JEFFERSON</i>	<i>D136</i>	<i>PRECINCT 136 31 DIST</i>		
<i>JEFFERSON</i>	<i>D137</i>	<i>PRECINCT 137 31 DIST</i>		
<i>JEFFERSON</i>	<i>D138</i>	<i>PRECINCT 138 31 DIST</i>		
<i>JEFFERSON</i>	<i>D139</i>	<i>PRECINCT 139 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>F117</i>	<i>PRECINCT 117 33 DISTRICT</i>		
<i>JEFFERSON</i>	<i>F130</i>	<i>PRECINCT 130 33 DISTRICT</i>		
<i>JEFFERSON</i>	<i>F140</i>	<i>PRECINCT 140 33 DIST</i>		

SECTION 32. KRS 5.232 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-second Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>E107</i>		<i>PRECINCT 107 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E139</i>		<i>PRECINCT 139 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E141</i>		<i>PRECINCT 141 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E142</i>		<i>PRECINCT 142 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E143</i>		<i>PRECINCT 143 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E144</i>		<i>PRECINCT 144 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E145</i>		<i>PRECINCT 145 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E147</i>		<i>PRECINCT 147 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E148</i>		<i>PRECINCT 148 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E149</i>		<i>PRECINCT 149 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E150</i>		<i>PRECINCT 150 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E151</i>		<i>PRECINCT 151 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E152</i>		<i>PRECINCT 152 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E154</i>		<i>PRECINCT 154 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E155</i>		<i>PRECINCT 155 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E157</i>		<i>PRECINCT 157 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R105</i>		<i>PRECINCT 105 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R106</i>		<i>PRECINCT 106 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R111</i>		<i>PRECINCT 111 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R117</i>		<i>PRECINCT 117 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R118</i>		<i>PRECINCT 118 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R119</i>		<i>PRECINCT 119 47 DISTRICT</i>			

JEFFERSON	R120	PRECINCT 120 47 DISTRICT		
JEFFERSON	R121	PRECINCT 121 47 DISTRICT		
JEFFERSON	R126	PRECINCT 126 47 DISTRICT		
JEFFERSON	R131	PRECINCT 131 47 DISTRICT		
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1000
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1003
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1004
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1005
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1006
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1007
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1008
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1009
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1010
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1011
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1012
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1013
JEFFERSON	R132	PRECINCT 132 47 DISTRICT	010101	1014
JEFFERSON	R135	PRECINCT 135 47 DISTRICT		
JEFFERSON	R137	PRECINCT 137 47 DISTRICT	010705	4010
JEFFERSON	R137	PRECINCT 137 47 DISTRICT	010705	5000
JEFFERSON	R137	PRECINCT 137 47 DISTRICT	010705	5001
JEFFERSON	R137	PRECINCT 137 47 DISTRICT	010705	5002
JEFFERSON	R139	PRECINCT 139 47 DISTRICT		
JEFFERSON	R141	PRECINCT 141 47 DISTRICT		
JEFFERSON	S120	PRECINCT 120 48 DISTRICT		
JEFFERSON	S121	PRECINCT 121 48 DISTRICT		
JEFFERSON	S138	PRECINCT 138 48 DISTRICT		

SECTION 33. KRS 5.233 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-third Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	D123		PRECINCT 123 31 DISTRICT			
JEFFERSON	D124		PRECINCT 124 31 DISTRICT			
JEFFERSON	D128		PRECINCT 128 31 DISTRICT			
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1000	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1001	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1002	
JEFFERSON	F101		PRECINCT 101 33 DISTRICT	010309	1003	

<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1024</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1025</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1027</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1028</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1029</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1030</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1031</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1032</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1033</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1034</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1035</i>	
<i>JEFFERSON</i>	<i>F106</i>	<i>PRECINCT 106 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F109</i>	<i>PRECINCT 109 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010306</i>	<i>1072</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010306</i>	<i>1997</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010306</i>	<i>1998</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1008</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1020</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1022</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>010307</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1015</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1025</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>1999</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2002</i>	

<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2004</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2018</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2032</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2033</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2034</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2992</i>	
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>	<i>011601</i>	<i>2998</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011102</i>	<i>3027</i>	
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>	<i>011601</i>	<i>2026</i>	
<i>JEFFERSON</i>	<i>F126</i>	<i>PRECINCT 126 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1045</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1046</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1047</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1048</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1049</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1050</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1051</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1052</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1053</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1057</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1066</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1071</i>	
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2021</i>	
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2022</i>	
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>	<i>011511</i>	<i>2023</i>	
<i>JEFFERSON</i>	<i>F145</i>	<i>PRECINCT 145 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R112</i>	<i>PRECINCT 112 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R113</i>	<i>PRECINCT 113 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R114</i>	<i>PRECINCT 114 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R115</i>	<i>PRECINCT 115 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R116</i>	<i>PRECINCT 116 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R122</i>	<i>PRECINCT 122 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R123</i>	<i>PRECINCT 123 47 DISTRICT</i>			
<i>JEFFERSON</i>	<i>R124</i>	<i>PRECINCT 124 47 DISTRICT</i>			

<i>JEFFERSON</i>	<i>R125</i>	<i>PRECINCT 125 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R127</i>	<i>PRECINCT 127 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R128</i>	<i>PRECINCT 128 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R130</i>	<i>PRECINCT 130 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R132</i>	<i>PRECINCT 132 47 DISTRICT</i>	<i>010101</i>	<i>1001</i>
<i>JEFFERSON</i>	<i>R132</i>	<i>PRECINCT 132 47 DISTRICT</i>	<i>010101</i>	<i>1002</i>
<i>JEFFERSON</i>	<i>R133</i>	<i>PRECINCT 133 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R134</i>	<i>PRECINCT 134 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R136</i>	<i>PRECINCT 136 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>	<i>010705</i>	<i>4007</i>
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>	<i>010705</i>	<i>4008</i>
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>	<i>010705</i>	<i>4009</i>
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>	<i>010705</i>	<i>5003</i>
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>	<i>010705</i>	<i>5004</i>
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>	<i>010705</i>	<i>5005</i>
<i>JEFFERSON</i>	<i>R138</i>	<i>PRECINCT 138 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R140</i>	<i>PRECINCT 140 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>R142</i>	<i>PRECINCT 142 47 DIST</i>		
<i>JEFFERSON</i>	<i>R143</i>	<i>PRECINCT 143 47 DIST</i>		
<i>JEFFERSON</i>	<i>R144</i>	<i>PRECINCT 144 47 DIST</i>		
<i>JEFFERSON</i>	<i>R145</i>	<i>PRECINCT 134 47 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S134</i>	<i>PRECINCT 134 48 DISTRICT</i>		

SECTION 34. KRS 5.234 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fourth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>C121</i>		<i>PRECINCT 121 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C127</i>		<i>PRECINCT 127 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D101</i>		<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>D101</i>		<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>3003</i>	
<i>JEFFERSON</i>	<i>D101</i>		<i>PRECINCT 101 31 DISTRICT</i>	<i>010500</i>	<i>3030</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1007</i>	

<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>2001</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>010500</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>E114</i>	<i>PRECINCT 114 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E116</i>	<i>PRECINCT 116 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E118</i>	<i>PRECINCT 118 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E119</i>	<i>PRECINCT 119 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E120</i>	<i>PRECINCT 120 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E126</i>	<i>PRECINCT 126 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E130</i>	<i>PRECINCT 130 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E140</i>	<i>PRECINCT 140 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E156</i>	<i>PRECINCT 156 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G103</i>	<i>PRECINCT 103 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G104</i>	<i>PRECINCT 104 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G106</i>	<i>PRECINCT 106 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G107</i>	<i>PRECINCT 107 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G108</i>	<i>PRECINCT 108 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G109</i>	<i>PRECINCT 109 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G111</i>	<i>PRECINCT 111 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G112</i>	<i>PRECINCT 112 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G116</i>	<i>PRECINCT 116 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G117</i>	<i>PRECINCT 117 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G119</i>	<i>PRECINCT 119 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G120</i>	<i>PRECINCT 120 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G121</i>	<i>PRECINCT 121 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G122</i>	<i>PRECINCT 122 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G123</i>	<i>PRECINCT 123 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G124</i>	<i>PRECINCT 124 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G126</i>	<i>PRECINCT 126 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G129</i>	<i>PRECINCT 129 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2004</i>	

<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>007900</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2003</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2004</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2014</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2015</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2016</i>	
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>	<i>008700</i>	<i>4052</i>	
<i>JEFFERSON</i>	<i>G141</i>	<i>PRECINCT 141 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G142</i>	<i>PRECINCT 142 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G143</i>	<i>PRECINCT 143 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G144</i>	<i>PRECINCT 144 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G145</i>	<i>PRECINCT 145 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G146</i>	<i>PRECINCT 146 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G147</i>	<i>PRECINCT 147 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G148</i>	<i>PRECINCT 148 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G149</i>	<i>PRECINCT 149 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G150</i>	<i>PRECINCT 150 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G151</i>	<i>PRECINCT 151 34 DISTRICT</i>			

SECTION 35. KRS 5.235 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fifth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>B126</i>		<i>PRECINCT 126 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>B127</i>		<i>PRECINCT 127 29 DISTRICT</i>	<i>011705</i>	<i>1011</i>	

JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	1012	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2002	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2003	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2004	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2005	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2006	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2007	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	2008	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	3000	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	3001	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	3002	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	3003	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	3008	0203
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	3009	0102
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011705	3010	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	2025	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	2026	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	2027	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	2029	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	2031	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	3011	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	3013	
JEFFERSON	B127	PRECINCT 127 29 DISTRICT	011905	3014	
JEFFERSON	B128	PRECINCT 128 29 DISTRICT			
JEFFERSON	B138	PRECINCT 138 29 DISTRICT			
JEFFERSON	B139	PRECINCT 139 29 DISTRICT			
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4015	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4016	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4017	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4018	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4019	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4020	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4025	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4026	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4027	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4028	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4029	
JEFFERSON	B141	PRECINCT 141 29 DISTRICT	011901	4031	

<i>JEFFERSON</i>	<i>B141</i>	<i>PRECINCT 141 29 DISTRICT</i>	<i>011901</i>	<i>4032</i>	
<i>JEFFERSON</i>	<i>B141</i>	<i>PRECINCT 141 29 DISTRICT</i>	<i>011901</i>	<i>4035</i>	
<i>JEFFERSON</i>	<i>B141</i>	<i>PRECINCT 141 29 DISTRICT</i>	<i>011901</i>	<i>4036</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3013</i>	
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>	<i>011301</i>	<i>3016</i>	<i>0303</i>
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>	<i>011404</i>	<i>2000</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>H102</i>	<i>PRECINCT 102 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H103</i>	<i>PRECINCT 103 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H105</i>	<i>PRECINCT 105 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H106</i>	<i>PRECINCT 106 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H109</i>	<i>PRECINCT 109 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H110</i>	<i>PRECINCT 110 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H111</i>	<i>PRECINCT 111 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H112</i>	<i>PRECINCT 112 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H113</i>	<i>PRECINCT 113 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>007100</i>	<i>3013</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6008</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6009</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6010</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6011</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6014</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6015</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6016</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>009400</i>	<i>6032</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1034</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1035</i>	<i>0204</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1035</i>	<i>0304</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>3000</i>	<i>0204</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>3002</i>	<i>0203</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>3003</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>H115</i>	<i>PRECINCT 115 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H116</i>	<i>PRECINCT 116 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H117</i>	<i>PRECINCT 117 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H118</i>	<i>PRECINCT 118 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H120</i>	<i>PRECINCT 120 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H121</i>	<i>PRECINCT 121 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H123</i>	<i>PRECINCT 123 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H124</i>	<i>PRECINCT 124 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H125</i>	<i>PRECINCT 125 35 DISTRICT</i>			

<i>JEFFERSON</i>	<i>H126</i>	<i>PRECINCT 126 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H127</i>	<i>PRECINCT 127 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H130</i>	<i>PRECINCT 130 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H131</i>	<i>PRECINCT 131 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H132</i>	<i>PRECINCT 132 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H133</i>	<i>PRECINCT 133 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H134</i>	<i>PRECINCT 134 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H138</i>	<i>PRECINCT 138 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H140</i>	<i>PRECINCT 140 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H141</i>	<i>PRECINCT 141 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H142</i>	<i>PRECINCT 142 35 DISTRICT</i>

SECTION 36. KRS 5.236 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-sixth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>GARRARD</i>						
<i>MADISON</i>	<i>A101</i>		<i>BLUE LICK</i>			
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>1037</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>1039</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2003</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2004</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2005</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2006</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2007</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2008</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2009</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2010</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2011</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2012</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2013</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2014</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2015</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2016</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2017</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2018</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2019</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2020</i>	
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>2021</i>	

<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2022</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2023</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2024</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2025</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2026</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2027</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2028</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2029</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2031</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2032</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2033</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2034</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2035</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2036</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>2037</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3000</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3001</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3002</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3003</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3004</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3005</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3006</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3015</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011200</i>	<i>3033</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1007</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1008</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1009</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1010</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1011</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1012</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1013</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1014</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>1015</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>4000</i>
<i>MADISON</i>	<i>A104</i>	<i>NORTH BEREA</i>	<i>011300</i>	<i>4001</i>
<i>MADISON</i>	<i>A105</i>	<i>SOUTH BEREA</i>		
<i>MADISON</i>	<i>A106</i>	<i>WEST BEREA</i>		
<i>MADISON</i>	<i>A107</i>	<i>CLAY</i>		
<i>MADISON</i>	<i>A108</i>	<i>0203 MENALES-TODD</i>		

MADISON	A108	0303	MENALES-TODD
MADISON	A109		BIG HILL
MADISON	B107		BURNAM-HIGH POINT
MADISON	B108		TEVIS-COTTONBG-POOSEY 28
MADISON	B111		NEWBY-JONES
MADISON	B112		VALLEY VIEW
MADISON	C107	0303	KAVANAUGH
MADISON	C108		COLLEGE HILL
MADISON	C109		WACO
MADISON	D104		BRASSFIELD-BEARWALLOW
MADISON	D105		KINGSTON
MADISON	D106		BOBTOWN-RED LICK
MADISON	D107	0306	DUNCANNON
MADISON	D107	0506	DUNCANNON
MADISON	D108	0102	SOUTH RICHMOND #6B
MADISON	X001		X001

SECTION 37. KRS 5.237 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-seventh Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	B141		PRECINCT 141 29 DISTRICT	011901	4033	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4007	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4008	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4034	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4037	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	011901	4038	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2000	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2004	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2005	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2006	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2007	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2008	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2010	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2012	0102
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2013	0202
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2016	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2017	
JEFFERSON	B143		PRECINCT 143 29 DISTRICT	012001	2018	

<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2019</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2020</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2021</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2023</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2024</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2025</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2026</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2027</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2028</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2029</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2030</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2031</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2032</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012001</i>	<i>2999</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3005</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3010</i>	
<i>JEFFERSON</i>	<i>B147</i>	<i>PRECINCT 147 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B148</i>	<i>PRECINCT 148 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1028</i>	<i>0203</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1028</i>	<i>0303</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1035</i>	<i>0104</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1036</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1037</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1038</i>	
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>	<i>011901</i>	<i>1039</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>H136</i>	<i>PRECINCT 136 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H143</i>	<i>PRECINCT 143 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I103</i>	<i>PRECINCT 103 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I104</i>	<i>PRECINCT 104 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I105</i>	<i>PRECINCT 105 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I106</i>	<i>PRECINCT 106 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I107</i>	<i>PRECINCT 107 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I109</i>	<i>PRECINCT 109 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I110</i>	<i>PRECINCT 110 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I111</i>	<i>PRECINCT 111 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I112</i>	<i>PRECINCT 112 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I114</i>	<i>PRECINCT 114 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I115</i>	<i>PRECINCT 115 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I117</i>	<i>PRECINCT 117 37 DISTRICT</i>			

<i>JEFFERSON</i>	<i>I120</i>	<i>PRECINCT 120 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I122</i>	<i>PRECINCT 122 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I123</i>	<i>PRECINCT 123 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I124</i>	<i>PRECINCT 124 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I125</i>	<i>PRECINCT 125 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I126</i>	<i>PRECINCT 126 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I127</i>	<i>PRECINCT 127 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I128</i>	<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>3003</i>
<i>JEFFERSON</i>	<i>I128</i>	<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>3004</i>
<i>JEFFERSON</i>	<i>I128</i>	<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>3005</i>
<i>JEFFERSON</i>	<i>I129</i>	<i>PRECINCT 129 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I130</i>	<i>PRECINCT 130 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I133</i>	<i>PRECINCT 133 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I134</i>	<i>PRECINCT 134 37 DISTRICT</i>		
<i>JEFFERSON</i>	<i>I135</i>	<i>PRECINCT 135 37 DISTRICT</i>		

SECTION 38. KRS 5.238 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-eighth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>B117</i>	<i>PRECINCT 117 29 DISTRICT</i>			
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>3009</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4004</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4005</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4006</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4008</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012106</i>	<i>4013</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012107</i>	<i>3000</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	<i>012107</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	<i>012106</i>	<i>6000</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2027</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012003</i>	<i>2028</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>	<i>012107</i>	<i>3004</i>	
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>	<i>012003</i>	<i>3011</i>	
<i>JEFFERSON</i>	<i>J101</i>	<i>PRECINCT 101 38 DISTRICT</i>			

<i>JEFFERSON</i>	<i>J104</i>	<i>PRECINCT 104 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J105</i>	<i>PRECINCT 105 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J107</i>	<i>PRECINCT 107 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J108</i>	<i>PRECINCT 108 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J110</i>	<i>PRECINCT 110 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J111</i>	<i>PRECINCT 111 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J113</i>	<i>PRECINCT 113 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J114</i>	<i>PRECINCT 114 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J117</i>	<i>PRECINCT 117 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J119</i>	<i>PRECINCT 119 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J120</i>	<i>PRECINCT 120 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J122</i>	<i>PRECINCT 122 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J123</i>	<i>PRECINCT 123 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J127</i>	<i>PRECINCT 127 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J128</i>	<i>PRECINCT 128 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J129</i>	<i>PRECINCT 129 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J130</i>	<i>PRECINCT 130 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J131</i>	<i>PRECINCT 131 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J133</i>	<i>PRECINCT 133 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J135</i>	<i>PRECINCT 135 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>J136</i>	<i>PRECINCT 136 38 DISTRICT</i>			
<i>JEFFERSON</i>	<i>K118</i>	<i>PRECINCT 118 40 DISTRICT</i>	<i>003900</i>	<i>3003</i>	<i>0102</i>

SECTION 39. KRS 5.239 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-ninth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>FAYETTE</i>	<i>B204</i>		<i>ATWOOD</i>			
<i>JESSAMINE</i>						

SECTION 40. KRS 5.240 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fortieth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>I101</i>		<i>PRECINCT 101 37 DISTRICT</i>			
<i>JEFFERSON</i>	<i>I128</i>		<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>I128</i>		<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>I128</i>		<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>2010</i>	
<i>JEFFERSON</i>	<i>I128</i>		<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>2011</i>	
<i>JEFFERSON</i>	<i>I128</i>		<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>2012</i>	
<i>JEFFERSON</i>	<i>I128</i>		<i>PRECINCT 128 37 DISTRICT</i>	<i>007100</i>	<i>2013</i>	

JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	2014	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	2015	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	2016	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	3006	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	3007	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	3008	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	3009	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	3010	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	3011	
JEFFERSON	I128	PRECINCT 128 37 DISTRICT	007100	3013	0202
JEFFERSON	K103	PRECINCT 103 40 DISTRICT			
JEFFERSON	K104	PRECINCT 104 40 DISTRICT			
JEFFERSON	K105	PRECINCT 105 40 DISTRICT			
JEFFERSON	K107	PRECINCT 107 40 DISTRICT			
JEFFERSON	K108	PRECINCT 108 40 DISTRICT			
JEFFERSON	K110	PRECINCT 110 40 DISTRICT			
JEFFERSON	K111	PRECINCT 111 40 DISTRICT			
JEFFERSON	K112	PRECINCT 112 40 DISTRICT			
JEFFERSON	K113	PRECINCT 113 40 DISTRICT			
JEFFERSON	K114	PRECINCT 114 40 DISTRICT			
JEFFERSON	K116	PRECINCT 116 40 DISTRICT			
JEFFERSON	K117	PRECINCT 117 40 DISTRICT			
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	003900	2006	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	003900	2007	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1000	0202
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1001	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1002	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1003	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1004	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1005	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1006	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1007	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1008	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1009	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1010	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1011	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1012	
JEFFERSON	K118	PRECINCT 118 40 DISTRICT	004301	1014	

<i>JEFFERSON</i>	<i>K118</i>	<i>PRECINCT 118 40 DISTRICT</i>	<i>004301</i>	<i>1015</i>
<i>JEFFERSON</i>	<i>K118</i>	<i>PRECINCT 118 40 DISTRICT</i>	<i>004301</i>	<i>1016</i>
<i>JEFFERSON</i>	<i>K119</i>	<i>PRECINCT 119 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K121</i>	<i>PRECINCT 121 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K122</i>	<i>PRECINCT 122 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K123</i>	<i>PRECINCT 123 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K125</i>	<i>PRECINCT 125 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K126</i>	<i>PRECINCT 126 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K127</i>	<i>PRECINCT 127 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K128</i>	<i>PRECINCT 128 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K129</i>	<i>PRECINCT 129 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K130</i>	<i>PRECINCT 130 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K131</i>	<i>PRECINCT 131 40 DISTRICT</i>		
<i>JEFFERSON</i>	<i>K132</i>	<i>PRECINCT 132 40 DISTRICT</i>		

SECTION 41. KRS 5.241 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-first Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>E103</i>		<i>PRECINCT 103 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E105</i>		<i>PRECINCT 105 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E110</i>		<i>PRECINCT 110 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E111</i>		<i>PRECINCT 111 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1015</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1016</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1025</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1026</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1027</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1028</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1029</i>	
<i>JEFFERSON</i>	<i>E112</i>		<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1030</i>	

<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1031</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1032</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1033</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1034</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1035</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1037</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1038</i>	<i>0203</i>
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1039</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1042</i>	
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>	<i>007800</i>	<i>1043</i>	
<i>JEFFERSON</i>	<i>E138</i>	<i>PRECINCT 138 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G139</i>	<i>PRECINCT 139 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L104</i>	<i>PRECINCT 104 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L107</i>	<i>PRECINCT 107 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L108</i>	<i>PRECINCT 108 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1101</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1102</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1103</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1104</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1111</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1112</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1115</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>3003</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>3004</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>3005</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>3006</i>	
<i>JEFFERSON</i>	<i>L110</i>	<i>PRECINCT 110 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L111</i>	<i>PRECINCT 111 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1027</i>	

JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1028
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1029
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1030
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1031
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1032
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1033
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1034
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1035
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1040
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	1041
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2028
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2029
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2030
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2031
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2032
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2033
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2034
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2035
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2036
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2037
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2038
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2039
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2040
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006200	2041
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006500	1000
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006500	1001
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006500	1009
JEFFERSON	L112	PRECINCT 112 41 DISTRICT	006500	1011
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1000
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1001
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1015
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1016
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1037
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1038
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1039
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1040
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1041
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1042
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1043

JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1044
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1059
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1060
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1061
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1063
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4000
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4001
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4002
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4003
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4004
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4005
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4006
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4007
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4008
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4009
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4010
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4011
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4012
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4013
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4014
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4015
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4016
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4017
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4018
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4019
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4020
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4021
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4022
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4023
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4025
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4026
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4027
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	4030
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1000
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1001
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1002
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1003
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	006200	1011

<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1022</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>4009</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>4010</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>4011</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>4013</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>005900</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>005900</i>	<i>1003</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1007</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1008</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1015</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1016</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1022</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1024</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1027</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1028</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1029</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1030</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1031</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1032</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1035</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1036</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1037</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007400</i>	<i>1038</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1000</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1002</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1004</i>	

<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1008</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1010</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>2000</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007602</i>	<i>2001</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007603</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>	<i>007603</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>L118</i>	<i>PRECINCT 118 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L119</i>	<i>PRECINCT 119 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2012</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2013</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2014</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2015</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2016</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2017</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2018</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2034</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2035</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>3000</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>3002</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1075</i>	<i>0203</i>
<i>JEFFERSON</i>	<i>L133</i>	<i>PRECINCT 133 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1015</i>	

<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1024</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1025</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1026</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>1027</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2010</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2011</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2012</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2013</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2016</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2017</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2018</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>2019</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3000</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3003</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3008</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3009</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4008</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4009</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4010</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4021</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4022</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4023</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4031</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4032</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4033</i>	

<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4034</i>	
<i>JEFFERSON</i>	<i>M114</i>	<i>PRECINCT 114 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4000</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4001</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4002</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4003</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4004</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4007</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4011</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4012</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4013</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4014</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4015</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4016</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4017</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4018</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4019</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4020</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4023</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4024</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4025</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4027</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4028</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4029</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>004900</i>	<i>3016</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>004900</i>	<i>3017</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>004900</i>	<i>3023</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>004900</i>	<i>3024</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1015</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1016</i>	

<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>005000</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>M116</i>	<i>PRECINCT 116 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M117</i>	<i>PRECINCT 117 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>002700</i>	<i>4024</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>002700</i>	<i>4025</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>002700</i>	<i>4026</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>002700</i>	<i>4046</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>M136</i>	<i>PRECINCT 136 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>N121</i>	<i>PRECINCT 121 43 DISTRICT</i>			
<i>JEFFERSON</i>	<i>N122</i>	<i>PRECINCT 122 43 DISTRICT</i>			

SECTION 42. KRS 5.242 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-second Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>G138</i>		<i>PRECINCT 138 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>G140</i>		<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2006</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>G140</i>		<i>PRECINCT 140 34 DISTRICT</i>	<i>008100</i>	<i>2013</i>	
<i>JEFFERSON</i>	<i>G153</i>		<i>PRECINCT 153 34 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L112</i>		<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1036</i>	
<i>JEFFERSON</i>	<i>L112</i>		<i>PRECINCT 112 41 DISTRICT</i>	<i>006200</i>	<i>1037</i>	
<i>JEFFERSON</i>	<i>L112</i>		<i>PRECINCT 112 41 DISTRICT</i>	<i>006500</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>L112</i>		<i>PRECINCT 112 41 DISTRICT</i>	<i>006500</i>	<i>2004</i>	
<i>JEFFERSON</i>	<i>L112</i>		<i>PRECINCT 112 41 DISTRICT</i>	<i>006500</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>L112</i>		<i>PRECINCT 112 41 DISTRICT</i>	<i>006500</i>	<i>2012</i>	
<i>JEFFERSON</i>	<i>L112</i>		<i>PRECINCT 112 41 DISTRICT</i>	<i>006500</i>	<i>2013</i>	
<i>JEFFERSON</i>	<i>L113</i>		<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1024</i>	
<i>JEFFERSON</i>	<i>L113</i>		<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1025</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L113</i>		<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1026</i>	
<i>JEFFERSON</i>	<i>L113</i>		<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1038</i>	

<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>006200</i>	<i>1039</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L114</i>	<i>PRECINCT 114 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>3005</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>3006</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>3008</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>3009</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>4012</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>4014</i>	
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>	<i>008100</i>	<i>4015</i>	
<i>JEFFERSON</i>	<i>L116</i>	<i>PRECINCT 116 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L121</i>	<i>PRECINCT 121 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L124</i>	<i>PRECINCT 124 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L126</i>	<i>PRECINCT 126 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L127</i>	<i>PRECINCT 127 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L129</i>	<i>PRECINCT 129 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L130</i>	<i>PRECINCT 130 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L131</i>	<i>PRECINCT 131 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M102</i>	<i>PRECINCT 102 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>2011</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3000</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3002</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3003</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3004</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3008</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3009</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3010</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3011</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>3012</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4013</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4014</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4015</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4016</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4017</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4020</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4021</i>	

<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4022</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4023</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4024</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4025</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4026</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001200</i>	<i>4027</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001400</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001400</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001400</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001400</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001400</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001400</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>001400</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>	<i>012701</i>	<i>1000</i>	<i>0303</i>
<i>JEFFERSON</i>	<i>M104</i>	<i>PRECINCT 104 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M105</i>	<i>PRECINCT 105 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M106</i>	<i>PRECINCT 106 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M107</i>	<i>PRECINCT 107 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M110</i>	<i>PRECINCT 110 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3016</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>3017</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4030</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4035</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4036</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4037</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4038</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002700</i>	<i>4039</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002800</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>	<i>002800</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4030</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4039</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4040</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4041</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4042</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4043</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4044</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4045</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4047</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4048</i>	

<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4049</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4050</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4051</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4052</i>	
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>	<i>002700</i>	<i>4053</i>	
<i>JEFFERSON</i>	<i>M120</i>	<i>PRECINCT 120 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>002700</i>	<i>4047</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>002700</i>	<i>4065</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005100</i>	<i>3006</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005200</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005200</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005200</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005200</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005200</i>	<i>1006</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>	<i>005200</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>M123</i>	<i>PRECINCT 123 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M124</i>	<i>PRECINCT 124 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M125</i>	<i>PRECINCT 125 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M129</i>	<i>PRECINCT 129 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M130</i>	<i>PRECINCT 130 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M131</i>	<i>PRECINCT 131 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>2010</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>2997</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>2998</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>3000</i>	<i>0202</i>

<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>3005</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>3006</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>3007</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>3008</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4000</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4001</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4002</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4003</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4004</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4005</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4006</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4007</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4008</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4009</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4010</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4011</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4012</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4013</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4018</i>	
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>	<i>001200</i>	<i>4019</i>	
<i>JEFFERSON</i>	<i>M133</i>	<i>PRECINCT 133 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M134</i>	<i>PRECINCT 134 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>M135</i>	<i>PRECINCT 135 42 DISTRICT</i>			
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1005</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1007</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1028</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1029</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1031</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1032</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1033</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1034</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1035</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2003</i>	<i>0102</i>

<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2005</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2006</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2008</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2009</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2010</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2011</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2014</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2015</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>2016</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>1007</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>2004</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>2007</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001100</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001100</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001100</i>	<i>1016</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>O103</i>	<i>PRECINCT 103 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O104</i>	<i>PRECINCT 104 44 DISTRICT</i>			

SECTION 43. KRS 5.243 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-third Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>E104</i>		<i>PRECINCT 104 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E146</i>		<i>PRECINCT 146 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L101</i>		<i>PRECINCT 101 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L103</i>		<i>PRECINCT 103 41 DISTRICT</i>			
<i>JEFFERSON</i>	<i>L109</i>		<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1000</i>	
<i>JEFFERSON</i>	<i>L109</i>		<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1001</i>	
<i>JEFFERSON</i>	<i>L109</i>		<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1002</i>	
<i>JEFFERSON</i>	<i>L109</i>		<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1003</i>	
<i>JEFFERSON</i>	<i>L109</i>		<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>L109</i>		<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1005</i>	

<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1006</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1007</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1008</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1009</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1010</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1011</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1012</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1013</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1014</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1015</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1016</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1017</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1018</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1019</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1020</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1021</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1022</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1023</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1024</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1047</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1048</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1049</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1050</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1051</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1052</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1053</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1054</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1055</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1056</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1057</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1058</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1059</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1060</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1061</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1062</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1063</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1064</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1065</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>004900</i>	<i>1066</i>

JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1067	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1068	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1069	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1070	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1079	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1080	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1081	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1082	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1083	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1084	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1085	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1086	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1087	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1088	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1089	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1090	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1091	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1092	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1093	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1094	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1095	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1096	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1097	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1098	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1099	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1100	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1113	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1114	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1116	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1117	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1118	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1119	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1998	0202
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	004900	1999	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1007	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1024	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1025	
JEFFERSON	L109	PRECINCT 109 41 DISTRICT	005900	1026	

<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1027</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1028</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1049</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1050</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1051</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1052</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1053</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1067</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1068</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>1069</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>3000</i>	
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>	<i>005900</i>	<i>3001</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1003</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1004</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1006</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1008</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1009</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1010</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1011</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1012</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1013</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1014</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1017</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1018</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1019</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1020</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1021</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1022</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1029</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1030</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1031</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1032</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1033</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1034</i>	
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>	<i>005900</i>	<i>1035</i>	

JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1036	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1045	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1046	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1047	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1048	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1054	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1055	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1056	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1057	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1058	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1064	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1065	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	005900	1066	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1013	0102
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1032	0102
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1033	0102
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1034	0102
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1035	0102
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1038	0102
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1039	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1040	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1997	
JEFFERSON	L113	PRECINCT 113 41 DISTRICT	007400	1998	0103
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1005	0102
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1006	0102
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1012	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1013	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1014	
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1033	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1034	0202
JEFFERSON	L117	PRECINCT 117 41 DISTRICT	007400	1998	0303
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002300	1000	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002300	1001	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002300	1027	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002300	1028	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002300	1029	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002300	1030	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	002300	1031	

<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002300</i>	<i>1032</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2000</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2001</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>002400</i>	<i>2006</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1000</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1001</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1002</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1003</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1004</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1005</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1006</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1007</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1008</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1009</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1010</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1011</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1012</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1013</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1014</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1015</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1016</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1017</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1018</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1019</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1020</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1021</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1022</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1023</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1024</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1025</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>003000</i>	<i>1026</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1025</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1026</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1027</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1028</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1029</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1030</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1031</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>	<i>004900</i>	<i>1032</i>

JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1033	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1034	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1035	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1036	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1037	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1038	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1039	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1040	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1041	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1042	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1043	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1044	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1045	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1046	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1071	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1072	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1073	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1074	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1120	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1121	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1122	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1997	
JEFFERSON	L122	PRECINCT 122 41 DISTRICT	004900	1998	0102
JEFFERSON	L132	PRECINCT 132 41 DISTRICT			
JEFFERSON	M103	PRECINCT 103 42 DISTRICT	001200	2008	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1003	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1004	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1005	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	1006	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2003	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2004	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2005	
JEFFERSON	M132	PRECINCT 132 42 DISTRICT	001200	2999	
JEFFERSON	N101	PRECINCT 101 43 DISTRICT			
JEFFERSON	N102	PRECINCT 102 43 DISTRICT			
JEFFERSON	N103	PRECINCT 103 43 DISTRICT			
JEFFERSON	N104	PRECINCT 104 43 DISTRICT			
JEFFERSON	N105	PRECINCT 105 43 DISTRICT			

<i>JEFFERSON</i>	<i>N106</i>	<i>PRECINCT 106 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N107</i>	<i>PRECINCT 107 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N108</i>	<i>PRECINCT 108 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N109</i>	<i>PRECINCT 109 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N110</i>	<i>PRECINCT 110 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N111</i>	<i>PRECINCT 111 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N112</i>	<i>PRECINCT 112 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N113</i>	<i>PRECINCT 113 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N115</i>	<i>PRECINCT 115 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N117</i>	<i>PRECINCT 117 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>000600</i>	<i>1036</i>
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>1001</i>
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>	<i>001000</i>	<i>1002</i>
<i>JEFFERSON</i>	<i>N119</i>	<i>PRECINCT 119 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>N124</i>	<i>PRECINCT 124 43 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S101</i>	<i>PRECINCT 101 48 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S102</i>	<i>PRECINCT 102 48 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S103</i>	<i>PRECINCT 103 48 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S136</i>	<i>PRECINCT 136 48 DISTRICT</i>		

SECTION 44. KRS 5.244 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-fourth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>A117</i>		<i>PRECINCT 117 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A119</i>		<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>A119</i>		<i>PRECINCT 119 28 DISTRICT</i>	<i>012103</i>	<i>3004</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>A120</i>		<i>PRECINCT 120 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>A121</i>		<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>A121</i>		<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1024</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>A121</i>		<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1999</i>	<i>0102</i>
<i>JEFFERSON</i>	<i>A133</i>		<i>PRECINCT 133 28 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O105</i>		<i>PRECINCT 105 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O107</i>		<i>PRECINCT 107 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O109</i>		<i>PRECINCT 109 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O111</i>		<i>PRECINCT 111 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O112</i>		<i>PRECINCT 112 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O113</i>		<i>PRECINCT 113 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O114</i>		<i>PRECINCT 114 44 DISTRICT</i>			
<i>JEFFERSON</i>	<i>O115</i>		<i>PRECINCT 115 44 DISTRICT</i>			

<i>JEFFERSON</i>	<i>0116</i>	<i>PRECINCT 116 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0117</i>	<i>PRECINCT 117 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0119</i>	<i>PRECINCT 119 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0121</i>	<i>PRECINCT 121 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0123</i>	<i>PRECINCT 123 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0124</i>	<i>PRECINCT 124 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0126</i>	<i>PRECINCT 126 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0127</i>	<i>PRECINCT 127 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0128</i>	<i>PRECINCT 128 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0129</i>	<i>PRECINCT 129 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0130</i>	<i>PRECINCT 130 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>0131</i>	<i>PRECINCT 131 44 DISTRICT</i>

SECTION 45. KRS 5.245 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-fifth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>FAYETTE</i>	<i>A139</i>	<i>TURFLAND</i>			
<i>FAYETTE</i>	<i>A151</i>	<i>CLAYS MILL</i>			
<i>FAYETTE</i>	<i>A157</i>	<i>HARRODS HILL</i>			
<i>FAYETTE</i>	<i>A166</i>	<i>TWIN OAKS</i>			
<i>FAYETTE</i>	<i>A167</i>	<i>PASADENA</i>			
<i>FAYETTE</i>	<i>A176</i>	<i>SUNGALE</i>			
<i>FAYETTE</i>	<i>A180</i>	<i>BEAUMONT CENTRE</i>			
<i>FAYETTE</i>	<i>A182</i>	<i>ASHBROOKE</i>	<i>004202</i>	<i>2027</i>	
<i>FAYETTE</i>	<i>A182</i>	<i>ASHBROOKE</i>	<i>004202</i>	<i>2028</i>	
<i>FAYETTE</i>	<i>A182</i>	<i>ASHBROOKE</i>	<i>004202</i>	<i>2035</i>	
<i>FAYETTE</i>	<i>A182</i>	<i>ASHBROOKE</i>	<i>004202</i>	<i>2036</i>	
<i>FAYETTE</i>	<i>B101</i>	<i>CLEMENS HTS.</i>			
<i>FAYETTE</i>	<i>B104</i>	<i>BRIGADOON</i>			
<i>FAYETTE</i>	<i>B106</i>	<i>WILDWOOD</i>			
<i>FAYETTE</i>	<i>B117</i>	<i>KEITHSHIRE</i>			
<i>FAYETTE</i>	<i>B129</i>	<i>MONTICELLO</i>			
<i>FAYETTE</i>	<i>B130</i>	<i>OPEN GATES</i>			
<i>FAYETTE</i>	<i>B141</i>	<i>STONE</i>			
<i>FAYETTE</i>	<i>B142</i>	<i>STONEWALL</i>			
<i>FAYETTE</i>	<i>B146</i>	<i>KENLOCK</i>			
<i>FAYETTE</i>	<i>B150</i>	<i>ROBINWOOD</i>			
<i>FAYETTE</i>	<i>B153</i>	<i>WHITFIELD</i>			

FAYETTE	B154	TUDOR
FAYETTE	B156	BAYSWATER
FAYETTE	B159	SOUTHVIEW
FAYETTE	B163	PLANTATION
FAYETTE	B164	BLUEBERRY HILLS
FAYETTE	B170	PICKWAY
FAYETTE	B172	SHILLITO
FAYETTE	B175	HIGHPLAIN
FAYETTE	B177	WYNDHAM HILLS
FAYETTE	B183	CAVE HILL
FAYETTE	B184	PALOMAR
FAYETTE	B185	SCENICVIEW
FAYETTE	B186	GLENVIEW
FAYETTE	B187	STONE CREEK
FAYETTE	B191	WAVERLY
FAYETTE	B192	PALMETTO
FAYETTE	B193	HIDDEN SPRINGS
FAYETTE	B199	INDIAN HILLS
FAYETTE	B200	WHITE PINE
FAYETTE	B201	HARRODS VIEW
FAYETTE	B203	WYNDSONG
FAYETTE	B205	BLACKHORSE
FAYETTE	B206	ROLLING CREEK
FAYETTE	B207	FOX HARBOUR
FAYETTE	B208	VALE

SECTION 46. KRS 5.246 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-sixth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	B129		PRECINCT 129 29 DISTRICT			
JEFFERSON	B150		PRECINCT 150 29 DISTRICT			
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2002	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2003	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2005	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2006	
JEFFERSON	F127		PRECINCT 127 33 DISTRICT	011509	2007	
JEFFERSON	Q101		PRECINCT 101 46 DISTRICT			
JEFFERSON	Q103		PRECINCT 103 46 DISTRICT			
JEFFERSON	Q104		PRECINCT 104 46 DISTRICT			

<i>JEFFERSON</i>	<i>Q105</i>	<i>PRECINCT 105 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q107</i>	<i>PRECINCT 107 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q109</i>	<i>PRECINCT 109 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q112</i>	<i>PRECINCT 112 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q113</i>	<i>PRECINCT 113 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q114</i>	<i>PRECINCT 114 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q115</i>	<i>PRECINCT 115 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q116</i>	<i>PRECINCT 116 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q117</i>	<i>PRECINCT 117 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q118</i>	<i>PRECINCT 118 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q119</i>	<i>PRECINCT 119 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q120</i>	<i>PRECINCT 120 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q122</i>	<i>PRECINCT 122 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q123</i>	<i>PRECINCT 123 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q124</i>	<i>PRECINCT 124 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q125</i>	<i>PRECINCT 125 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q126</i>	<i>PRECINCT 126 46 DIST</i>
<i>JEFFERSON</i>	<i>Q127</i>	<i>PRECINCT 127 46 DISTRICT</i>

SECTION 47. KRS 5.247 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-seventh Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>CARROLL</i>						
<i>HENRY</i>						
<i>OLDHAM</i>	<i>B101</i>		<i>SKYLIGHT</i>			
<i>OLDHAM</i>	<i>C101</i>		<i>COVINGTON</i>			
<i>OLDHAM</i>	<i>C102</i>		<i>NORTH LAGRANGE</i>			
<i>OLDHAM</i>	<i>C104</i>		<i>EAST LAGRANGE</i>			
<i>OLDHAM</i>	<i>C105</i>		<i>WESTPORT</i>			
<i>OLDHAM</i>	<i>D102</i>		<i>WEST LAGRANGE</i>			
<i>TRIMBLE</i>						

SECTION 48. KRS 5.248 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-eighth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>E153</i>		<i>PRECINCT 153 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F101</i>		<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1023</i>	
<i>JEFFERSON</i>	<i>F101</i>		<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1026</i>	

<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1036</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1037</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1038</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1039</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1040</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1041</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1042</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1043</i>	
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>	<i>010309</i>	<i>1044</i>	
<i>JEFFERSON</i>	<i>F103</i>	<i>PRECINCT 103 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F108</i>	<i>PRECINCT 108 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F134</i>	<i>PRECINCT 134 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F137</i>	<i>PRECINCT 137 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1042</i>	<i>0303</i>
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1043</i>	
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>	<i>010306</i>	<i>1054</i>	<i>0202</i>
<i>JEFFERSON</i>	<i>F142</i>	<i>PRECINCT 142 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F144</i>	<i>PRECINCT 144 33 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S116</i>	<i>PRECINCT 116 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S117</i>	<i>PRECINCT 117 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S118</i>	<i>PRECINCT 118 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S119</i>	<i>PRECINCT 119 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S122</i>	<i>PRECINCT 122 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S125</i>	<i>PRECINCT 125 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S126</i>	<i>PRECINCT 126 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S128</i>	<i>PRECINCT 128 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S129</i>	<i>PRECINCT 129 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S130</i>	<i>PRECINCT 130 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S131</i>	<i>PRECINCT 131 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S132</i>	<i>PRECINBT 132 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S133</i>	<i>PRECINCT 133 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S135</i>	<i>PRECINCT 135 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S137</i>	<i>PRECINCT 137 48 DISTRICT</i>			
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>1005</i>	
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2000</i>	
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2001</i>	
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2002</i>	
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2003</i>	
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2004</i>	

<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2005</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2006</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2007</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2012</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2013</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2014</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2015</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010303</i>	<i>2016</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010310</i>	<i>1022</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010310</i>	<i>1023</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010310</i>	<i>1024</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010311</i>	<i>1005</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010311</i>	<i>1006</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010311</i>	<i>1007</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010311</i>	<i>1008</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010311</i>	<i>1009</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010311</i>	<i>1010</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>	<i>010311</i>	<i>1011</i>
<i>JEFFERSON</i>	<i>S140</i>	<i>PRECINCT 140 48 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S141</i>	<i>PRECINCT 141 48 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S142</i>	<i>PRECINCT 142 48 DISTRICT</i>		
<i>JEFFERSON</i>	<i>S143</i>	<i>PRECINCT 143 48 DIST</i>		
<i>JEFFERSON</i>	<i>S144</i>	<i>PRECINCT 144 48 DISTRICT</i>		

SECTION 49. KRS 5.249 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Forty-ninth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1015</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>1999</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3011</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3012</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3013</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3014</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3017</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3018</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3019</i>	
<i>BULLITT</i>	<i>A101</i>		<i>SHEPHERDSVILLE #1</i>	<i>020700</i>	<i>3020</i>	
<i>BULLITT</i>	<i>A103</i>		<i>SHEPHERDSVILLE #3</i>			

BULLITT	A104	PLEASANT GROVE #4		
BULLITT	A106	SHEPERDSVILLE #2A		
BULLITT	A107	BROOKS #12		
BULLITT	A108	BROOKS #12A		
BULLITT	B101	MT. WASHINGTON #7	020100	3001
BULLITT	B101	MT. WASHINGTON #7	020100	3002
BULLITT	B101	MT. WASHINGTON #7	020100	3003
BULLITT	B101	MT. WASHINGTON #7	020100	3004
BULLITT	B101	MT. WASHINGTON #7	020100	3005
BULLITT	B101	MT. WASHINGTON #7	020100	3019
BULLITT	B102	MT. WASHINGTON #8		
BULLITT	B103	MT. WASHINGTON #9		
BULLITT	B105	ZONETON #11		
BULLITT	B107	MT. WASHINGTON #9-A		
BULLITT	B108	MT. WASHINGTON #8A	020200	1001
BULLITT	B108	MT. WASHINGTON #8A	020200	1002
BULLITT	B108	MT. WASHINGTON #8A	020200	1003
BULLITT	B108	MT. WASHINGTON #8A	020200	1004
BULLITT	B108	MT. WASHINGTON #8A	020200	1005
BULLITT	B108	MT. WASHINGTON #8A	020200	1006
BULLITT	B108	MT. WASHINGTON #8A	020200	1007
BULLITT	B108	MT. WASHINGTON #8A	020200	1008
BULLITT	B108	MT. WASHINGTON #8A	020200	1009
BULLITT	B108	MT. WASHINGTON #8A	020200	1010
BULLITT	B108	MT. WASHINGTON #8A	020200	1011
BULLITT	B108	MT. WASHINGTON #8A	020200	1012
BULLITT	B108	MT. WASHINGTON #8A	020200	1013
BULLITT	B108	MT. WASHINGTON #8A	020200	1014
BULLITT	B108	MT. WASHINGTON #8A	020200	1015
BULLITT	B108	MT. WASHINGTON #8A	020200	1028
BULLITT	B108	MT. WASHINGTON #8A	020200	1029
BULLITT	B108	MT. WASHINGTON #8A	020200	1030
BULLITT	B108	MT. WASHINGTON #8A	020200	1031
BULLITT	B108	MT. WASHINGTON #8A	020200	1032
BULLITT	B108	MT. WASHINGTON #8A	020200	1033
BULLITT	B108	MT. WASHINGTON #8A	020200	1034
BULLITT	B108	MT. WASHINGTON #8A	020200	1035
BULLITT	B108	MT. WASHINGTON #8A	020200	1036
BULLITT	B108	MT. WASHINGTON #8A	020200	1037

0203

<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2006</i>	<i>0103</i>
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2006</i>	<i>0303</i>
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2010</i>	<i>0102</i>
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2011</i>	
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2012</i>	
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2014</i>	
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2021</i>	
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2022</i>	
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2023</i>	
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2024</i>	
<i>BULLITT</i>	<i>B108</i>	<i>MT. WASHINGTON #8A</i>	<i>020200</i>	<i>2026</i>	
<i>BULLITT</i>	<i>B110</i>	<i>MT. WASHINGTON #9-NORTH</i>			
<i>BULLITT</i>	<i>B111</i>	<i>MT. WASHINGTON #9-B</i>			
<i>BULLITT</i>	<i>B112</i>	<i>ZONETON #11-B</i>			
<i>BULLITT</i>	<i>C101</i>	<i>HEBRON #5</i>			
<i>BULLITT</i>	<i>C102</i>	<i>MARYVILLE #6</i>			
<i>BULLITT</i>	<i>C103</i>	<i>ZONETON # 11-A</i>			
<i>BULLITT</i>	<i>C104</i>	<i>MARYVILLE SOUTH #19</i>			
<i>BULLITT</i>	<i>C105</i>	<i>HEBRON #5A</i>			
<i>BULLITT</i>	<i>C106</i>	<i>HEBRON #5B</i>			
<i>BULLITT</i>	<i>C107</i>	<i>MARYVILLE #6A</i>			
<i>BULLITT</i>	<i>D108</i>	<i>SHEPHERDSVILLE #2</i>			
<i>BULLITT</i>	<i>D109</i>	<i>SHEPHERDSVILLE #2-NORTH</i>			

SECTION 50. KRS 5.250 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fiftieth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3000</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3006</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3007</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3008</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3009</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3010</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3011</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3012</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3013</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3014</i>	
<i>BULLITT</i>	<i>B101</i>		<i>MT. WASHINGTON #7</i>	<i>020100</i>	<i>3015</i>	

BULLITT	B101	MT. WASHINGTON #7	020100	3016
BULLITT	B101	MT. WASHINGTON #7	020100	3017
BULLITT	B101	MT. WASHINGTON #7	020100	3018
BULLITT	B101	MT. WASHINGTON #7	020100	3020
BULLITT	B101	MT. WASHINGTON #7	020100	3021
BULLITT	B101	MT. WASHINGTON #7	020100	3022
BULLITT	B104	MT. WASHINGTON #10		
BULLITT	B108	MT. WASHINGTON #8A	020200	2025
BULLITT	B108	MT. WASHINGTON #8A	020200	3024
BULLITT	B109	MT. WASHINGTON #7-A		
NELSON				
SPENCER	D102	CAMPBRANCH #2		

SECTION 51. KRS 5.251 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-first Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ADAIR						
TAYLOR						

SECTION 52. KRS 5.252 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-second Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
MCCREARY						
PULASKI	A107		NAOMI EAST			
PULASKI	E106		OKOLONA # 16			
PULASKI	E107		OKOLONA NORTH			
PULASKI	G102		BURNSIDE COUNTY 36 A			
PULASKI	G106		BRONSTON NORTH			
WAYNE						

SECTION 53. KRS 5.253 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-third Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CUMBERLAND						
GREEN						
METCALFE						
MONROE						

SECTION 54. KRS 5.254 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-fourth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOYLE						
WASHINGTON						

SECTION 55. KRS 5.255 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-fifth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ANDERSON						
MERCER						
SPENCER	D101		CAMPBRANCH			
SPENCER	E102		MT EDEN #7			

SECTION 56. KRS 5.256 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-sixth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A101		ALEXANDRIA			
FAYETTE	A103		BEAUMONT			
FAYETTE	A113		GARDEN SPRINGS			
FAYETTE	A121		KEYS			
FAYETTE	A123		LANE ALLEN			
FAYETTE	A138		THE COLONY			
FAYETTE	A145		WOLF RUN			
FAYETTE	A158		ARMORY			
FAYETTE	A182		ASHBROOKE	004202		2029
FAYETTE	A182		ASHBROOKE	004202		2030
FAYETTE	A182		ASHBROOKE	004202		2033
FAYETTE	A182		ASHBROOKE	004202		2034
FRANKLIN	B101		JETT			
FRANKLIN	B102	0102	COUNTRY CLUB			
FRANKLIN	B102	0202	COUNTRY CLUB			
FRANKLIN	B106		STATION SPRINGS			
FRANKLIN	C104		SWITZER			
FRANKLIN	C108		FORKS OF ELKHORN			
FRANKLIN	D101		SWALLOWFIELD			
FRANKLIN	D103		PEAKS MILL			

WOODFORD

SECTION 57. KRS 5.257 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-seventh Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FRANKLIN	A101		FARMDALE			
FRANKLIN	A102		CLOVERDALE			
FRANKLIN	A103		VOGLER-COLEMAN			
FRANKLIN	A104		THISTLETON			
FRANKLIN	A105		BRIDGE-GLENN			
FRANKLIN	A106		GREEN WILSON			
FRANKLIN	A107		CAPITOL			
FRANKLIN	B103		SUNSET			
FRANKLIN	B104		GREEN HILL			
FRANKLIN	B105		FRANKLIN HEIGHTS			
FRANKLIN	B108		TIERRA LINDA			
FRANKLIN	B109		BELLVIEW			
FRANKLIN	C101		CRESTWOOD			
FRANKLIN	C102		SCHENKEL LANE			
FRANKLIN	C105		ARNOLD			
FRANKLIN	C106		SCRUGGS			
FRANKLIN	C107		SILVER LAKE			
FRANKLIN	C109	0102	RIDGEVIEW			
FRANKLIN	C109	0202	RIDGEVIEW			
FRANKLIN	C110		RUSSELL			
FRANKLIN	D102		OWENTON RD			
FRANKLIN	D105		GLENWOOD			
FRANKLIN	D106		GAINS-HOLMES			
FRANKLIN	D108		THORN HILL			
FRANKLIN	D109		FAIRVIEW			
FRANKLIN	E101		LOUISVILLE RD			
FRANKLIN	E102		SOUTH BENSON			
FRANKLIN	E107		EVERGREEN			
FRANKLIN	E108	0102	COLLINS LANE			
FRANKLIN	E108	0202	COLLINS LANE			
FRANKLIN	E109		WESTGATE			
FRANKLIN	E110		NORTH WESTGATE			
FRANKLIN	F101		BALD KNOB			
FRANKLIN	F102		COURTHOUSE			
FRANKLIN	F103		ST JOHN			
FRANKLIN	F104		BELLEPOINT			

FRANKLIN F105 HICKORY HILLS
FRANKLIN F106 CHOATEVILLE
FRANKLIN F108 BRIDGEPORT-BOTKINS

SECTION 58. KRS 5.258 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-eighth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
SHELBY						
SPENCER	A101		TAYLORSVILLE #1			
SPENCER	B101		WATERFORD			
SPENCER	C101		ELK CREEK			
SPENCER	C102		ELK CREEK #8			
SPENCER	E101		LITTLE MOUNT			

SECTION 59. KRS 5.259 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifty-ninth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	S139		PRECINCT 139 48 DISTRICT	010311	1000	
JEFFERSON	S139		PRECINCT 139 48 DISTRICT	010311	1001	
JEFFERSON	S139		PRECINCT 139 48 DISTRICT	010311	1002	
JEFFERSON	S139		PRECINCT 139 48 DISTRICT	010311	1003	
JEFFERSON	S139		PRECINCT 139 48 DISTRICT	010311	1004	
JEFFERSON	T101		PRECINCT 101 59 DISTRICT			
JEFFERSON	T102		PRECINCT 102 59 DISTRICT			
OLDHAM	A101		NORTH GOSHEN			
OLDHAM	A103		HARMONY			
OLDHAM	A104		SOUTH HARMONY			
OLDHAM	B104		WEST BUCKNER			
OLDHAM	D101		SOUTHEAST LAGRANGE			
OLDHAM	D103		EAST BALLARDSVILLE			
OLDHAM	D104		WEST BALLARDSVILLE			
OLDHAM	E101		EAST WORTH			
OLDHAM	E102		WEST WORTH			
OLDHAM	E103		SOUTH PEWEE VALLY			
OLDHAM	F102		EAST BUCKNER			
OLDHAM	F103		GLENARM			
OLDHAM	F104		CENTERFIELD			
OLDHAM	G101		BROWNSBORO			

OLDHAM	G102	BRIAR HILL
OLDHAM	G103	NORTH 22
OLDHAM	G104	COVERED BRIDGE
OLDHAM	H101	NORTH CRESTWOOD
OLDHAM	H103	NORTH PEWEE VALLY
OLDHAM	H104	CRESTWOOD

SECTION 60. KRS 5.260 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixtieth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOONE	A102		BELLEVIEW			
BOONE	A104		BURLINGTON #1			
BOONE	A105		BURLINGTON #2			
BOONE	A106		CARLTON			
BOONE	A110		PETERSBURG			
BOONE	A112		BURLINGTON #4			
BOONE	B108		FLORENCE # 8			
BOONE	B110		FLORENCE # 10			
BOONE	B111		FLORENCE #11			
BOONE	B113		FLORENCE #13			
BOONE	C101		BEAVER			
BOONE	C102		DEVON #1			
BOONE	C104		HAMILTON			
BOONE	C105		UNION # 1			
BOONE	C106		UNION # 2			
BOONE	C107		VERONA			
BOONE	C108		WALTON #1			
BOONE	C109		WALTON #2			
BOONE	C110		DEVON #2			
BOONE	C115		UNION # 3			
BOONE	C116		PLEASANT VALLEY			
BOONE	C117		DEVON #3			
BOONE	C119		UNION #4			
BOONE	C121		SHAMROCK			

SECTION 61. KRS 5.261 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-first Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
GALLATIN						

GRANT**OWEN**

SECTION 62. KRS 5.262 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-second Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1000	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1001	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1002	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1003	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1004	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1005	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1006	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1007	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1012	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1013	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1014	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1016	0203
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1017	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1018	0102
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1019	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1020	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1021	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1022	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	1023	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2008	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2009	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2010	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2011	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2019	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2020	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2023	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2024	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2025	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2026	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2027	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2028	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	2029	

<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>2034</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3000</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3001</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3044</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3045</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3046</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3047</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3048</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3049</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3050</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3051</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3052</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3053</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3054</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3055</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003700</i>	<i>3056</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3007</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3008</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3009</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3010</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3011</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3012</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3013</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3014</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3015</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>3016</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>4012</i>
<i>FAYETTE</i>	<i>A104</i>	<i>BELL SCHOOL HOUSE</i>	<i>003802</i>	<i>4013</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003700</i>	<i>1008</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003700</i>	<i>1009</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003700</i>	<i>1010</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003700</i>	<i>1011</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>3006</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4000</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4001</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4002</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4003</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4004</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4005</i>

<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4006</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4007</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4008</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4009</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4010</i>
<i>FAYETTE</i>	<i>A108</i>	<i>DONERAIL</i>	<i>003802</i>	<i>4011</i>
<i>FAYETTE</i>	<i>A118</i>	<i>HOLIDAY HILLS</i>		
<i>FAYETTE</i>	<i>A162</i>	<i>VILLAGE</i>		
<i>FAYETTE</i>	<i>A175</i>	<i>HORSE PARK</i>		
<i>FAYETTE</i>	<i>A178</i>	<i>CAYWOOD</i>		
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2000</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2001</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2002</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2003</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2004</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2005</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2006</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2007</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2012</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2013</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2014</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2015</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2016</i>

SCOTT

SECTION 63. KRS 5.263 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-third Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>KENTON</i>	<i>B102</i>		<i>CRESTVIEW #3</i>			
<i>KENTON</i>	<i>B103</i>		<i>CRESTVIEW #1</i>			
<i>KENTON</i>	<i>B104</i>		<i>CRESTVIEW #2</i>			
<i>KENTON</i>	<i>B106</i>		<i>EDGEWOOD #1</i>			
<i>KENTON</i>	<i>B108</i>		<i>EDGEWOOD #3</i>			
<i>KENTON</i>	<i>B109</i>		<i>EDGEWOOD #4</i>			
<i>KENTON</i>	<i>B110</i>		<i>EDGEWOOD #5</i>			
<i>KENTON</i>	<i>B111</i>		<i>EDGEWOOD #6</i>			
<i>KENTON</i>	<i>B112</i>		<i>EDGEWOOD #7</i>			
<i>KENTON</i>	<i>B113</i>		<i>FT. MITCHELL#1</i>			

KENTON	C101	CRESCENT SPRINGS #1
KENTON	C102	CRESCENT SPRINGS #2
KENTON	C116	FT. MITCHELL #2
KENTON	C117	FT. MITCHELL #3
KENTON	C118	FT. MITCHELL #4
KENTON	C119	FT. MITCHELL #5
KENTON	C120	FT. MITCHELL #6
KENTON	C121	FT. MITCHELL #7
KENTON	C122	FT. WRIGHT #1
KENTON	C123	FT. WRIGHT #2
KENTON	C124	FT. WRIGHT #3
KENTON	C125	FT. WRIGHT #4
KENTON	C126	FT. WRIGHT #5
KENTON	C127	LAKESIDE #1
KENTON	C128	LAKESIDE #2
KENTON	C129	LAKESIDE #3
KENTON	C130	PARK HILLS #1
KENTON	C133	VILLA HILLS #1
KENTON	C134	VILLA HILLS #2
KENTON	C135	VILLA HILLS #3
KENTON	C136	VILLA HILLS #4
KENTON	C137	CRESCENT SPRINGS #3
KENTON	C138	VILLA HILLS #5

SECTION 64. KRS 5.264 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-fourth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KENTON	A114		COVINGTON #25			
KENTON	A115		COVINGTON #26			
KENTON	A116		COVINGTON #27			
KENTON	A117		COVINGTON #30			
KENTON	A130		WINSTON PARK			
KENTON	B105		DECOURSEY			
KENTON	B107		EDGEWOOD #2			
KENTON	B114		HANDS PIKE			
KENTON	B115		INDEPENDENCE #1			
KENTON	B116		INDEPENDENCE #2			
KENTON	B118		INDEPENDENCE #4			
KENTON	B121		NICHOLSON #2			

KENTON	B122	OAKRIDGE
KENTON	B126	TAYLOR MILL #1
KENTON	B127	TAYLOR MILL #2
KENTON	B128	TAYLOR MILL #3
KENTON	B129	VISALIA
KENTON	B130	WHITES TOWER
KENTON	B131	INDEPENDENCE #5
KENTON	B132	INDEPENDENCE #6
KENTON	B133	INDEPENDENCE #7
KENTON	B136	INDEPENDENCE #9
KENTON	B137	INDEPENDENCE #10

SECTION 65. KRS 5.265 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-fifth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KENTON	A101		COVINGTON # 1			
KENTON	A102		COVINGTON #3			
KENTON	A103		COVINGTON #7			
KENTON	A104		COVINGTON #10			
KENTON	A105		COVINGTON #11			
KENTON	A106		COVINGTON #12			
KENTON	A107		COVINGTON #13			
KENTON	A108		COVINGTON #15			
KENTON	A109		COVINGTON #19			
KENTON	A110		COVINGTON #20			
KENTON	A111		COVINGTON #21			
KENTON	A112		COVINGTON #23			
KENTON	A113		COVINGTON #24			
KENTON	A118		COVINGTON # 31			
KENTON	A119		COVINGTON #33			
KENTON	A120		COVINGTON #34			
KENTON	A121		COVINGTON #36			
KENTON	A122		COVINGTON #39			
KENTON	A123		COVINGTON #41			
KENTON	A124		COVINGTON #42			
KENTON	A125		BROMLEY			
KENTON	A126		LUDLOW #1			
KENTON	A127		LUDLOW #2			

KENTON	A128	LUDLOW #3
KENTON	A129	LUDLOW #4
KENTON	C131	PARK HILLS #2
KENTON	C132	PARK HILLS #3
KENTON	X001	X001

SECTION 66. KRS 5.266 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-sixth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOONE	A101		AIRPORT			
BOONE	A103		BULLITTSVILLE			
BOONE	A107		CONSTANCE			
BOONE	A108		HEBRON #1			
BOONE	A109		HEBRON #2			
BOONE	A111		BURLINGTON #3			
BOONE	A113		BURLINGTON #5			
BOONE	A114		HEBRON #3			
BOONE	A115		BURLINGTON #6			
BOONE	A116		BURLINGTON #7			
BOONE	A117		HEBRON #4			
BOONE	B101		FLORENCE #1			
BOONE	B102		FLORENCE #2			
BOONE	B103		FLORENCE #3			
BOONE	B104		FLORENCE #4			
BOONE	B105		FLORENCE #5			
BOONE	B106		FLORENCE #6			
BOONE	B107		FLORENCE #7			
BOONE	B109		FLORENCE # 9			
BOONE	B112		FLORENCE #12			
BOONE	C103	0102	GREENVIEW			
BOONE	C103	0202	GREENVIEW			
BOONE	C111		OAKBROOK			
BOONE	C113		LIMABURG			
BOONE	C114		LINKVIEW			
BOONE	C118		HOPEFUL			
BOONE	C122		GLENVIEW			

SECTION 67. KRS 5.267 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-seventh Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT BLCK SECT</i>
<i>CAMPBELL</i>	<i>A604</i>	<i>HIGHLAND HTS D</i>	
<i>CAMPBELL</i>	<i>A605</i>	<i>HIGHLAND HTS E</i>	
<i>CAMPBELL</i>	<i>A909</i>	<i>JOHNS HILL</i>	
<i>CAMPBELL</i>	<i>A913</i>	<i>WILDER</i>	
<i>CAMPBELL</i>	<i>B101</i>	<i>DAYTON A</i>	
<i>CAMPBELL</i>	<i>B102</i>	<i>DAYTON B</i>	
<i>CAMPBELL</i>	<i>B103</i>	<i>DAYTON C</i>	
<i>CAMPBELL</i>	<i>B201</i>	<i>BELLEVUE A</i>	
<i>CAMPBELL</i>	<i>B202</i>	<i>BELLEVUE B</i>	
<i>CAMPBELL</i>	<i>B203</i>	<i>BELLEVUE C</i>	
<i>CAMPBELL</i>	<i>B204</i>	<i>BELLEVUE D</i>	
<i>CAMPBELL</i>	<i>C301</i>	<i>NEWPORT A</i>	
<i>CAMPBELL</i>	<i>C302</i>	<i>NEWPORT B</i>	
<i>CAMPBELL</i>	<i>C303</i>	<i>NEWPORT C</i>	
<i>CAMPBELL</i>	<i>C304</i>	<i>NEWPORT D</i>	
<i>CAMPBELL</i>	<i>C305</i>	<i>NEWPORT E</i>	
<i>CAMPBELL</i>	<i>C306</i>	<i>NEWPORT F</i>	
<i>CAMPBELL</i>	<i>C307</i>	<i>NEWPORT G</i>	
<i>CAMPBELL</i>	<i>C308</i>	<i>NEWPORT H</i>	
<i>CAMPBELL</i>	<i>C309</i>	<i>NEWPORT I</i>	
<i>CAMPBELL</i>	<i>C310</i>	<i>NEWPORT J</i>	
<i>CAMPBELL</i>	<i>C311</i>	<i>NEWPORT K</i>	
<i>CAMPBELL</i>	<i>C312</i>	<i>NEWPORT L</i>	
<i>CAMPBELL</i>	<i>C501</i>	<i>SOUTHGATE A</i>	
<i>CAMPBELL</i>	<i>C502</i>	<i>SOUTHGATE B</i>	
<i>CAMPBELL</i>	<i>C503</i>	<i>SOUTHGATE C</i>	
<i>CAMPBELL</i>	<i>C504</i>	<i>SOUTHGATE D</i>	

SECTION 68. KRS 5.268 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-eighth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT BLCK SECT</i>
<i>CAMPBELL</i>	<i>A603</i>	<i>HIGHLAND HTS C</i>	
<i>CAMPBELL</i>	<i>A701</i>	<i>COLD SPRING A</i>	
<i>CAMPBELL</i>	<i>A702</i>	<i>COLD SPRING B</i>	
<i>CAMPBELL</i>	<i>A703</i>	<i>COLD SPRING C</i>	
<i>CAMPBELL</i>	<i>A801</i>	<i>ALEXANDRIA A</i>	
<i>CAMPBELL</i>	<i>A802</i>	<i>ALEXANDRIA B</i>	

<i>CAMPBELL</i>	<i>A803</i>	<i>ALEXANDRIA C</i>
<i>CAMPBELL</i>	<i>A804</i>	<i>ALEXANDRIA D</i>
<i>CAMPBELL</i>	<i>A805</i>	<i>ALEXANDRIA E</i>
<i>CAMPBELL</i>	<i>A806</i>	<i>ALEXANDRIA F</i>
<i>CAMPBELL</i>	<i>A807</i>	<i>ALEXANDRIA G</i>
<i>CAMPBELL</i>	<i>A906</i>	<i>CAMP SPRINGS</i>
<i>CAMPBELL</i>	<i>A910</i>	<i>MELBOURNE</i>
<i>CAMPBELL</i>	<i>A911</i>	<i>POOLES CREEK</i>
<i>CAMPBELL</i>	<i>A912</i>	<i>SILVER GROVE</i>
<i>CAMPBELL</i>	<i>B401</i>	<i>FT THOMAS A</i>
<i>CAMPBELL</i>	<i>B402</i>	<i>FT THOMAS B</i>
<i>CAMPBELL</i>	<i>B403</i>	<i>FT THOMAS C</i>
<i>CAMPBELL</i>	<i>B405</i>	<i>FT THOMAS E</i>
<i>CAMPBELL</i>	<i>B406</i>	<i>FT THOMAS F</i>
<i>CAMPBELL</i>	<i>B408</i>	<i>FT THOMAS H</i>
<i>CAMPBELL</i>	<i>B409</i>	<i>FT THOMAS K</i>
<i>CAMPBELL</i>	<i>B410</i>	<i>FT THOMAS L</i>
<i>CAMPBELL</i>	<i>B411</i>	<i>FT THOMAS M</i>
<i>CAMPBELL</i>	<i>B412</i>	<i>FT THOMAS N</i>
<i>CAMPBELL</i>	<i>B414</i>	<i>FT THOMAS P</i>
<i>CAMPBELL</i>	<i>B601</i>	<i>HIGHLAND HTS A</i>
<i>CAMPBELL</i>	<i>B602</i>	<i>HIGHLAND HTS B</i>
<i>CAMPBELL</i>	<i>B916</i>	<i>BRENT</i>
<i>CAMPBELL</i>	<i>C415</i>	<i>FT THOMAS I</i>
<i>CAMPBELL</i>	<i>C416</i>	<i>FT THOMAS J</i>
<i>CAMPBELL</i>	<i>C418</i>	<i>FT THOMAS R</i>
<i>CAMPBELL</i>	<i>C419</i>	<i>FT THOMAS S</i>

SECTION 69. KRS 5.269 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixty-ninth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BOONE</i>	<i>C112</i>		<i>RICHWOOD</i>			
<i>BOONE</i>	<i>C120</i>		<i>KENSINGTON</i>			
<i>CAMPBELL</i>	<i>A904</i>		<i>GRANTS LICK</i>			
<i>CAMPBELL</i>	<i>A905</i>		<i>CLARYVILLE</i>			
<i>KENTON</i>	<i>B101</i>		<i>BRACHT</i>			
<i>KENTON</i>	<i>B117</i>		<i>INDEPENDENCE #3</i>			
<i>KENTON</i>	<i>B119</i>		<i>MORNINGVIEW</i>			
<i>KENTON</i>	<i>B120</i>		<i>NICHOLSON #1</i>			

KENTON	B123	PINER
KENTON	B124	RICHARDSON #1
KENTON	B125	RICHARDSON #2
KENTON	B134	INDEPENDENCE # 8
KENTON	B135	RICHARDSON #3
KENTON	C103	ELSMERE #1
KENTON	C104	ELSMERE #2
KENTON	C105	ELSMERE #3
KENTON	C106	ELSMERE #4
KENTON	C107	ERLANGER #1
KENTON	C108	ERLANGER #2
KENTON	C109	ERLANGER #3
KENTON	C110	ERLANGER #4
KENTON	C111	ERLANGER #5
KENTON	C112	ERLANGER #6
KENTON	C113	ERLANGER #7
KENTON	C114	ERLANGER #8
KENTON	C115	ERLANGER #9
KENTON	C139	ELSMERE#5

SECTION 70. KRS 5.270 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventieth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BRACKEN						
FLEMING						
MASON						

SECTION 71. KRS 5.271 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-first Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
MENIFEE						
MORGAN						
ROWAN	A102		BRUSHY			
ROWAN	A106		PINE HILL			
ROWAN	B102		UPPER FARMERS			
ROWAN	B103		WEST MOREHEAD			
ROWAN	B104		THOMAS ADDITION			
ROWAN	B105		BLUE STONE			

ROWAN	B106	LOWER FARMERS
ROWAN	C102	CLEARFIELD
ROWAN	C103	CITY HALL
ROWAN	C104	DRY CREEK
ROWAN	D102	EADSTON
ROWAN	D103	PINE GROVE
WOLFE	A101	LEE CITY-1
WOLFE	A105	HAZEL GREEN #2
WOLFE	B102	STILLWATER-6

SECTION 72. KRS 5.272 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-second Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BATH						
BOURBON						
FAYETTE	A108		DONERAIL	003802	1003	0102
FAYETTE	A108		DONERAIL	003802	1004	0202
FAYETTE	A108		DONERAIL	003802	1009	0202
FAYETTE	A108		DONERAIL	003802	1010	0202
FAYETTE	A108		DONERAIL	003802	1011	
FAYETTE	A108		DONERAIL	003802	3000	0202
FAYETTE	A108		DONERAIL	003802	3001	
FAYETTE	A108		DONERAIL	003802	3002	
FAYETTE	A108		DONERAIL	003802	3003	0202
FAYETTE	A108		DONERAIL	003802	3017	0202
FAYETTE	A108		DONERAIL	003802	3018	0202
FAYETTE	A108		DONERAIL	003802	5001	0202
FAYETTE	C154		MAN O WAR			
FAYETTE	C159		SHANDON PARK			
NICHOLAS						

SECTION 73. KRS 5.273 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-third Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CLARK						
MADISON	B105		NORTH CHENAULT			
MADISON	B106		N WHITE HALL-DANIEL BOONE			
MADISON	B110		FOREST HILL #30			
MADISON	B118		S WHITE HALL-DANIEL-BOONE			

MADISON C105 RED HOUSE

SECTION 74. KRS 5.274 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-fourth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
MONTGOMERY						
POWELL						
WOLFE	B101		HOLLY-5			
WOLFE	B106		CAMPTON #8			
WOLFE	C101		CAMPTON-3			
WOLFE	C102		ROGERS			
WOLFE	C104		CAMPTON #7			

SECTION 75. KRS 5.275 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-fifth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A114		GIBSON PARK			
FAYETTE	A117		HAMPTON COURT			
FAYETTE	A132		PINE MEADOWS			
FAYETTE	A133		PRESTON INN			
FAYETTE	A136		SKYCREST			
FAYETTE	A146		TRIANGLE PARK			
FAYETTE	A156		PERSHING			
FAYETTE	A163		FAIRGROUNDS			
FAYETTE	A173		IMPERIAL			
FAYETTE	A177		PHOENIX PARK			
FAYETTE	A181		HEADLEY GREEN			
FAYETTE	B102		BARKLEY			
FAYETTE	B113		GOODRICH			
FAYETTE	B114		HILL-N-DALE			
FAYETTE	B118		LAFAYETTE			
FAYETTE	B132		PICADOME			
FAYETTE	B135		SEVEN PARKS			
FAYETTE	B137		SHADELAND			
FAYETTE	B138		SHADY LANE			
FAYETTE	B144		TOWERS			
FAYETTE	B147		ZANDALE			
FAYETTE	B182		MONTCLAIR			

FAYETTE	C103	ASHLAND AVENUE		
FAYETTE	C105	AYLESFORD		
FAYETTE	C110	BUNKER		
FAYETTE	C115	CLIFTON		
FAYETTE	C122	ELLERSLIE		
FAYETTE	C128	HOLLYWOOD		
FAYETTE	C131	LAWRENCE		
FAYETTE	C134	MT. VERNON	000700	2004
FAYETTE	C134	MT. VERNON	000700	2005
FAYETTE	C134	MT. VERNON	000700	2006
FAYETTE	C134	MT. VERNON	000700	2007
FAYETTE	C134	MT. VERNON	000700	2008
FAYETTE	C134	MT. VERNON	000700	2009
FAYETTE	C134	MT. VERNON	000700	2010
FAYETTE	C134	MT. VERNON	000700	2011
FAYETTE	C134	MT. VERNON	000700	2012
FAYETTE	C134	MT. VERNON	000700	2013
FAYETTE	C134	MT. VERNON	000700	2014
FAYETTE	C134	MT. VERNON	000700	2015
FAYETTE	C134	MT. VERNON	000700	2016
FAYETTE	C134	MT. VERNON	000700	2017
FAYETTE	C142	WOODLAND		

SECTION 76. KRS 5.276 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-sixth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A168		BLUE ACRES			
FAYETTE	A169		CASTLEWOOD			
FAYETTE	A170		MEADOW LANE			
FAYETTE	A171		NORTHERN			
FAYETTE	A174		ARLINGTON	001400	1000	
FAYETTE	A174		ARLINGTON	001400	1001	
FAYETTE	A174		ARLINGTON	001400	1002	
FAYETTE	A174		ARLINGTON	001400	1003	
FAYETTE	A174		ARLINGTON	001400	1004	
FAYETTE	A174		ARLINGTON	001400	1005	
FAYETTE	A174		ARLINGTON	001400	1006	
FAYETTE	A174		ARLINGTON	001400	1007	
FAYETTE	A174		ARLINGTON	001400	1008	

FAYETTE	A174	ARLINGTON	001400	2000
FAYETTE	A174	ARLINGTON	001400	2001
FAYETTE	A174	ARLINGTON	001400	2002
FAYETTE	A174	ARLINGTON	001400	2003
FAYETTE	A174	ARLINGTON	001400	2004
FAYETTE	A174	ARLINGTON	001400	2005
FAYETTE	A174	ARLINGTON	001400	2006
FAYETTE	A174	ARLINGTON	001400	2007
FAYETTE	A174	ARLINGTON	001400	2008
FAYETTE	A174	ARLINGTON	001400	2009
FAYETTE	A174	ARLINGTON	001400	2010
FAYETTE	A174	ARLINGTON	001400	2011
FAYETTE	A174	ARLINGTON	001400	2012
FAYETTE	A174	ARLINGTON	001400	2013
FAYETTE	A174	ARLINGTON	001400	3001
FAYETTE	A174	ARLINGTON	001400	3002
FAYETTE	B139	SHRINE		
FAYETTE	B151	BLAIRMORE		
FAYETTE	C109	BRYAN STATION		
FAYETTE	C113	CHEVY CHASE		
FAYETTE	C117	CRAWFORD		
FAYETTE	C118	DEEP SPRINGS		
FAYETTE	C119	DIXIE		
FAYETTE	C120	DUKE		
FAYETTE	C124	FONTAINE		
FAYETTE	C125	HELM		
FAYETTE	C126	KINGSWOOD		
FAYETTE	C127	HERMITAGE		
FAYETTE	C129	IDLE HOUR		
FAYETTE	C130	JULIA R EWAN		
FAYETTE	C134	MT. VERNON	000600	2015
FAYETTE	C137	ROOKWOOD		
FAYETTE	C138	VICTORY		
FAYETTE	C140	WALTON		
FAYETTE	C143	WOODSPOINT		
FAYETTE	C144	ALSAB		
FAYETTE	C145	AUGUSTA		
FAYETTE	C153	KINGSTON		

FAYETTE	C155	MARY TODD		
FAYETTE	C157	RICHMOND RD.		
FAYETTE	C163	GREENBRIER	003904	4010
FAYETTE	C163	GREENBRIER	003904	4011
FAYETTE	C167	RIO DOSA		
FAYETTE	C170	BRECKINRIDGE		
FAYETTE	C181	EASTWOOD		
FAYETTE	C185	N ELKHORN		
FAYETTE	C187	CHILESBURG	003904	2005
FAYETTE	C187	CHILESBURG	003904	2006
FAYETTE	C187	CHILESBURG	003904	2007
FAYETTE	C187	CHILESBURG	003904	2008
FAYETTE	C187	CHILESBURG	003904	2009
FAYETTE	C187	CHILESBURG	003904	2010
FAYETTE	C187	CHILESBURG	003904	2011
FAYETTE	C187	CHILESBURG	003904	2012
FAYETTE	C189	SADDLEBROOK		
FAYETTE	C192	CHETFORD		
FAYETTE	C193	SHEFFIELD PLACE		
FAYETTE	C194	CHESTNUT HILL		
FAYETTE	C195	LIBERTY STATION		
FAYETTE	C196	MAPLELEAF		

SECTION 77. KRS 5.277 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-seventh Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A102		BARKER			
FAYETTE	A104		BELL SCHOOL HOUSE	003700	3029	0102
FAYETTE	A104		BELL SCHOOL HOUSE	003700	3042	
FAYETTE	A104		BELL SCHOOL HOUSE	003700	3043	
FAYETTE	A106		CARDINAL VALLEY			
FAYETTE	A109		DOUGLAS-WASHINGTON			
FAYETTE	A111		FAIRLAWN			
FAYETTE	A115		GREEN ACRES			
FAYETTE	A116		TRAILSIDE			
FAYETTE	A120		JULIUS MARKS			
FAYETTE	A126		MARLBORO			
FAYETTE	A128		MEADOWTHORPE			
FAYETTE	A130		OAKWOOD			

<i>FAYETTE</i>	<i>A131</i>	<i>OXFORD</i>			
<i>FAYETTE</i>	<i>A134</i>	<i>RADCLIFFE</i>			
<i>FAYETTE</i>	<i>A135</i>	<i>ST. MARTINS</i>			
<i>FAYETTE</i>	<i>A140</i>	<i>VERSAILLES RD</i>			
<i>FAYETTE</i>	<i>A143</i>	<i>WEST MAIN</i>			
<i>FAYETTE</i>	<i>A144</i>	<i>WINBURN</i>			
<i>FAYETTE</i>	<i>A148</i>	<i>ALABAMA</i>			
<i>FAYETTE</i>	<i>A149</i>	<i>ASPENDALE-BLUEGRASS</i>			
<i>FAYETTE</i>	<i>A150</i>	<i>CAMPSIE</i>			
<i>FAYETTE</i>	<i>A152</i>	<i>HIGHLANDS</i>			
<i>FAYETTE</i>	<i>A155</i>	<i>OHIO-WALNUT</i>			
<i>FAYETTE</i>	<i>A160</i>	<i>MANSION</i>			
<i>FAYETTE</i>	<i>A161</i>	<i>COOLAVIN</i>			
<i>FAYETTE</i>	<i>A164</i>	<i>HOLLOW CREEK</i>			
<i>FAYETTE</i>	<i>A165</i>	<i>GRIFFIN GATE</i>			
<i>FAYETTE</i>	<i>A172</i>	<i>WARFIELD PLACE</i>			
<i>FAYETTE</i>	<i>A174</i>	<i>ARLINGTON</i>	<i>001300</i>	<i>2001</i>	
<i>FAYETTE</i>	<i>A174</i>	<i>ARLINGTON</i>	<i>001400</i>	<i>3003</i>	
<i>FAYETTE</i>	<i>A174</i>	<i>ARLINGTON</i>	<i>001400</i>	<i>3004</i>	
<i>FAYETTE</i>	<i>A174</i>	<i>ARLINGTON</i>	<i>001400</i>	<i>3005</i>	
<i>FAYETTE</i>	<i>A174</i>	<i>ARLINGTON</i>	<i>001400</i>	<i>3006</i>	
<i>FAYETTE</i>	<i>A179</i>	<i>VALLEY FARM</i>			
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2017</i>	
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>2018</i>	
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3003</i>	<i>0103</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3003</i>	<i>0303</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3010</i>	<i>0102</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3011</i>	<i>0102</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3012</i>	<i>0102</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3014</i>	<i>0202</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3015</i>	
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3016</i>	
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3017</i>	
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3018</i>	
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3019</i>	
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3020</i>	<i>0102</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3021</i>	<i>0103</i>
<i>FAYETTE</i>	<i>A183</i>	<i>SILVER CREEK</i>	<i>003700</i>	<i>3021</i>	<i>0303</i>

FAYETTE	A183	SILVER CREEK	003700	3022	0102
FAYETTE	A183	SILVER CREEK	003700	3023	
FAYETTE	A183	SILVER CREEK	003700	3025	0102
FAYETTE	A183	SILVER CREEK	003700	3029	0202
FAYETTE	A183	SILVER CREEK	003700	3030	
FAYETTE	A183	SILVER CREEK	003700	3031	
FAYETTE	A183	SILVER CREEK	003700	3032	
FAYETTE	A183	SILVER CREEK	003700	3037	
FAYETTE	C121	EASTLAND			
FAYETTE	C132	LIBERTY HEIGHTS			
FAYETTE	C148	DELAWARE			
FAYETTE	C169	TRADE CENTER			
FAYETTE	X001	X001			

SECTION 78. KRS 5.278 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-eighth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CAMPBELL	A901		MENTOR			
CAMPBELL	A902		CALIFORNIA			
CAMPBELL	A903		SUN VALLEY			
CAMPBELL	A907		ROSS			
HARRISON						
PENDLETON						
ROBERTSON						

SECTION 79. KRS 5.279 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventy-ninth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	B105		BROOKHAVEN			
FAYETTE	B108		DEERFIELD			
FAYETTE	B112		GLENDOVER			
FAYETTE	B119		LAKETOWER			
FAYETTE	B120		LANSDOWNE			
FAYETTE	B121		LEAWOOD			
FAYETTE	B123		ECTON PARK			
FAYETTE	B125		MALABU			
FAYETTE	B127		MERRICK			
FAYETTE	B128		CHINOE			
FAYETTE	B133		CEDAR RUN			

<i>FAYETTE</i>	<i>B140</i>	<i>SOUTHEASTERN HILLS</i>
<i>FAYETTE</i>	<i>B143</i>	<i>TATES CREEK</i>
<i>FAYETTE</i>	<i>B152</i>	<i>EDGEWATER</i>
<i>FAYETTE</i>	<i>B155</i>	<i>ASCOT</i>
<i>FAYETTE</i>	<i>B157</i>	<i>KIRKLEVINGTON</i>
<i>FAYETTE</i>	<i>B165</i>	<i>OAKS</i>
<i>FAYETTE</i>	<i>B166</i>	<i>LAKEVIEW</i>
<i>FAYETTE</i>	<i>B167</i>	<i>GRAY HAWK</i>
<i>FAYETTE</i>	<i>B168</i>	<i>MONTAVESTA</i>
<i>FAYETTE</i>	<i>B169</i>	<i>MT. RAINIER</i>
<i>FAYETTE</i>	<i>B174</i>	<i>WHISPERING HILLS</i>
<i>FAYETTE</i>	<i>B181</i>	<i>TABORLAKE</i>
<i>FAYETTE</i>	<i>B188</i>	<i>CASTLEGATE</i>
<i>FAYETTE</i>	<i>B189</i>	<i>KITTIWAKE</i>
<i>FAYETTE</i>	<i>B190</i>	<i>LAREDO</i>
<i>FAYETTE</i>	<i>B195</i>	<i>WALDEN GROVE</i>
<i>FAYETTE</i>	<i>C102</i>	<i>BARREN RIVER</i>
<i>FAYETTE</i>	<i>C150</i>	<i>WINTER GARDEN</i>
<i>FAYETTE</i>	<i>C151</i>	<i>COVE LAKE</i>
<i>FAYETTE</i>	<i>C156</i>	<i>PATCHEN VILLAGE</i>
<i>FAYETTE</i>	<i>C162</i>	<i>NIAGARA</i>
<i>FAYETTE</i>	<i>C164</i>	<i>EAST HILLS</i>
<i>FAYETTE</i>	<i>C171</i>	<i>GROVES POINT</i>
<i>FAYETTE</i>	<i>C183</i>	<i>MILLCREEK</i>
<i>FAYETTE</i>	<i>C184</i>	<i>MT FORAKER</i>
<i>FAYETTE</i>	<i>C188</i>	<i>STEPHEN FOSTER</i>
<i>FAYETTE</i>	<i>C191</i>	<i>PLAINVIEW</i>

SECTION 80. KRS 5.280 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eightieth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>LINCOLN</i>						
<i>PULASKI</i>	<i>C104</i>		<i>ESTESBURG # 26</i>			
<i>PULASKI</i>	<i>C106</i>		<i>GOODHOPE # 28</i>			
<i>PULASKI</i>	<i>D105</i>		<i>CATRON # 31</i>			
<i>ROCKCASTLE</i>						

SECTION 81. KRS 5.281 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-first Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>MADISON</i>	<i>A102</i>		<i>EAST BERE A</i>			
<i>MADISON</i>	<i>A103</i>		<i>GAY-STEPHENS</i>			
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>1033</i>	<i>0102</i>
<i>MADISON</i>	<i>A104</i>		<i>NORTH BERE A</i>	<i>011200</i>	<i>1038</i>	
<i>MADISON</i>	<i>A108</i>	<i>0103</i>	<i>MENALES-TODD</i>			
<i>MADISON</i>	<i>B101</i>		<i>WATER TOWER</i>			
<i>MADISON</i>	<i>B102</i>		<i>NORTH RICHMOND-ARLINGTON</i>			
<i>MADISON</i>	<i>B103</i>		<i>BRECK</i>			
<i>MADISON</i>	<i>B104</i>		<i>ROSEDALE</i>			
<i>MADISON</i>	<i>B109</i>		<i>NORTH CRUTCHER</i>			
<i>MADISON</i>	<i>B113</i>		<i>WEST RICHMOND #34</i>			
<i>MADISON</i>	<i>B114</i>		<i>COLLEGE</i>			
<i>MADISON</i>	<i>B115</i>		<i>GREENWAY</i>			
<i>MADISON</i>	<i>B116</i>	<i>0102</i>	<i>DEACON HILLS #38</i>			
<i>MADISON</i>	<i>B116</i>	<i>0202</i>	<i>DEACON HILLS #38</i>			
<i>MADISON</i>	<i>B117</i>		<i>SOUTH CHENAULT</i>			
<i>MADISON</i>	<i>B119</i>		<i>NORTH RICHMOND-KEENELAND</i>			
<i>MADISON</i>	<i>B120</i>		<i>NORTH RICHMOND-SARATOGA</i>			
<i>MADISON</i>	<i>B121</i>		<i>SOUTH CRUTCHER</i>			
<i>MADISON</i>	<i>B122</i>		<i>KILLARNEY</i>			
<i>MADISON</i>	<i>C101</i>		<i>COURT HOUSE</i>			
<i>MADISON</i>	<i>C102</i>		<i>CITY HALL</i>			
<i>MADISON</i>	<i>C103</i>		<i>FRANCIS</i>			
<i>MADISON</i>	<i>C104</i>		<i>DILLINGHAM</i>			
<i>MADISON</i>	<i>C106</i>		<i>MCCREARY</i>			
<i>MADISON</i>	<i>C107</i>	<i>0103</i>	<i>KAVANAUGH</i>			
<i>MADISON</i>	<i>C107</i>	<i>0203</i>	<i>KAVANAUGH</i>			
<i>MADISON</i>	<i>C110</i>		<i>EAST RICHMOND</i>			
<i>MADISON</i>	<i>C111</i>		<i>MOBERLY</i>			
<i>MADISON</i>	<i>C112</i>	<i>0104</i>	<i>CENTRAL NO 37</i>			
<i>MADISON</i>	<i>C112</i>	<i>0204</i>	<i>CENTRAL NO 37</i>			
<i>MADISON</i>	<i>C112</i>	<i>0304</i>	<i>CENTRAL NO 37</i>			
<i>MADISON</i>	<i>C112</i>	<i>0404</i>	<i>CENTRAL NO 37</i>			
<i>MADISON</i>	<i>D101</i>		<i>EASTERN</i>			
<i>MADISON</i>	<i>D102</i>		<i>CAMPUS</i>			
<i>MADISON</i>	<i>D103</i>		<i>TELFORD</i>			
<i>MADISON</i>	<i>D107</i>	<i>0106</i>	<i>DUNCANNON</i>			

MADISON D107 0206 DUNCANNON
MADISON D107 0406 DUNCANNON
MADISON D107 0606 DUNCANNON
MADISON D108 0202 SOUTH RICHMOND #6B

SECTION 82. KRS 5.282 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-second Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
LAUREL	B106		SPRING CUT			
LAUREL	F104		LEVEL GREEN			
LAUREL	F105		KEAVY			
LAUREL	F107		SOUTH LAUREL			
WHITLEY						

SECTION 83. KRS 5.283 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-third Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CLINTON						
PULASKI	A101		SOMERSET 5 B			
PULASKI	A102		SALINE # 11			
PULASKI	A103		NANCY # 15			
PULASKI	A104		HARRISON # 17			
PULASKI	A106		NAOMI # 44			
PULASKI	A108		SALINE #2			
PULASKI	B101		GIRDLER # 12			
PULASKI	B102		HICKORY NUT # 19			
PULASKI	D101		SOMERSET # 7			
PULASKI	E101		SOMERSET # 6			
PULASKI	E105		BOURBON WEST 10 W			
PULASKI	F101		SOMERSET 1			
PULASKI	F102		SOMERSET 2			
PULASKI	F103		SOMERSET 3B			
RUSSELL						

SECTION 84. KRS 5.284 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-fourth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HARLAN	A101		COURT HOUSE			

HARLAN	A103	FAIRVIEW
HARLAN	A104	SHOP
HARLAN	A107	CLOVERTOWN
HARLAN	A108	OLD BAXTER
HARLAN	A109	NEW BAXTER
HARLAN	A110	PUTNEY
HARLAN	A111	PINE MOUNTAIN
HARLAN	A113	COXTON
HARLAN	B102	AGES
HARLAN	B104	N EVARTS
HARLAN	C101	TOTZ
HARLAN	D101	ELCOMB
HARLAN	D102	PANSY
HARLAN	D103	SUNSHINE
HARLAN	E102	LOYALL-SCHOOL
HARLAN	E103	RIO VISTA
PERRY		

SECTION 85. KRS 5.285 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-fifth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC SEC	NAME	TRACT	BLCK	SECT
LAUREL	B105	FARISTON #2			
LAUREL	D101	EAST BERNSTADT #1			
LAUREL	E102	LIBERTY			
LAUREL	E103	COLONY			
LAUREL	E105	HART			
LAUREL	F101	CAMPBELL			
LAUREL	F102	COLD HILL			
LAUREL	F103	INDEPENDENCE			
LAUREL	F106	ROCKHOUSE			
PULASKI	B104	SCIENCE HILL #22			
PULASKI	B105	SCIENCE HILL #23			
PULASKI	B107	VAUGHT # 43			
PULASKI	C101	SOMERSET 3 A			
PULASKI	C102	CANEY FORK # 13			
PULASKI	C105	PRICE # 27			
PULASKI	C107	GILLILAND #40			
PULASKI	D102	RUSH BRANCH # 14			
PULASKI	D103	HAZELDELL # 29			

PULASKI	D104	MARK # 30
PULASKI	D106	MAYFIELD # 32
PULASKI	D107	MT. VICTORY # 33
PULASKI	D109	COLO # 35
PULASKI	D110	DALLAS # 45
PULASKI	E102	FERGUSON # 8
PULASKI	E103	PARKER # 9
PULASKI	E104	BOURBON EAST 10 E
PULASKI	F104	SOMERSET 4 A
PULASKI	F105	SOMERSET 4B
PULASKI	F106	SOMERSET 5A
PULASKI	G101	BURNSIDE # 36
PULASKI	G103	GAMBLIN # 37
PULASKI	G104	BRONSTON # 38
PULASKI	G105	SLOANS VALLEY # 39

SECTION 86. KRS 5.286 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-sixth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KNOX						
LAUREL	A102		CAMPGROUND			
LAUREL	A104		ROUGH CREEK			
LAUREL	A105		STANSBERRY			
LAUREL	B102		LILY			
LAUREL	B103		FELTS			
LAUREL	B104		MCHARGUE			
LAUREL	C101		BLACKWATER			

SECTION 87. KRS 5.287 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-seventh Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BELL						
HARLAN	B103		VERDA			
HARLAN	B105		S EVARTS			
HARLAN	B106		BRITAINS CREEK			
HARLAN	B107		SHIELDS			
HARLAN	B108		CLOSPLINT			
HARLAN	B109		KLONDYKE			

HARLAN	C102	GREEN MORRIS
HARLAN	C107	CUMBERLAND NEW YORK
HARLAN	C111	LYNCH E MAIN
HARLAN	D104	GRAYS KNOB
HARLAN	D106	CAWOOD
HARLAN	D107	HIRAM
HARLAN	D108	SMITH
HARLAN	D109	CRANKS
HARLAN	E108	PATHFORK

SECTION 88. KRS 5.288 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-eighth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	B103		SAYRE VILLAGE			
FAYETTE	B110		FAIRWAY			
FAYETTE	B111		GAINESWAY			
FAYETTE	B158		PARK HILLS			
FAYETTE	B173		CUMBERLAND			
FAYETTE	B179		FAIRHAVEN			
FAYETTE	B196		SPRINGHOUSE			
FAYETTE	B197		AQUEDUCT			
FAYETTE	B198		BRIDGEMONT			
FAYETTE	B202		PINNACLE			
FAYETTE	C114		AUTUMN RIDGE			
FAYETTE	C152		HARTLAND			
FAYETTE	C160		WALNUT HILL			
FAYETTE	C161		TATESBROOK			
FAYETTE	C163		GREENBRIER	003904	4012	
FAYETTE	C163		GREENBRIER	003904	4013	
FAYETTE	C163		GREENBRIER	003904	4014	
FAYETTE	C163		GREENBRIER	003904	4015	
FAYETTE	C163		GREENBRIER	003904	4016	
FAYETTE	C163		GREENBRIER	003904	4017	
FAYETTE	C163		GREENBRIER	003904	4018	
FAYETTE	C163		GREENBRIER	003904	4019	
FAYETTE	C163		GREENBRIER	003904	4020	
FAYETTE	C163		GREENBRIER	003904	4021	
FAYETTE	C163		GREENBRIER	003904	4022	
FAYETTE	C163		GREENBRIER	003904	4023	

<i>FAYETTE</i>	<i>C163</i>	<i>GREENBRIER</i>	<i>003904</i>	<i>4024</i>
<i>FAYETTE</i>	<i>C163</i>	<i>GREENBRIER</i>	<i>003904</i>	<i>4025</i>
<i>FAYETTE</i>	<i>C163</i>	<i>GREENBRIER</i>	<i>003904</i>	<i>4026</i>
<i>FAYETTE</i>	<i>C165</i>	<i>CRESTVIEW</i>		
<i>FAYETTE</i>	<i>C166</i>	<i>TANBARK</i>		
<i>FAYETTE</i>	<i>C172</i>	<i>ATHENS</i>		
<i>FAYETTE</i>	<i>C173</i>	<i>BUCKHORN</i>		
<i>FAYETTE</i>	<i>C174</i>	<i>CENTURY HILLS</i>		
<i>FAYETTE</i>	<i>C175</i>	<i>EAST LAKE</i>		
<i>FAYETTE</i>	<i>C176</i>	<i>SQUIRE OAK</i>		
<i>FAYETTE</i>	<i>C177</i>	<i>SUMMERHILL</i>		
<i>FAYETTE</i>	<i>C178</i>	<i>PLEASANT GROVE</i>		
<i>FAYETTE</i>	<i>C179</i>	<i>BRANDYWINE</i>		
<i>FAYETTE</i>	<i>C180</i>	<i>BROADMOOR</i>		
<i>FAYETTE</i>	<i>C182</i>	<i>KENESAW VILLAGE</i>		
<i>FAYETTE</i>	<i>C186</i>	<i>OLD FARM</i>		
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3000</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3001</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3002</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3003</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3004</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3007</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3008</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3009</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3010</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3012</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3013</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3014</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3015</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3016</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3017</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3018</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>3020</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>4027</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>	<i>003904</i>	<i>4028</i>
<i>FAYETTE</i>	<i>C190</i>	<i>AMHERST</i>		
<i>FAYETTE</i>	<i>C197</i>	<i>MOORELAND</i>		
<i>FAYETTE</i>	<i>C198</i>	<i>MT. RUSHMORE</i>		

FAYETTE	C199	WOODFIELD
FAYETTE	C200	DEER CROSSING
FAYETTE	C201	TIMBER CREEK
FAYETTE	C203	GINGERMILL

SECTION 89. KRS 5.289 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighty-ninth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JACKSON						
LAUREL	A101		SUBLIMITY			
LAUREL	A103		LONDON #3			
LAUREL	A106		SUBLIMITY #2			
LAUREL	A107		LONDON EAST			
LAUREL	B101		FARISTON			
LAUREL	C102		BUSH			
LAUREL	C103		LAKE			
LAUREL	C104		LONDON #1			
LAUREL	C105		MAPLESVILLE			
LAUREL	C106		JOHNSON			
LAUREL	C108		MCWHORTER			
LAUREL	C109		LONDON #6			
LAUREL	C110		LONDON #2			
LAUREL	D102		EAST BERNSTADT #2			
LAUREL	D103		VIVA			
LAUREL	D104		OAKLEY			
LAUREL	D105		CROSS ROADS			
LAUREL	D106		PITTSBURG			
LAUREL	D107		LONDON #7			
LAUREL	E101		LONDON #5			
LAUREL	E104		LONDON #4			
OWSLEY						

SECTION 90. KRS 5.290 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninetieth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CLAY						
HARLAN	A112		BLED SOE			
HARLAN	E104		FRESH MEADOWS			
HARLAN	E105		WALLINS-CITY HALL			

HARLAN E106 WALLINS-SCHOOL
HARLAN E107 COLDIRON
LESLIE

SECTION 91. KRS 5.291 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-first Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BREATHITT						
ESTILL						
LEE						

SECTION 92. KRS 5.292 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-second Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
KNOTT						
LETCHER	A103		COWAN	950600	7005	0202
LETCHER	A106		UZ, DRY FORK	950400	7002	0202
LETCHER	A106		UZ, DRY FORK	950400	7003	
LETCHER	A107		SANDLICK			
LETCHER	B101		ISOM			
LETCHER	B102		COLSON			
LETCHER	B103		BAKER (JACKSON-HEMPHILL)			
LETCHER	C106		MILLSTONE			
LETCHER	D102		BLACKKEY			
LETCHER	D103		HALLIE			
LETCHER	D104		DALNA			
LETCHER	D105		SUGAR GROVE			
LETCHER	D106		ROXANA			
LETCHER	D107		DOTY			
MAGOFFIN						

SECTION 93. KRS 5.293 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-third Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
PIKE	A109		BRUSHY			
PIKE	B101		CANEY			
PIKE	C101		MOUTHCARD			
PIKE	C102		UPPER ELKHORN			

PIKE	C103	ELKHORN CITY HALL
PIKE	C104	BELCHER
PIKE	C105	RACCOON
PIKE	C106	RASNICK
PIKE	C107	LICK CREEK
PIKE	C108	GRAPEVINE
PIKE	C109	FEDS CREEK
PIKE	C110	LOONEY
PIKE	D101	MILLARD
PIKE	D102	GREASY CREEK
PIKE	D104	MARROWBONE
PIKE	D105	ROCKHOUSE
PIKE	D107	GARDEN VILLAGE
PIKE	D108	HENRY CLAY
PIKE	D109	HELLIER
PIKE	D111	ASHCAMP
PIKE	E101	PHELPS
PIKE	E102	BLACKBERRY
PIKE	E103	DESKINS
PIKE	E104	FREEBURN
PIKE	E105	MAJESTIC
PIKE	E106	WOLFORD
PIKE	E107	META
PIKE	F101	BELFRY
PIKE	F102	LOWER BIG CREEK
PIKE	F103	DR. J. E. JOHNSON
PIKE	F104	BEVINS SCHOOL
PIKE	F105	RUNYON
PIKE	F106	TURKEY CREEK
PIKE	F107	HUDDY
PIKE	F108	OLD POND

SECTION 94. KRS 5.294 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-fourth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HARLAN	C103		CUMBERLAND CITY HALL			
HARLAN	C104		CUMBERLAND BLACK MOTOR			
HARLAN	C105		EAST CUMBERLAND			
HARLAN	C106		BLAIR			

HARLAN	C109	BENHAM			
LETCHER	A101	WEST WHITESBURG			
LETCHER	A102	EAST WHITESBURG			
LETCHER	A103	COWAN	950400	6027	0203
LETCHER	A103	COWAN	950400	7000	
LETCHER	A103	COWAN	950400	7001	
LETCHER	A103	COWAN	950400	7002	0102
LETCHER	A103	COWAN	950400	7005	0102
LETCHER	A103	COWAN	950400	7029	
LETCHER	A103	COWAN	950400	7030	
LETCHER	A103	COWAN	950400	7031	
LETCHER	A103	COWAN	950400	7032	
LETCHER	A103	COWAN	950400	7033	
LETCHER	A103	COWAN	950400	7034	
LETCHER	A103	COWAN	950400	7035	
LETCHER	A103	COWAN	950400	7036	
LETCHER	A103	COWAN	950400	7037	
LETCHER	A103	COWAN	950400	7038	
LETCHER	A103	COWAN	950600	7014	0103
LETCHER	A103	COWAN	950600	7015	
LETCHER	A104	EOLIA			
LETCHER	A105	UPPER CUMBERLAND			
LETCHER	A106	UZ, DRY FORK	950400	2001	0103
LETCHER	A106	UZ, DRY FORK	950400	2026	
LETCHER	A106	UZ, DRY FORK	950400	2027	
LETCHER	A106	UZ, DRY FORK	950400	2029	
LETCHER	A106	UZ, DRY FORK	950400	2030	
LETCHER	A106	UZ, DRY FORK	950400	2031	
LETCHER	A106	UZ, DRY FORK	950400	2032	
LETCHER	A106	UZ, DRY FORK	950400	2033	
LETCHER	A106	UZ, DRY FORK	950400	2034	
LETCHER	A106	UZ, DRY FORK	950400	2035	
LETCHER	A106	UZ, DRY FORK	950400	2036	
LETCHER	A106	UZ, DRY FORK	950400	7004	
LETCHER	A106	UZ, DRY FORK	950400	7005	0202
LETCHER	A106	UZ, DRY FORK	950400	7006	
LETCHER	A106	UZ, DRY FORK	950400	7007	
LETCHER	A106	UZ, DRY FORK	950400	7008	

LETCHER	A106	UZ, DRY FORK	950400	7009
LETCHER	A106	UZ, DRY FORK	950400	7010
LETCHER	A106	UZ, DRY FORK	950400	7011
LETCHER	A106	UZ, DRY FORK	950400	7012
LETCHER	A106	UZ, DRY FORK	950400	7013
LETCHER	A106	UZ, DRY FORK	950400	7014
LETCHER	A106	UZ, DRY FORK	950400	7015
LETCHER	A106	UZ, DRY FORK	950400	7016
LETCHER	A106	UZ, DRY FORK	950400	7017
LETCHER	A106	UZ, DRY FORK	950400	7018
LETCHER	A106	UZ, DRY FORK	950400	7019
LETCHER	A106	UZ, DRY FORK	950400	7020
LETCHER	A106	UZ, DRY FORK	950400	7021
LETCHER	A106	UZ, DRY FORK	950400	7022
LETCHER	A106	UZ, DRY FORK	950400	7023
LETCHER	A106	UZ, DRY FORK	950400	7024
LETCHER	A106	UZ, DRY FORK	950400	7025
LETCHER	A106	UZ, DRY FORK	950400	7026
LETCHER	A106	UZ, DRY FORK	950400	7027
LETCHER	A106	UZ, DRY FORK	950400	7028
LETCHER	A108	PARTRIDGE		
LETCHER	C101	NEON		
LETCHER	C102	THORNTON		
LETCHER	C103	MAYKING		
LETCHER	C104	HAYMOND		
LETCHER	C105	SECO		
LETCHER	C107	ERMINE		
LETCHER	E101	BURDINE		
LETCHER	E102	EAST JENKINS		
LETCHER	E103	WEST JENKINS		
LETCHER	E104	DUNHAM		
LETCHER	E105	MCROBERTS		
LETCHER	E106	FLEMING		
PIKE	A101	BESSIE RIDDLE ARNOLD		
PIKE	A102	HURRICANE		
PIKE	A103	PIKEVILLE HIGH SCHOOL		
PIKE	A104	LOWER PIKE		
PIKE	A105	MYERS TOWERS		
PIKE	A106	COAL RUN		

PIKE	A107	BY PASS
PIKE	A108	MULLINS SCHOOL
PIKE	B102	YEAGER
PIKE	B103	OLD SHELBY
PIKE	B104	LONG FORK
PIKE	B105	DORTON
PIKE	B106	ELWOOD
PIKE	B107	ISLAND CREEK
PIKE	C111	BURNING FORK
PIKE	D103	UPPER CHLOE
PIKE	D106	NEW SHELBY
PIKE	D110	YORK

SECTION 95. KRS 5.295 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-fifth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FLOYD	A101		COURT HOUSE/TRIMBLE BR			
FLOYD	A103		DEPOT			
FLOYD	A104		RICHMOND			
FLOYD	A105		NORTH PRESTONBURG			
FLOYD	A106		PORTER			
FLOYD	A109		COW CREEK			
FLOYD	A111		JIM BANKS			
FLOYD	A113		ABBOTT			
FLOYD	A116		CLIFF			
FLOYD	B101		JOHN POSSUM			
FLOYD	B102		MAYTOWN			
FLOYD	B103		BOSCO			
FLOYD	B104		GARRETT/ROCK FORK			
FLOYD	B105		LACKEY/WAYLAND			
FLOYD	B106		MIDDLE CREEK/JACK ALLEN			
FLOYD	B108		BEECH GROVE			
FLOYD	B109		MOUTH OF BEAVER			
FLOYD	B110		ALLEN-DWALE			
FLOYD	C101		MARTIN			
FLOYD	C102		HALBERT			
FLOYD	C103		DRIFT			
FLOYD	C104		JOHN ANT/FRASURES CREEK			

FLOYD	C105	GEARHEART
FLOYD	C106	CLEAR CREEK
FLOYD	C107	JACKS CREEK
FLOYD	C108	LEE HALL
FLOYD	C109	MELVIN
FLOYD	C110	WEEKSBURY
FLOYD	C111	ARKANSAS
FLOYD	D101	ANTIOCH
FLOYD	D102	TICKEY
FLOYD	D103	TOLER
FLOYD	D104	MOUTH OF MUD
FLOYD	D105	LITTLE MUD
FLOYD	D106	IVEL
FLOYD	D107	BETSY LAYNE
FLOYD	D108	PRATER CREEK
FLOYD	D109	BRANHAMS CREEK
FLOYD	D110	HEAD OF MUD

SECTION 96. KRS 5.296 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-sixth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CARTER						
LEWIS						

SECTION 97. KRS 5.297 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-seventh Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FLOYD	A102		ENDICOTT/BUFFALO			
FLOYD	A107		AUXIER			
FLOYD	A112		ROUGH & TOUGH			
JOHNSON						
MARTIN						
PIKE	A110		LOWER JOHNS CREEK			

SECTION 98. KRS 5.298 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-eighth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOYD	C104		HOODS CREEK			
GREENUP						

SECTION 99. KRS 5.299 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninety-ninth Representative District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BOYD</i>	<i>A108</i>	<i>DURBIN-ASHLAND OIL</i>			
<i>BOYD</i>	<i>A109</i>	<i>EAST FORK</i>			
<i>BOYD</i>	<i>A118</i>	<i>FANNIN 1</i>			
<i>BOYD</i>	<i>A119</i>	<i>FANNIN 2</i>			
<i>BOYD</i>	<i>A121</i>	<i>CANNONSBURG</i>			
<i>BOYD</i>	<i>C102</i>	<i>PRINCESS</i>			
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1022</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1037</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1038</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1039</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1040</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1041</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1042</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1043</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1044</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1047</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1048</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1049</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1050</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>1051</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>2020</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6000</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6001</i>	<i>0202</i>
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6002</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6003</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6004</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6005</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6006</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6007</i>	<i>0202</i>
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6008</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6014</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6015</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6016</i>	
<i>BOYD</i>	<i>C103</i>	<i>GARNER</i>	<i>031000</i>	<i>6023</i>	

BOYD	C103	GARNER	031000 6024
ELLIOTT			
LAWRENCE			
ROWAN	A101	NORTH MOREHEAD	
ROWAN	A103	COURT HOUSE	
ROWAN	A105	FLEMING	
ROWAN	C101	HOGTOWN	
ROWAN	C105	CHRISTY	
ROWAN	D101	RODBURN	

SECTION 100. KRS 5.300 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The One Hundredth Representative District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOYD	A101		COURTHOUSE			
BOYD	A102		CITY BUILDING-ARGO			
BOYD	A104		HAMPTON			
BOYD	A107		ENGLAND HILL			
BOYD	A110		ELMWOOD-HILL TOP			
BOYD	A111		GARTRELL			
BOYD	A113		GARTIN			
BOYD	A114		CARP			
BOYD	A115		SOUTH ASHLAND			
BOYD	A116		RATCLIFF			
BOYD	A117		OAKVIEW			
BOYD	B101		CENTRAL			
BOYD	B102		POLLARD			
BOYD	B103		LEWIS			
BOYD	B105		DEBORD-TANNERY			
BOYD	B106		BARBER			
BOYD	B107		VINCENT			
BOYD	B108		MT ADAMS			
BOYD	B109		PRICHARD			
BOYD	B110		FOREST HILLS			
BOYD	B112		BRYSON			
BOYD	B113		SPRINGHILL			
BOYD	B114		BEECH			
BOYD	B115		GRAYSON ROADS			
BOYD	B116		AVONDALE			
BOYD	B117		HILLENDAL			

BOYD	B118	RICE # 1		
BOYD	B119	RICE # 2		
BOYD	B120	MOORE		
BOYD	B121	POAGE		
BOYD	C103	GARNER	031000	1013
BOYD	C103	GARNER	031000	1014
BOYD	C103	GARNER	031000	1015
BOYD	C103	GARNER	031000	1016
BOYD	C103	GARNER	031000	1017
BOYD	C103	GARNER	031000	1018
BOYD	C103	GARNER	031000	1019
BOYD	C103	GARNER	031000	1046
BOYD	C103	GARNER	031000	2013
BOYD	C103	GARNER	031000	2014
BOYD	C103	GARNER	031000	2015
BOYD	C103	GARNER	031000	2016
BOYD	C103	GARNER	031000	2017
BOYD	C103	GARNER	031000	2018
BOYD	C103	GARNER	031000	2021
BOYD	C103	GARNER	031000	2022
BOYD	C103	GARNER	031000	2023
BOYD	C103	GARNER	031000	2024
BOYD	C103	GARNER	031000	2025
BOYD	C103	GARNER	031000	2026
BOYD	C103	GARNER	031000	2027
BOYD	C105	FAIRVIEW		
BOYD	C106	BUCKLEY		
BOYD	C107	WESTWOOD		
BOYD	C108	MILLSEAT		
BOYD	C113	GREEN HILL		
BOYD	C114	MEADS 1		
BOYD	C115	ROCKDALE-SUMMITT		
BOYD	C116	WINSLOW-IRONVILLE		
BOYD	C117	MEADS 2		

SECTION 101. KRS 5.101 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The First Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
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CALLOWAY**CARLISLE****FULTON****GRAVES****HICKMAN****LYON****TRIGG**

SECTION 102. KRS 5.102 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Second Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
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BALLARD**MARSHALL****MCCRACKEN**

SECTION 103. KRS 5.103 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Third Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
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CHRISTIAN**LOGAN****TODD**

SECTION 104. KRS 5.104 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
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CALDWELL**CRITTENDEN****HENDERSON****LIVINGSTON****UNION****WEBSTER**

SECTION 105. KRS 5.105 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
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BRECKINRIDGE**GRAYSON****HANCOCK****HART**

LARUE**MEADE**

SECTION 106. KRS 5.106 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

*The Sixth Senatorial District shall consist of the following territory:***---CENSUS---**

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HOPKINS						
MUHLENBERG						
OHIO						

SECTION 107. KRS 5.107 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

*The Seventh Senatorial District shall consist of the following territory:***---CENSUS---**

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ANDERSON						
FAYETTE	A102		BARKER			
FAYETTE	A104		BELL SCHOOL HOUSE			
FAYETTE	A106		CARDINAL VALLEY			
FAYETTE	A108		DONERAIL			
FAYETTE	A116		TRAILSIDE			
FAYETTE	A160		MANSION			
FAYETTE	A171		NORTHERN			
FAYETTE	A175		HORSE PARK			
FAYETTE	A178		CAYWOOD			
FAYETTE	A183		SILVER CREEK			
FAYETTE	C109		BRYAN STATION			
FAYETTE	C118		DEEP SPRINGS			
FAYETTE	C125		HELM			
FAYETTE	C127		HERMITAGE			
FAYETTE	C137		ROOKWOOD			
FAYETTE	C153		KINGSTON			
FAYETTE	C154		MAN O WAR			
FAYETTE	C155		MARY TODD			
FAYETTE	C159		SHANDON PARK			
FAYETTE	C185		N ELKHORN			
FRANKLIN						
WOODFORD						

SECTION 108. KRS 5.108 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
DAVIESS						
MCLEAN						

SECTION 109. KRS 5.109 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Ninth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ALLEN						
BARREN						
EDMONSON						
GREEN						
METCALFE						
SIMPSON						

SECTION 110. KRS 5.110 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Tenth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
HARDIN						
JEFFERSON	A117		PRECINCT 117 28 DISTRICT			
JEFFERSON	A119		PRECINCT 119 28 DISTRICT			
JEFFERSON	A120		PRECINCT 120 28 DISTRICT			
JEFFERSON	A121		PRECINCT 121 28 DISTRICT			
JEFFERSON	A122		PRECINCT 122 28 DISTRICT			
JEFFERSON	A129		PRECINCT 129 28 DISTRICT			
JEFFERSON	A130		PRECINCT 130 28 DISTRICT			
JEFFERSON	A132		PRECINCT 132 28 DISTRICT			
JEFFERSON	A134		PRECINCT 134 28 DISTRICT			

SECTION 111. KRS 5.111 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eleventh Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOONE						
GALLATIN						
KENTON	B103		CRESTVIEW #1			
KENTON	B104		CRESTVIEW #2			
KENTON	C114		ERLANGER #8			
KENTON	C121		FT. MITCHELL #7			
KENTON	C127		LAKESIDE #1			

KENTON	C128	LAKESIDE #2
KENTON	C129	LAKESIDE #3
KENTON	C138	VILLA HILLS #5

SECTION 112. KRS 5.112 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twelfth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
FAYETTE	A101		ALEXANDRIA			
FAYETTE	A103		BEAUMONT			
FAYETTE	A113		GARDEN SPRINGS			
FAYETTE	A118		HOLIDAY HILLS			
FAYETTE	A138		THE COLONY			
FAYETTE	A139		TURFLAND			
FAYETTE	A151		CLAYS MILL			
FAYETTE	A157		HARRODS HILL			
FAYETTE	A158		ARMORY			
FAYETTE	A166		TWIN OAKS			
FAYETTE	A167		PASADENA			
FAYETTE	A176		SUNGALE			
FAYETTE	A180		BEAUMONT CENTRE			
FAYETTE	A182		ASHBROOKE			
FAYETTE	B103		SAYRE VILLAGE			
FAYETTE	B104		BRIGADOON			
FAYETTE	B106		WILDWOOD			
FAYETTE	B110		FAIRWAY			
FAYETTE	B111		GAINESWAY			
FAYETTE	B112		GLENDOWER			
FAYETTE	B117		KEITHSHIRE			
FAYETTE	B119		LAKETOWER			
FAYETTE	B120		LANSDOWNE			
FAYETTE	B121		LEAWOOD			
FAYETTE	B125		MALABU			
FAYETTE	B127		MERRICK			
FAYETTE	B128		CHINOE			
FAYETTE	B129		MONTICELLO			
FAYETTE	B133		CEDAR RUN			
FAYETTE	B139		SHRINE			
FAYETTE	B140		SOUTHEASTERN HILLS			

<i>FAYETTE</i>	<i>B141</i>	<i>STONE</i>
<i>FAYETTE</i>	<i>B142</i>	<i>STONEWALL</i>
<i>FAYETTE</i>	<i>B143</i>	<i>TATES CREEK</i>
<i>FAYETTE</i>	<i>B146</i>	<i>KENLOCK</i>
<i>FAYETTE</i>	<i>B150</i>	<i>ROBINWOOD</i>
<i>FAYETTE</i>	<i>B151</i>	<i>BLAIRMORE</i>
<i>FAYETTE</i>	<i>B152</i>	<i>EDGEWATER</i>
<i>FAYETTE</i>	<i>B154</i>	<i>TUDOR</i>
<i>FAYETTE</i>	<i>B155</i>	<i>ASCOT</i>
<i>FAYETTE</i>	<i>B156</i>	<i>BAYSWATER</i>
<i>FAYETTE</i>	<i>B157</i>	<i>KIRKLEVINGTON</i>
<i>FAYETTE</i>	<i>B158</i>	<i>PARK HILLS</i>
<i>FAYETTE</i>	<i>B163</i>	<i>PLANTATION</i>
<i>FAYETTE</i>	<i>B164</i>	<i>BLUEBERRY HILLS</i>
<i>FAYETTE</i>	<i>B165</i>	<i>OAKS</i>
<i>FAYETTE</i>	<i>B166</i>	<i>LAKEVIEW</i>
<i>FAYETTE</i>	<i>B168</i>	<i>MONTAVESTA</i>
<i>FAYETTE</i>	<i>B169</i>	<i>MT. RAINIER</i>
<i>FAYETTE</i>	<i>B172</i>	<i>SHILLITO</i>
<i>FAYETTE</i>	<i>B174</i>	<i>WHISPERING HILLS</i>
<i>FAYETTE</i>	<i>B181</i>	<i>TABORLAKE</i>
<i>FAYETTE</i>	<i>B183</i>	<i>CAVE HILL</i>
<i>FAYETTE</i>	<i>B184</i>	<i>PALOMAR</i>
<i>FAYETTE</i>	<i>B187</i>	<i>STONE CREEK</i>
<i>FAYETTE</i>	<i>B188</i>	<i>CASTLEGATE</i>
<i>FAYETTE</i>	<i>B189</i>	<i>KITTIWAKE</i>
<i>FAYETTE</i>	<i>B190</i>	<i>LAREDO</i>
<i>FAYETTE</i>	<i>B192</i>	<i>PALMETTO</i>
<i>FAYETTE</i>	<i>B195</i>	<i>WALDEN GROVE</i>
<i>FAYETTE</i>	<i>B196</i>	<i>SPRINGHOUSE</i>
<i>FAYETTE</i>	<i>B197</i>	<i>AQUEDUCT</i>
<i>FAYETTE</i>	<i>B199</i>	<i>INDIAN HILLS</i>
<i>FAYETTE</i>	<i>B201</i>	<i>HARRODS VIEW</i>
<i>FAYETTE</i>	<i>B205</i>	<i>BLACKHORSE</i>
<i>FAYETTE</i>	<i>C102</i>	<i>BARREN RIVER</i>
<i>FAYETTE</i>	<i>C114</i>	<i>AUTUMN RIDGE</i>
<i>FAYETTE</i>	<i>C150</i>	<i>WINTER GARDEN</i>
<i>FAYETTE</i>	<i>C151</i>	<i>COVE LAKE</i>
<i>FAYETTE</i>	<i>C152</i>	<i>HARTLAND</i>

<i>FAYETTE</i>	<i>C156</i>	<i>PATCHEN VILLAGE</i>
<i>FAYETTE</i>	<i>C157</i>	<i>RICHMOND RD.</i>
<i>FAYETTE</i>	<i>C160</i>	<i>WALNUT HILL</i>
<i>FAYETTE</i>	<i>C161</i>	<i>TATESBROOK</i>
<i>FAYETTE</i>	<i>C162</i>	<i>NIAGARA</i>
<i>FAYETTE</i>	<i>C163</i>	<i>GREENBRIER</i>
<i>FAYETTE</i>	<i>C164</i>	<i>EAST HILLS</i>
<i>FAYETTE</i>	<i>C165</i>	<i>CRESTVIEW</i>
<i>FAYETTE</i>	<i>C171</i>	<i>GROVES POINT</i>
<i>FAYETTE</i>	<i>C172</i>	<i>ATHENS</i>
<i>FAYETTE</i>	<i>C173</i>	<i>BUCKHORN</i>
<i>FAYETTE</i>	<i>C174</i>	<i>CENTURY HILLS</i>
<i>FAYETTE</i>	<i>C175</i>	<i>EAST LAKE</i>
<i>FAYETTE</i>	<i>C176</i>	<i>SQUIRE OAK</i>
<i>FAYETTE</i>	<i>C177</i>	<i>SUMMERHILL</i>
<i>FAYETTE</i>	<i>C178</i>	<i>PLEASANT GROVE</i>
<i>FAYETTE</i>	<i>C179</i>	<i>BRANDYWINE</i>
<i>FAYETTE</i>	<i>C180</i>	<i>BROADMOOR</i>
<i>FAYETTE</i>	<i>C183</i>	<i>MILLCREEK</i>
<i>FAYETTE</i>	<i>C184</i>	<i>MT FORAKER</i>
<i>FAYETTE</i>	<i>C186</i>	<i>OLD FARM</i>
<i>FAYETTE</i>	<i>C187</i>	<i>CHILESBURG</i>
<i>FAYETTE</i>	<i>C188</i>	<i>STEPHEN FOSTER</i>
<i>FAYETTE</i>	<i>C191</i>	<i>PLAINVIEW</i>
<i>FAYETTE</i>	<i>C192</i>	<i>CHETFORD</i>
<i>FAYETTE</i>	<i>C193</i>	<i>SHEFFIELD PLACE</i>
<i>FAYETTE</i>	<i>C194</i>	<i>CHESTNUT HILL</i>
<i>FAYETTE</i>	<i>C196</i>	<i>MAPLELEAF</i>
<i>FAYETTE</i>	<i>C197</i>	<i>MOORELAND</i>
<i>FAYETTE</i>	<i>C198</i>	<i>MT. RUSHMORE</i>
<i>FAYETTE</i>	<i>C199</i>	<i>WOODFIELD</i>
<i>FAYETTE</i>	<i>C200</i>	<i>DEER CROSSING</i>
<i>FAYETTE</i>	<i>C201</i>	<i>TIMBER CREEK</i>
<i>FAYETTE</i>	<i>C203</i>	<i>GINGERMILL</i>

SECTION 113. KRS 5.113 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirteenth Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
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<i>FAYETTE</i>	<i>A109</i>	<i>DOUGLAS-WASHINGTON</i>
<i>FAYETTE</i>	<i>A111</i>	<i>FAIRLAWN</i>
<i>FAYETTE</i>	<i>A114</i>	<i>GIBSON PARK</i>
<i>FAYETTE</i>	<i>A115</i>	<i>GREEN ACRES</i>
<i>FAYETTE</i>	<i>A117</i>	<i>HAMPTON COURT</i>
<i>FAYETTE</i>	<i>A120</i>	<i>JULIUS MARKS</i>
<i>FAYETTE</i>	<i>A121</i>	<i>KEYS</i>
<i>FAYETTE</i>	<i>A123</i>	<i>LANE ALLEN</i>
<i>FAYETTE</i>	<i>A126</i>	<i>MARLBORO</i>
<i>FAYETTE</i>	<i>A128</i>	<i>MEADOWTHORPE</i>
<i>FAYETTE</i>	<i>A130</i>	<i>OAKWOOD</i>
<i>FAYETTE</i>	<i>A131</i>	<i>OXFORD</i>
<i>FAYETTE</i>	<i>A132</i>	<i>PINE MEADOWS</i>
<i>FAYETTE</i>	<i>A133</i>	<i>PRESTON INN</i>
<i>FAYETTE</i>	<i>A134</i>	<i>RADCLIFFE</i>
<i>FAYETTE</i>	<i>A135</i>	<i>ST. MARTINS</i>
<i>FAYETTE</i>	<i>A136</i>	<i>SKYCREST</i>
<i>FAYETTE</i>	<i>A140</i>	<i>VERSAILLES RD</i>
<i>FAYETTE</i>	<i>A143</i>	<i>WEST MAIN</i>
<i>FAYETTE</i>	<i>A144</i>	<i>WINBURN</i>
<i>FAYETTE</i>	<i>A145</i>	<i>WOLF RUN</i>
<i>FAYETTE</i>	<i>A146</i>	<i>TRIANGLE PARK</i>
<i>FAYETTE</i>	<i>A148</i>	<i>ALABAMA</i>
<i>FAYETTE</i>	<i>A149</i>	<i>ASPENDALE-BLUEGRASS</i>
<i>FAYETTE</i>	<i>A150</i>	<i>CAMPSIE</i>
<i>FAYETTE</i>	<i>A152</i>	<i>HIGHLANDS</i>
<i>FAYETTE</i>	<i>A155</i>	<i>OHIO-WALNUT</i>
<i>FAYETTE</i>	<i>A156</i>	<i>PERSHING</i>
<i>FAYETTE</i>	<i>A161</i>	<i>COOLAVIN</i>
<i>FAYETTE</i>	<i>A162</i>	<i>VILLAGE</i>
<i>FAYETTE</i>	<i>A163</i>	<i>FAIRGROUNDS</i>
<i>FAYETTE</i>	<i>A164</i>	<i>HOLLOW CREEK</i>
<i>FAYETTE</i>	<i>A165</i>	<i>GRIFFIN GATE</i>
<i>FAYETTE</i>	<i>A168</i>	<i>BLUE ACRES</i>
<i>FAYETTE</i>	<i>A169</i>	<i>CASTLEWOOD</i>
<i>FAYETTE</i>	<i>A170</i>	<i>MEADOW LANE</i>
<i>FAYETTE</i>	<i>A172</i>	<i>WARFIELD PLACE</i>
<i>FAYETTE</i>	<i>A173</i>	<i>IMPERIAL</i>
<i>FAYETTE</i>	<i>A174</i>	<i>ARLINGTON</i>

<i>FAYETTE</i>	<i>A177</i>	<i>PHOENIX PARK</i>
<i>FAYETTE</i>	<i>A179</i>	<i>VALLEY FARM</i>
<i>FAYETTE</i>	<i>A181</i>	<i>HEADLEY GREEN</i>
<i>FAYETTE</i>	<i>B102</i>	<i>BARKLEY</i>
<i>FAYETTE</i>	<i>B105</i>	<i>BROOKHAVEN</i>
<i>FAYETTE</i>	<i>B108</i>	<i>DEERFIELD</i>
<i>FAYETTE</i>	<i>B113</i>	<i>GOODRICH</i>
<i>FAYETTE</i>	<i>B114</i>	<i>HILL-N-DALE</i>
<i>FAYETTE</i>	<i>B118</i>	<i>LAFAYETTE</i>
<i>FAYETTE</i>	<i>B123</i>	<i>ECTON PARK</i>
<i>FAYETTE</i>	<i>B130</i>	<i>OPEN GATES</i>
<i>FAYETTE</i>	<i>B132</i>	<i>PICADOME</i>
<i>FAYETTE</i>	<i>B135</i>	<i>SEVEN PARKS</i>
<i>FAYETTE</i>	<i>B137</i>	<i>SHADELAND</i>
<i>FAYETTE</i>	<i>B138</i>	<i>SHADY LANE</i>
<i>FAYETTE</i>	<i>B144</i>	<i>TOWERS</i>
<i>FAYETTE</i>	<i>B147</i>	<i>ZANDALE</i>
<i>FAYETTE</i>	<i>B159</i>	<i>SOUTHVIEW</i>
<i>FAYETTE</i>	<i>B167</i>	<i>GRAY HAWK</i>
<i>FAYETTE</i>	<i>B182</i>	<i>MONTCLAIR</i>
<i>FAYETTE</i>	<i>C103</i>	<i>ASHLAND AVENUE</i>
<i>FAYETTE</i>	<i>C105</i>	<i>AYLESFORD</i>
<i>FAYETTE</i>	<i>C110</i>	<i>BUNKER</i>
<i>FAYETTE</i>	<i>C113</i>	<i>CHEVY CHASE</i>
<i>FAYETTE</i>	<i>C115</i>	<i>CLIFTON</i>
<i>FAYETTE</i>	<i>C117</i>	<i>CRAWFORD</i>
<i>FAYETTE</i>	<i>C119</i>	<i>DIXIE</i>
<i>FAYETTE</i>	<i>C120</i>	<i>DUKE</i>
<i>FAYETTE</i>	<i>C121</i>	<i>EASTLAND</i>
<i>FAYETTE</i>	<i>C122</i>	<i>ELLERSLIE</i>
<i>FAYETTE</i>	<i>C124</i>	<i>FONTAINE</i>
<i>FAYETTE</i>	<i>C126</i>	<i>KINGSWOOD</i>
<i>FAYETTE</i>	<i>C128</i>	<i>HOLLYWOOD</i>
<i>FAYETTE</i>	<i>C129</i>	<i>IDLE HOUR</i>
<i>FAYETTE</i>	<i>C130</i>	<i>JULIA R EWAN</i>
<i>FAYETTE</i>	<i>C131</i>	<i>LAWRENCE</i>
<i>FAYETTE</i>	<i>C132</i>	<i>LIBERTY HEIGHTS</i>
<i>FAYETTE</i>	<i>C134</i>	<i>MT. VERNON</i>

FAYETTE	C138	VICTORY
FAYETTE	C140	WALTON
FAYETTE	C142	WOODLAND
FAYETTE	C143	WOODSPOINT
FAYETTE	C144	ALSAB
FAYETTE	C145	AUGUSTA
FAYETTE	C148	DELAWARE
FAYETTE	C167	RIO DOSA
FAYETTE	C169	TRADE CENTER
FAYETTE	C170	BRECKINRIDGE
FAYETTE	C181	EASTWOOD
FAYETTE	C189	SADDLEBROOK
FAYETTE	C195	LIBERTY STATION
FAYETTE	X001	X001

SECTION 114. KRS 5.114 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourteenth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
MARION						
MERCER						
NELSON						
TAYLOR						
WASHINGTON						

SECTION 115. KRS 5.115 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifteenth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ADAIR						
CASEY						
PULASKI						
RUSSELL						

SECTION 116. KRS 5.116 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Sixteenth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CLINTON						
CUMBERLAND						
MCCREARY						
MONROE						

WAYNE**WHITLEY**

SECTION 117. KRS 5.117 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Seventeenth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
GRANT						
KENTON	B101		BRACHT			
KENTON	B105		DECOURSEY			
KENTON	B115		INDEPENDENCE #1			
KENTON	B116		INDEPENDENCE #2			
KENTON	B117		INDEPENDENCE #3			
KENTON	B118		INDEPENDENCE #4			
KENTON	B119		MORNINGVIEW			
KENTON	B120		NICHOLSON #1			
KENTON	B121		NICHOLSON #2			
KENTON	B122		OAKRIDGE			
KENTON	B123		PINER			
KENTON	B124		RICHARDSON #1			
KENTON	B125		RICHARDSON #2			
KENTON	B126		TAYLOR MILL #1			
KENTON	B127		TAYLOR MILL #2			
KENTON	B128		TAYLOR MILL #3			
KENTON	B129		VISALIA			
KENTON	B130		WHITES TOWER			
KENTON	B131		INDEPENDENCE #5			
KENTON	B132		INDEPENDENCE #6			
KENTON	B133		INDEPENDENCE #7			
KENTON	B134		INDEPENDENCE # 8			
KENTON	B135		RICHARDSON #3			
KENTON	B136		INDEPENDENCE #9			
KENTON	B137		INDEPENDENCE #10			
OWEN						
SCOTT						

SECTION 118. KRS 5.118 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Eighteenth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
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BRACKEN**CARTER****GREENUP****LEWIS****MASON****ROBERTSON**

SECTION 119. KRS 5.119 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

*The Nineteenth Senatorial District shall consist of the following territory:***---CENSUS---**

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	C121		PRECINCT 121 30 DISTRICT			
JEFFERSON	C122		PRECINCT 122 30 DISTRICT			
JEFFERSON	C123		PRECINCT 123 30 DISTRICT			
JEFFERSON	C124		PRECINCT 124 30 DISTRICT			
JEFFERSON	C127		PRECINCT 127 30 DISTRICT			
JEFFERSON	C128		PRECINCT 128 30 DISTRICT			
JEFFERSON	C129		PRECINCT 129 30 DISTRICT			
JEFFERSON	C130		PRECINCT 130 30 DISTRICT			
JEFFERSON	C131		PRECINCT 131 30 DISTRICT			
JEFFERSON	D101		PRECINCT 101 31 DISTRICT			
JEFFERSON	D104		PRECINCT 104 31 DISTRICT			
JEFFERSON	D105		PRECINCT 105 31 DISTRICT			
JEFFERSON	D106		PRECINCT 106 31 DISTRICT			
JEFFERSON	D108		PRECINCT 108 31 DISTRICT			
JEFFERSON	D109		PRECINCT 109 31 DISTRICT			
JEFFERSON	D110		PRECINCT 110 31 DISTRICT			
JEFFERSON	D114		PRECINCT 114 31 DISTRICT			
JEFFERSON	D115		PRECINCT 115 31 DISTRICT			
JEFFERSON	D116		PRECINCT 116 31 DISTRICT			
JEFFERSON	D117		PRECINCT 117 31 DISTRICT			
JEFFERSON	D120		PRECINCT 120 31 DISTRICT			
JEFFERSON	D122		PRECINCT 122 31 DISTRICT			
JEFFERSON	D129		PRECINCT 129 31 DISTRICT			
JEFFERSON	D130		PRECINCT 130 31 DISTRICT			
JEFFERSON	D131		PRECINCT 131 31 DISTRICT			
JEFFERSON	D132		PRECINCT 132 31 DISTRICT			
JEFFERSON	D134		PRECINCT 134 31 DISTRICT			
JEFFERSON	D135		PRECINCT 135 31 DIST			
JEFFERSON	D136		PRECINCT 136 31 DIST			

<i>JEFFERSON</i>	<i>D138</i>	<i>PRECINCT 138 31 DIST</i>
<i>JEFFERSON</i>	<i>D139</i>	<i>PRECINCT 139 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>E110</i>	<i>PRECINCT 110 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E111</i>	<i>PRECINCT 111 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E114</i>	<i>PRECINCT 114 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E116</i>	<i>PRECINCT 116 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E118</i>	<i>PRECINCT 118 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E119</i>	<i>PRECINCT 119 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E120</i>	<i>PRECINCT 120 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E126</i>	<i>PRECINCT 126 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E130</i>	<i>PRECINCT 130 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E138</i>	<i>PRECINCT 138 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E139</i>	<i>PRECINCT 139 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E140</i>	<i>PRECINCT 140 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E143</i>	<i>PRECINCT 143 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E156</i>	<i>PRECINCT 156 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>F122</i>	<i>PRECINCT 122 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F125</i>	<i>PRECINCT 125 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F140</i>	<i>PRECINCT 140 33 DIST</i>
<i>JEFFERSON</i>	<i>G108</i>	<i>PRECINCT 108 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G109</i>	<i>PRECINCT 109 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G111</i>	<i>PRECINCT 111 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G112</i>	<i>PRECINCT 112 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G116</i>	<i>PRECINCT 116 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G117</i>	<i>PRECINCT 117 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G119</i>	<i>PRECINCT 119 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G120</i>	<i>PRECINCT 120 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G121</i>	<i>PRECINCT 121 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G122</i>	<i>PRECINCT 122 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G123</i>	<i>PRECINCT 123 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G124</i>	<i>PRECINCT 124 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G126</i>	<i>PRECINCT 126 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G129</i>	<i>PRECINCT 129 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G141</i>	<i>PRECINCT 141 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G142</i>	<i>PRECINCT 142 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G143</i>	<i>PRECINCT 143 34 DISTRICT</i>

<i>JEFFERSON</i>	<i>G144</i>	<i>PRECINCT 144 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G145</i>	<i>PRECINCT 145 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G146</i>	<i>PRECINCT 146 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G147</i>	<i>PRECINCT 147 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G148</i>	<i>PRECINCT 148 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G149</i>	<i>PRECINCT 149 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G150</i>	<i>PRECINCT 150 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G151</i>	<i>PRECINCT 151 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G153</i>	<i>PRECINCT 153 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>H103</i>	<i>PRECINCT 103 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H105</i>	<i>PRECINCT 105 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H106</i>	<i>PRECINCT 106 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H109</i>	<i>PRECINCT 109 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H110</i>	<i>PRECINCT 110 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H111</i>	<i>PRECINCT 111 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H112</i>	<i>PRECINCT 112 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H113</i>	<i>PRECINCT 113 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H115</i>	<i>PRECINCT 115 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H116</i>	<i>PRECINCT 116 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H117</i>	<i>PRECINCT 117 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H118</i>	<i>PRECINCT 118 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H120</i>	<i>PRECINCT 120 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H121</i>	<i>PRECINCT 121 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H141</i>	<i>PRECINCT 141 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>L129</i>	<i>PRECINCT 129 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>R105</i>	<i>PRECINCT 105 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R106</i>	<i>PRECINCT 106 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R131</i>	<i>PRECINCT 131 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R139</i>	<i>PRECINCT 139 47 DISTRICT</i>

SECTION 120. KRS 5.120 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twentieth Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BULLITT</i>						
<i>SHELBY</i>						
<i>SPENCER</i>						

SECTION 121. KRS 5.121 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-first Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>ESTILL</i>						
<i>JACKSON</i>						
<i>LAUREL</i>						
<i>MENIFEE</i>						
<i>POWELL</i>						

SECTION 122. KRS 5.122 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-second Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BOYLE</i>						
<i>FAYETTE</i>	<i>B101</i>		<i>CLEMENS HTS.</i>			
<i>FAYETTE</i>	<i>B153</i>		<i>WHITFIELD</i>			
<i>FAYETTE</i>	<i>B170</i>		<i>PICKWAY</i>			
<i>FAYETTE</i>	<i>B173</i>		<i>CUMBERLAND</i>			
<i>FAYETTE</i>	<i>B175</i>		<i>HIGHPLAIN</i>			
<i>FAYETTE</i>	<i>B177</i>		<i>WYNDHAM HILLS</i>			
<i>FAYETTE</i>	<i>B179</i>		<i>FAIRHAVEN</i>			
<i>FAYETTE</i>	<i>B185</i>		<i>SCENICVIEW</i>			
<i>FAYETTE</i>	<i>B186</i>		<i>GLENVIEW</i>			
<i>FAYETTE</i>	<i>B191</i>		<i>WAVERLY</i>			
<i>FAYETTE</i>	<i>B193</i>		<i>HIDDEN SPRINGS</i>			
<i>FAYETTE</i>	<i>B198</i>		<i>BRIDGEMONT</i>			
<i>FAYETTE</i>	<i>B200</i>		<i>WHITE PINE</i>			
<i>FAYETTE</i>	<i>B202</i>		<i>PINNACLE</i>			
<i>FAYETTE</i>	<i>B203</i>		<i>WYNDSONG</i>			
<i>FAYETTE</i>	<i>B204</i>		<i>ATWOOD</i>			
<i>FAYETTE</i>	<i>B206</i>		<i>ROLLING CREEK</i>			
<i>FAYETTE</i>	<i>B207</i>		<i>FOX HARBOUR</i>			
<i>FAYETTE</i>	<i>B208</i>		<i>VALE</i>			
<i>FAYETTE</i>	<i>C166</i>		<i>TANBARK</i>			
<i>FAYETTE</i>	<i>C182</i>		<i>KENESAW VILLAGE</i>			
<i>FAYETTE</i>	<i>C190</i>		<i>AMHERST</i>			
<i>GARRARD</i>						
<i>JESSAMINE</i>						

SECTION 123. KRS 5.123 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-third Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT BLCK SECT</i>
<i>KENTON</i>	<i>A101</i>	<i>COVINGTON # 1</i>	
<i>KENTON</i>	<i>A102</i>	<i>COVINGTON #3</i>	
<i>KENTON</i>	<i>A103</i>	<i>COVINGTON #7</i>	
<i>KENTON</i>	<i>A104</i>	<i>COVINGTON #10</i>	
<i>KENTON</i>	<i>A105</i>	<i>COVINGTON #11</i>	
<i>KENTON</i>	<i>A106</i>	<i>COVINGTON #12</i>	
<i>KENTON</i>	<i>A107</i>	<i>COVINGTON #13</i>	
<i>KENTON</i>	<i>A108</i>	<i>COVINGTON #15</i>	
<i>KENTON</i>	<i>A109</i>	<i>COVINGTON #19</i>	
<i>KENTON</i>	<i>A110</i>	<i>COVINGTON #20</i>	
<i>KENTON</i>	<i>A111</i>	<i>COVINGTON #21</i>	
<i>KENTON</i>	<i>A112</i>	<i>COVINGTON #23</i>	
<i>KENTON</i>	<i>A113</i>	<i>COVINGTON #24</i>	
<i>KENTON</i>	<i>A114</i>	<i>COVINGTON #25</i>	
<i>KENTON</i>	<i>A115</i>	<i>COVINGTON #26</i>	
<i>KENTON</i>	<i>A116</i>	<i>COVINGTON #27</i>	
<i>KENTON</i>	<i>A117</i>	<i>COVINGTON # 30</i>	
<i>KENTON</i>	<i>A118</i>	<i>COVINGTON # 31</i>	
<i>KENTON</i>	<i>A119</i>	<i>COVINGTON #33</i>	
<i>KENTON</i>	<i>A120</i>	<i>COVINGTON #34</i>	
<i>KENTON</i>	<i>A121</i>	<i>COVINGTON #36</i>	
<i>KENTON</i>	<i>A122</i>	<i>COVINGTON #39</i>	
<i>KENTON</i>	<i>A123</i>	<i>COVINGTON #41</i>	
<i>KENTON</i>	<i>A124</i>	<i>COVINGTON #42</i>	
<i>KENTON</i>	<i>A125</i>	<i>BROMLEY</i>	
<i>KENTON</i>	<i>A126</i>	<i>LUDLOW #1</i>	
<i>KENTON</i>	<i>A127</i>	<i>LUDLOW #2</i>	
<i>KENTON</i>	<i>A128</i>	<i>LUDLOW #3</i>	
<i>KENTON</i>	<i>A129</i>	<i>LUDLOW #4</i>	
<i>KENTON</i>	<i>A130</i>	<i>WINSTON PARK</i>	
<i>KENTON</i>	<i>B102</i>	<i>CRESTVIEW #3</i>	
<i>KENTON</i>	<i>B106</i>	<i>EDGEWOOD #1</i>	
<i>KENTON</i>	<i>B107</i>	<i>EDGEWOOD #2</i>	
<i>KENTON</i>	<i>B108</i>	<i>EDGEWOOD #3</i>	
<i>KENTON</i>	<i>B109</i>	<i>EDGEWOOD #4</i>	
<i>KENTON</i>	<i>B110</i>	<i>EDGEWOOD #5</i>	
<i>KENTON</i>	<i>B111</i>	<i>EDGEWOOD #6</i>	
<i>KENTON</i>	<i>B112</i>	<i>EDGEWOOD #7</i>	

KENTON	B113	FT. MITCHELL#1
KENTON	B114	HANDS PIKE
KENTON	C101	CRESCENT SPRINGS #1
KENTON	C102	CRESCENT SPRINGS #2
KENTON	C103	ELSMERE #1
KENTON	C104	ELSMERE #2
KENTON	C105	ELSMERE #3
KENTON	C106	ELSMERE #4
KENTON	C107	ERLANGER #1
KENTON	C108	ERLANGER #2
KENTON	C109	ERLANGER #3
KENTON	C110	ERLANGER #4
KENTON	C111	ERLANGER #5
KENTON	C112	ERLANGER #6
KENTON	C113	ERLANGER #7
KENTON	C115	ERLANGER #9
KENTON	C116	FT. MITCHELL #2
KENTON	C117	FT. MITCHELL #3
KENTON	C118	FT. MITCHELL #4
KENTON	C119	FT. MITCHELL #5
KENTON	C120	FT. MITCHELL #6
KENTON	C122	FT. WRIGHT #1
KENTON	C123	FT. WRIGHT #2
KENTON	C124	FT. WRIGHT #3
KENTON	C125	FT. WRIGHT #4
KENTON	C126	FT WRIGHT #5
KENTON	C130	PARK HILLS #1
KENTON	C131	PARK HILLS #2
KENTON	C132	PARK HILLS #3
KENTON	C133	VILLA HILLS #1
KENTON	C134	VILLA HILLS #2
KENTON	C135	VILLA HILLS #3
KENTON	C136	VILLA HILLS # 4
KENTON	C137	CRESCENT SPRINGS #3
KENTON	C139	ELSMERE#5
KENTON	X001	X001

SECTION 124. KRS 5.124 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fourth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CAMPBELL						
PENDLETON						

SECTION 125. KRS 5.125 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-fifth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CLAY						
KNOX						
LEE						
MAGOFFIN						
MORGAN						
OWSLEY						
WOLFE						

SECTION 126. KRS 5.126 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-sixth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
CARROLL						
HENRY						
JEFFERSON	E152		PRECINCT 152 32 DISTRICT			
JEFFERSON	F101		PRECINCT 101 33 DISTRICT			
JEFFERSON	F142		PRECINCT 142 33 DISTRICT			
JEFFERSON	S103		PRECINCT 103 48 DISTRICT			
JEFFERSON	S116		PRECINCT 116 48 DISTRICT			
JEFFERSON	S117		PRECINCT 117 48 DISTRICT			
JEFFERSON	S118		PRECINCT 118 48 DISTRICT			
JEFFERSON	S125		PRECINCT 125 48 DISTRICT			
JEFFERSON	S126		PRECINCT 126 48 DISTRICT			
JEFFERSON	S128		PRECINCT 128 48 DISTRICT			
JEFFERSON	S129		PRECINCT 129 48 DISTRICT			
JEFFERSON	S130		PRECINCT 130 48 DISTRICT			
JEFFERSON	S131		PRECINCT 131 48 DISTRICT			
JEFFERSON	S132		PRECINCT 132 48 DISTRICT			
JEFFERSON	S136		PRECINCT 136 48 DISTRICT			
JEFFERSON	S137		PRECINCT 137 48 DISTRICT			
JEFFERSON	S139		PRECINCT 139 48 DISTRICT			
JEFFERSON	S140		PRECINCT 140 48 DISTRICT			

JEFFERSON S141 PRECINCT 141 48 DISTRICT
JEFFERSON S143 PRECINCT 143 48 DIST
JEFFERSON S144 PRECINCT 144 48 DISTRICT
OLDHAM
TRIMBLE

SECTION 127. KRS 5.127 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-seventh Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BOYD						
ELLIOTT						
FLEMING						
LAWRENCE						
ROWAN						

SECTION 128. KRS 5.128 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-eighth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BATH						
BOURBON						
CLARK						
HARRISON						
MONTGOMERY						
NICHOLAS						

SECTION 129. KRS 5.129 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Twenty-ninth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BREATHITT						
FLOYD						
KNOTT						
LETCHER						

SECTION 130. KRS 5.130 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirtieth Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BELL						
HARLAN						

LESLIE**PERRY**

SECTION 131. KRS 5.131 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-first Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JOHNSON						
MARTIN						
PIKE						

SECTION 132. KRS 5.132 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-second Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BUTLER						
WARREN						

SECTION 133. KRS 5.133 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-third Senatorial District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	K107		PRECINCT 107 40 DISTRICT			
JEFFERSON	K121		PRECINCT 121 40 DISTRICT			
JEFFERSON	K123		PRECINCT 123 40 DISTRICT			
JEFFERSON	K130		PRECINCT 130 40 DISTRICT			
JEFFERSON	K131		PRECINCT 131 40 DISTRICT			
JEFFERSON	L101		PRECINCT 101 41 DISTRICT			
JEFFERSON	L103		PRECINCT 103 41 DISTRICT			
JEFFERSON	L104		PRECINCT 104 41 DISTRICT			
JEFFERSON	L107		PRECINCT 107 41 DISTRICT			
JEFFERSON	L108		PRECINCT 108 41 DISTRICT			
JEFFERSON	L109		PRECINCT 109 41 DISTRICT			
JEFFERSON	L110		PRECINCT 110 41 DISTRICT			
JEFFERSON	L111		PRECINCT 111 41 DISTRICT			
JEFFERSON	L113		PRECINCT 113 41 DISTRICT			
JEFFERSON	L114		PRECINCT 114 41 DISTRICT			
JEFFERSON	L115		PRECINCT 115 41 DISTRICT			
JEFFERSON	L116		PRECINCT 116 41 DISTRICT			
JEFFERSON	L117		PRECINCT 117 41 DISTRICT			
JEFFERSON	L119		PRECINCT 119 41 DISTRICT			
JEFFERSON	L121		PRECINCT 121 41 DISTRICT			

<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L124</i>	<i>PRECINCT 124 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L126</i>	<i>PRECINCT 126 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L133</i>	<i>PRECINCT 133 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>M102</i>	<i>PRECINCT 102 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M104</i>	<i>PRECINCT 104 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M105</i>	<i>PRECINCT 105 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M106</i>	<i>PRECINCT 106 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M107</i>	<i>PRECINCT 107 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M110</i>	<i>PRECINCT 110 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M116</i>	<i>PRECINCT 116 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M117</i>	<i>PRECINCT 117 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M133</i>	<i>PRECINCT 133 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M134</i>	<i>PRECINCT 134 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M135</i>	<i>PRECINCT 135 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>N101</i>	<i>PRECINCT 101 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N102</i>	<i>PRECINCT 102 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N103</i>	<i>PRECINCT 103 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N104</i>	<i>PRECINCT 104 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N105</i>	<i>PRECINCT 105 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N106</i>	<i>PRECINCT 106 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N107</i>	<i>PRECINCT 107 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N108</i>	<i>PRECINCT 108 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N109</i>	<i>PRECINCT 109 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N110</i>	<i>PRECINCT 110 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N111</i>	<i>PRECINCT 111 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N112</i>	<i>PRECINCT 112 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N113</i>	<i>PRECINCT 113 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N115</i>	<i>PRECINCT 115 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N117</i>	<i>PRECINCT 117 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N119</i>	<i>PRECINCT 119 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N121</i>	<i>PRECINCT 121 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N122</i>	<i>PRECINCT 122 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N124</i>	<i>PRECINCT 124 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>O103</i>	<i>PRECINCT 103 44 DISTRICT</i>

<i>JEFFERSON</i>	<i>O104</i>	<i>PRECINCT 104 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O105</i>	<i>PRECINCT 105 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O107</i>	<i>PRECINCT 107 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O109</i>	<i>PRECINCT 109 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O111</i>	<i>PRECINCT 111 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O113</i>	<i>PRECINCT 113 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O116</i>	<i>PRECINCT 116 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O117</i>	<i>PRECINCT 117 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O119</i>	<i>PRECINCT 119 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O121</i>	<i>PRECINCT 121 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O123</i>	<i>PRECINCT 123 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O126</i>	<i>PRECINCT 126 44 DISTRICT</i>

SECTION 134. KRS 5.134 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fourth Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>LINCOLN</i>						
<i>MADISON</i>						
<i>ROCKCASTLE</i>						

SECTION 135. KRS 5.135 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-fifth Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>C101</i>		<i>PRECINCT 101 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C102</i>		<i>PRECINCT 102 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C103</i>		<i>PRECINCT 103 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C104</i>		<i>PRECINCT 104 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C105</i>		<i>PRECINCT 105 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C106</i>		<i>PRECINCT 106 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C108</i>		<i>PRECINCT 108 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C109</i>		<i>PRECINCT 109 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C110</i>		<i>PRECINCT 110 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C111</i>		<i>PRECINCT 111 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C113</i>		<i>PRECINCT 113 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C115</i>		<i>PRECINCT 115 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C125</i>		<i>PRECINCT 125 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>C126</i>		<i>PRECINCT 126 30 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D113</i>		<i>PRECINCT 113 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>F118</i>		<i>PRECINCT 118 33 DISTRICT</i>			

<i>JEFFERSON</i>	<i>F119</i>	<i>PRECINCT 119 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F120</i>	<i>PRECINCT 120 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F121</i>	<i>PRECINCT 121 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>G103</i>	<i>PRECINCT 103 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G104</i>	<i>PRECINCT 104 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G106</i>	<i>PRECINCT 106 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G107</i>	<i>PRECINCT 107 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>H102</i>	<i>PRECINCT 102 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H123</i>	<i>PRECINCT 123 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H126</i>	<i>PRECINCT 126 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H127</i>	<i>PRECINCT 127 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H130</i>	<i>PRECINCT 130 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H131</i>	<i>PRECINCT 131 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H132</i>	<i>PRECINCT 132 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H133</i>	<i>PRECINCT 133 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H142</i>	<i>PRECINCT 142 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>I101</i>	<i>PRECINCT 101 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I103</i>	<i>PRECINCT 103 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I104</i>	<i>PRECINCT 104 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I127</i>	<i>PRECINCT 127 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I128</i>	<i>PRECINCT 128 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>J101</i>	<i>PRECINCT 101 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J104</i>	<i>PRECINCT 104 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J107</i>	<i>PRECINCT 107 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J130</i>	<i>PRECINCT 130 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J133</i>	<i>PRECINCT 133 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>K103</i>	<i>PRECINCT 103 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K104</i>	<i>PRECINCT 104 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K105</i>	<i>PRECINCT 105 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K108</i>	<i>PRECINCT 108 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K110</i>	<i>PRECINCT 110 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K111</i>	<i>PRECINCT 111 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K112</i>	<i>PRECINCT 112 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K113</i>	<i>PRECINCT 113 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K114</i>	<i>PRECINCT 114 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K116</i>	<i>PRECINCT 116 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K118</i>	<i>PRECINCT 118 40 DISTRICT</i>

<i>JEFFERSON</i>	<i>K122</i>	<i>PRECINCT 122 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K125</i>	<i>PRECINCT 125 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K129</i>	<i>PRECINCT 129 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L127</i>	<i>PRECINCT 127 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L130</i>	<i>PRECINCT 130 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L131</i>	<i>PRECINCT 131 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M114</i>	<i>PRECINCT 114 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M120</i>	<i>PRECINCT 120 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M123</i>	<i>PRECINCT 123 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M124</i>	<i>PRECINCT 124 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M125</i>	<i>PRECINCT 125 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M129</i>	<i>PRECINCT 129 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M130</i>	<i>PRECINCT 130 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M131</i>	<i>PRECINCT 131 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M136</i>	<i>PRECINCT 136 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q107</i>	<i>PRECINCT 107 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q122</i>	<i>PRECINCT 122 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q123</i>	<i>PRECINCT 123 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q124</i>	<i>PRECINCT 124 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q127</i>	<i>PRECINCT 127 46 DISTRICT</i>

SECTION 136. KRS 5.136 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-sixth Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>D123</i>		<i>PRECINCT 123 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D124</i>		<i>PRECINCT 124 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D128</i>		<i>PRECINCT 128 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>D133</i>		<i>PRECINCT 133 31 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E103</i>		<i>PRECINCT 103 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E104</i>		<i>PRECINCT 104 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E105</i>		<i>PRECINCT 105 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E107</i>		<i>PRECINCT 107 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E141</i>		<i>PRECINCT 141 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E142</i>		<i>PRECINCT 142 32 DISTRICT</i>			
<i>JEFFERSON</i>	<i>E144</i>		<i>PRECINCT 144 32 DISTRICT</i>			

<i>JEFFERSON</i>	<i>E145</i>	<i>PRECINCT 145 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E146</i>	<i>PRECINCT 146 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E147</i>	<i>PRECINCT 147 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E148</i>	<i>PRECINCT 148 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E149</i>	<i>PRECINCT 149 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E150</i>	<i>PRECINCT 150 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E151</i>	<i>PRECINCT 151 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E153</i>	<i>PRECINCT 153 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E154</i>	<i>PRECINCT 154 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E155</i>	<i>PRECINCT 155 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E157</i>	<i>PRECINCT 157 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>F103</i>	<i>PRECINCT 103 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F106</i>	<i>PRECINCT 106 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F108</i>	<i>PRECINCT 108 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F109</i>	<i>PRECINCT 109 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F126</i>	<i>PRECINCT 126 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F134</i>	<i>PRECINCT 134 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F137</i>	<i>PRECINCT 137 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>
<i>JEFFERSON</i>	<i>F144</i>	<i>PRECINCT 144 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F145</i>	<i>PRECINCT 145 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>G138</i>	<i>PRECINCT 138 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G139</i>	<i>PRECINCT 139 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>L118</i>	<i>PRECINCT 118 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L132</i>	<i>PRECINCT 132 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>R111</i>	<i>PRECINCT 111 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R112</i>	<i>PRECINCT 112 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R113</i>	<i>PRECINCT 113 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R114</i>	<i>PRECINCT 114 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R115</i>	<i>PRECINCT 115 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R116</i>	<i>PRECINCT 116 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R117</i>	<i>PRECINCT 117 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R118</i>	<i>PRECINCT 118 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R119</i>	<i>PRECINCT 119 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R120</i>	<i>PRECINCT 120 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R121</i>	<i>PRECINCT 121 47 DISTRICT</i>

<i>JEFFERSON</i>	<i>R122</i>	<i>PRECINCT 122 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R123</i>	<i>PRECINCT 123 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R124</i>	<i>PRECINCT 124 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R125</i>	<i>PRECINCT 125 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R126</i>	<i>PRECINCT 126 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R127</i>	<i>PRECINCT 127 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R128</i>	<i>PRECINCT 128 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R130</i>	<i>PRECINCT 130 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R132</i>	<i>PRECINCT 132 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R133</i>	<i>PRECINCT 133 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R134</i>	<i>PRECINCT 134 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R135</i>	<i>PRECINCT 135 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R136</i>	<i>PRECINCT 136 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R138</i>	<i>PRECINCT 138 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R140</i>	<i>PRECINCT 140 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R141</i>	<i>PRECINCT 141 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R142</i>	<i>PRECINCT 142 47 DIST</i>
<i>JEFFERSON</i>	<i>R143</i>	<i>PRECINCT 143 47 DIST</i>
<i>JEFFERSON</i>	<i>R144</i>	<i>PRECINCT 144 47 DIST</i>
<i>JEFFERSON</i>	<i>R145</i>	<i>PRECINCT 134 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>S101</i>	<i>PRECINCT 101 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S102</i>	<i>PRECINCT 102 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S119</i>	<i>PRECINCT 119 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S120</i>	<i>PRECINCT 120 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S121</i>	<i>PRECINCT 121 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S122</i>	<i>PRECINCT 122 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S133</i>	<i>PRECINCT 133 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S134</i>	<i>PRECINCT 134 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S135</i>	<i>PRECINCT 135 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S138</i>	<i>PRECINCT 138 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S142</i>	<i>PRECINCT 142 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>T101</i>	<i>PRECINCT 101 59 DISTRICT</i>
<i>JEFFERSON</i>	<i>T102</i>	<i>PRECINCT 102 59 DISTRICT</i>

SECTION 137. KRS 5.137 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-seventh Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>JEFFERSON</i>	<i>A105</i>		<i>PRECINCT 105 28 DISTRICT</i>			

<i>JEFFERSON</i>	<i>A107</i>	<i>PRECINCT 107 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A108</i>	<i>PRECINCT 108 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A111</i>	<i>PRECINCT 111 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A113</i>	<i>PRECINCT 113 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A114</i>	<i>PRECINCT 114 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A115</i>	<i>PRECINCT 115 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A118</i>	<i>PRECINCT 118 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A123</i>	<i>PRECINCT 123 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A125</i>	<i>PRECINCT 125 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A126</i>	<i>PRECINCT 126 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A127</i>	<i>PRECINCT 127 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A128</i>	<i>PRECINCT 128 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A131</i>	<i>PRECINCT 131 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>A133</i>	<i>PRECINCT 133 28 DISTRICT</i>
<i>JEFFERSON</i>	<i>B138</i>	<i>PRECINCT 138 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B139</i>	<i>PRECINCT 139 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>H124</i>	<i>PRECINCT 124 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H125</i>	<i>PRECINCT 125 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H134</i>	<i>PRECINCT 134 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H140</i>	<i>PRECINCT 140 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>I105</i>	<i>PRECINCT 105 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I106</i>	<i>PRECINCT 106 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I107</i>	<i>PRECINCT 107 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I109</i>	<i>PRECINCT 109 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I110</i>	<i>PRECINCT 110 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I111</i>	<i>PRECINCT 111 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I112</i>	<i>PRECINCT 112 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I114</i>	<i>PRECINCT 114 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I115</i>	<i>PRECINCT 115 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I117</i>	<i>PRECINCT 117 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I120</i>	<i>PRECINCT 120 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I122</i>	<i>PRECINCT 122 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>J105</i>	<i>PRECINCT 105 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J108</i>	<i>PRECINCT 108 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J110</i>	<i>PRECINCT 110 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J111</i>	<i>PRECINCT 111 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J113</i>	<i>PRECINCT 113 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J117</i>	<i>PRECINCT 117 38 DISTRICT</i>

<i>JEFFERSON</i>	<i>J119</i>	<i>PRECINCT 119 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J120</i>	<i>PRECINCT 120 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J122</i>	<i>PRECINCT 122 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J127</i>	<i>PRECINCT 127 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J128</i>	<i>PRECINCT 128 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J129</i>	<i>PRECINCT 129 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J131</i>	<i>PRECINCT 131 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J135</i>	<i>PRECINCT 135 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>K117</i>	<i>PRECINCT 117 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K119</i>	<i>PRECINCT 119 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K126</i>	<i>PRECINCT 126 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K127</i>	<i>PRECINCT 127 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K128</i>	<i>PRECINCT 128 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K132</i>	<i>PRECINCT 132 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>O112</i>	<i>PRECINCT 112 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O114</i>	<i>PRECINCT 114 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O115</i>	<i>PRECINCT 115 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O124</i>	<i>PRECINCT 124 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O127</i>	<i>PRECINCT 127 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O128</i>	<i>PRECINCT 128 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O129</i>	<i>PRECINCT 129 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O130</i>	<i>PRECINCT 130 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O131</i>	<i>PRECINCT 131 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O132</i>	<i>PRECINCT 132 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q101</i>	<i>PRECINCT 101 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q103</i>	<i>PRECINCT 103 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q104</i>	<i>PRECINCT 104 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q105</i>	<i>PRECINCT 105 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q109</i>	<i>PRECINCT 109 46 DISTRICT</i>

SECTION 138. KRS 5.138 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Thirty-eighth Senatorial District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT BLCK SECT</i>
<i>JEFFERSON</i>	<i>A124</i>	<i>PRECINCT 124 28 DISTRICT</i>	
<i>JEFFERSON</i>	<i>B117</i>	<i>PRECINCT 117 29 DISTRICT</i>	
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>	
<i>JEFFERSON</i>	<i>B120</i>	<i>PRECINCT 120 29 DISTRICT</i>	
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>	
<i>JEFFERSON</i>	<i>B124</i>	<i>PRECINCT 124 29 DISTRICT</i>	

<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B126</i>	<i>PRECINCT 126 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B127</i>	<i>PRECINCT 127 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B128</i>	<i>PRECINCT 128 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B129</i>	<i>PRECINCT 129 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B130</i>	<i>PRECINCT 130 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B131</i>	<i>PRECINCT 131 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B132</i>	<i>PRECINCT 132 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B133</i>	<i>PRECINCT 133 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B141</i>	<i>PRECINCT 141 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B146</i>	<i>PRECINCT 146 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B147</i>	<i>PRECINCT 147 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B148</i>	<i>PRECINCT 148 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>B149</i>	<i>PRECINCT 149 29 DIST</i>
<i>JEFFERSON</i>	<i>B150</i>	<i>PRECINCT 150 29 DISTRICT</i>
<i>JEFFERSON</i>	<i>D121</i>	<i>PRECINCT 121 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D126</i>	<i>PRECINCT 126 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D127</i>	<i>PRECINCT 127 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D137</i>	<i>PRECINCT 137 31 DIST</i>
<i>JEFFERSON</i>	<i>F112</i>	<i>PRECINCT 112 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F113</i>	<i>PRECINCT 113 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F116</i>	<i>PRECINCT 116 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F117</i>	<i>PRECINCT 117 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F129</i>	<i>PRECINCT 129 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F130</i>	<i>PRECINCT 130 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F131</i>	<i>PRECINCT 131 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F132</i>	<i>PRECINCT 132 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F133</i>	<i>PRECINCT 133 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F139</i>	<i>PRECINCT 139 33 DIST</i>
<i>JEFFERSON</i>	<i>F141</i>	<i>PRECINCT 141 33 DIST</i>
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F146</i>	<i>PRECINCT 146 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F147</i>	<i>PRECINCT 147 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>H136</i>	<i>PRECINCT 136 35 DISTRICT</i>

<i>JEFFERSON</i>	<i>H138</i>	<i>PRECINCT 138 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H143</i>	<i>PRECINCT 143 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>I123</i>	<i>PRECINCT 123 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I124</i>	<i>PRECINCT 124 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I125</i>	<i>PRECINCT 125 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I126</i>	<i>PRECINCT 126 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I129</i>	<i>PRECINCT 129 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I130</i>	<i>PRECINCT 130 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I133</i>	<i>PRECINCT 133 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I134</i>	<i>PRECINCT 134 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I135</i>	<i>PRECINCT 135 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>J114</i>	<i>PRECINCT 114 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J123</i>	<i>PRECINCT 123 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J136</i>	<i>PRECINCT 136 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q112</i>	<i>PRECINCT 112 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q113</i>	<i>PRECINCT 113 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q114</i>	<i>PRECINCT 114 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q115</i>	<i>PRECINCT 115 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q116</i>	<i>PRECINCT 116 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q117</i>	<i>PRECINCT 117 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q118</i>	<i>PRECINCT 118 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q119</i>	<i>PRECINCT 119 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q120</i>	<i>PRECINCT 120 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q125</i>	<i>PRECINCT 125 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q126</i>	<i>PRECINCT 126 46 DIST</i>

SECTION 139. KRS 118B.110 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The First Congressional District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>ADAIR</i>						
<i>ALLEN</i>						
<i>BALLARD</i>						
<i>BUTLER</i>						
<i>CALDWELL</i>						
<i>CALLOWAY</i>						
<i>CARLISLE</i>						
<i>CASEY</i>						
<i>CHRISTIAN</i>						
<i>CLINTON</i>						

CRITTENDEN
CUMBERLAND
FULTON
GRAVES
HENDERSON
HICKMAN
HOPKINS

LINCOLN	C102	WAYNESBURG #2		
LINCOLN	C103	KINGS MOUNTAIN		
LINCOLN	D101	HUSTONVILLE	980200	2010
LINCOLN	D101	HUSTONVILLE	980200	2011
LINCOLN	D101	HUSTONVILLE	980200	2012
LINCOLN	D101	HUSTONVILLE	980200	2013
LINCOLN	D101	HUSTONVILLE	980200	2014
LINCOLN	D101	HUSTONVILLE	980200	2015
LINCOLN	D101	HUSTONVILLE	980200	2016
LINCOLN	D101	HUSTONVILLE	980200	2017
LINCOLN	D101	HUSTONVILLE	980200	2018
LINCOLN	D101	HUSTONVILLE	980200	2019
LINCOLN	D101	HUSTONVILLE	980200	2020
LINCOLN	D101	HUSTONVILLE	980200	2021
LINCOLN	D101	HUSTONVILLE	980200	2022
LINCOLN	D101	HUSTONVILLE	980200	2023
LINCOLN	D101	HUSTONVILLE	980200	2024
LINCOLN	D101	HUSTONVILLE	980200	2025
LINCOLN	D101	HUSTONVILLE	980200	2026
LINCOLN	D101	HUSTONVILLE	980200	2027
LINCOLN	D101	HUSTONVILLE	980200	2028
LINCOLN	D101	HUSTONVILLE	980200	2029
LINCOLN	D101	HUSTONVILLE	980200	2030
LINCOLN	D101	HUSTONVILLE	980200	2031
LINCOLN	D101	HUSTONVILLE	980200	2032
LINCOLN	D101	HUSTONVILLE	980200	2033
LINCOLN	D101	HUSTONVILLE	980200	2034
LINCOLN	D101	HUSTONVILLE	980200	2035
LINCOLN	D101	HUSTONVILLE	980200	2036
LINCOLN	D101	HUSTONVILLE	980200	2037
LINCOLN	D101	HUSTONVILLE	980200	2038

<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2039</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2040</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2041</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2042</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2043</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2044</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2045</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2046</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2047</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2048</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2049</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2050</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2051</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2052</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2053</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2054</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2055</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2056</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2057</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2058</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2059</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2060</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2061</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2062</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2063</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2064</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2065</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>2066</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3042</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3043</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3044</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3045</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3046</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3047</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3048</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3049</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3050</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3051</i>
<i>LINCOLN</i>	<i>D101</i>	<i>HUSTONVILLE</i>	<i>980200</i>	<i>3054</i>

<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3013</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3014</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3015</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3021</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3022</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3036</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3037</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3038</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3039</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3040</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3041</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3052</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3053</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980200</i>	<i>3055</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2014</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2015</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2016</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2017</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2018</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2019</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2020</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2021</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2022</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2023</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2024</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2025</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2048</i>
<i>LINCOLN</i>	<i>D102</i>	<i>MCKINNEY</i>	<i>980300</i>	<i>2049</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1002</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1003</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1004</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1005</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1006</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1007</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1008</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1009</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1010</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1011</i>

<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1012</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1013</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1014</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1015</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1016</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1017</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1018</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1021</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1022</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1027</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1028</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1029</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1030</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1031</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1032</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1033</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1034</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1035</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1036</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1037</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1038</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1039</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1040</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1041</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1042</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1043</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1044</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1045</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1046</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1047</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1048</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1049</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1050</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1051</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1052</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1053</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1054</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1055</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1056</i>

<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1057</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1058</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1059</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1060</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1061</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1062</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1063</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1064</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1065</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1066</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1067</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1068</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1069</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1070</i>	
<i>LIVINGSTON</i>					
<i>LOGAN</i>					
<i>LYON</i>					
<i>MARSHALL</i>					
<i>MCCRACKEN</i>					
<i>MCLEAN</i>					
<i>METCALFE</i>					
<i>MONROE</i>					
<i>MUHLENBERG</i>					
<i>OHIO</i>	<i>A101</i>	<i>E HARTFORD</i>			
<i>OHIO</i>	<i>A102</i>	<i>W HARTFORD</i>			
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1046</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>2000</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>2003</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4002</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4003</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4021</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4022</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4023</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4024</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4025</i>	<i>0202</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4027</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4028</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4030</i>	<i>0102</i>

OHIO	A104	HARTFORD #21	980300	4031	
OHIO	A104	HARTFORD #21	980300	4032	
OHIO	A104	HARTFORD #21	980300	4033	
OHIO	A104	HARTFORD #21	980300	4034	
OHIO	A104	HARTFORD #21	980300	4035	0102
OHIO	A104	HARTFORD #21	980300	4039	0102
OHIO	A104	HARTFORD #21	980300	4040	
OHIO	A104	HARTFORD #21	980500	2001	
OHIO	A104	HARTFORD #21	980500	3000	
OHIO	A104	HARTFORD #21	980500	3001	
OHIO	A104	HARTFORD #21	980500	4011	
OHIO	A104	HARTFORD #21	980500	4012	
OHIO	A104	HARTFORD #21	980500	4013	
OHIO	A104	HARTFORD #21	980500	4016	
OHIO	A104	HARTFORD #21	980600	1001	0203
OHIO	A104	HARTFORD #21	980600	1002	0202
OHIO	A104	HARTFORD #21	980700	1124	
OHIO	A104	HARTFORD #21	980700	1125	
OHIO	B101	E. BEAVER DAM			
OHIO	B102	W. BEAVER DAM			
OHIO	B103	BEAVER DAM #20	980300	4025	0102
OHIO	B103	BEAVER DAM #20	980300	4026	
OHIO	B103	BEAVER DAM #20	980500	1009	0202
OHIO	B103	BEAVER DAM #20	980500	1010	
OHIO	B103	BEAVER DAM #20	980500	1011	
OHIO	B103	BEAVER DAM #20	980500	1012	
OHIO	B103	BEAVER DAM #20	980500	1052	0202
OHIO	B103	BEAVER DAM #20	980500	2002	0102
OHIO	B103	BEAVER DAM #20	980500	2003	0103
OHIO	B103	BEAVER DAM #20	980500	2003	0203
OHIO	B103	BEAVER DAM #20	980500	2004	
OHIO	B103	BEAVER DAM #20	980500	2009	0103
OHIO	B103	BEAVER DAM #20	980500	2011	0102
OHIO	B103	BEAVER DAM #20	980500	2023	0202
OHIO	B103	BEAVER DAM #20	980500	2025	
OHIO	B103	BEAVER DAM #20	980500	2026	
OHIO	B103	BEAVER DAM #20	980500	2027	0202
OHIO	B103	BEAVER DAM #20	980500	3003	0103
OHIO	B103	BEAVER DAM #20	980500	3003	0203

<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3004</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3006</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3011</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3014</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3016</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3021</i>	<i>0103</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3022</i>	<i>0104</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3023</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3028</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3029</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3038</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3051</i>	<i>0203</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3052</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3053</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>3055</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4014</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4015</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4018</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4019</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4020</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4021</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4022</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4023</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4024</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4025</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4029</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4039</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4040</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4041</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4042</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4043</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4044</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4045</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4046</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4047</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4048</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4049</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4050</i>	

<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4051</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4052</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4053</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4054</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4055</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4056</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4057</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4058</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4059</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4060</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4061</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4062</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4064</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4065</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4067</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4068</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4069</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4070</i>	<i>0303</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4072</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4073</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4074</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>5013</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>5014</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>5015</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>5016</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>5017</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>5019</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>5020</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980600</i>	<i>1000</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980600</i>	<i>1001</i>	<i>0103</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980600</i>	<i>1014</i>	<i>0202</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980600</i>	<i>1015</i>	
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980600</i>	<i>1016</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980600</i>	<i>1042</i>	<i>0102</i>
<i>OHIO</i>	<i>B104</i>	<i>N BEAVER DAM</i>			
<i>OHIO</i>	<i>C101</i>	<i>ROCKPORT</i>			
<i>OHIO</i>	<i>C102</i>	<i>MCHENRY</i>			
<i>OHIO</i>	<i>C104</i>	<i>N. CENTERTOWN</i>			
<i>OHIO</i>	<i>C105</i>	<i>S. CENTERTOWN</i>			

OHIO **E101** **CROMWELL**
OHIO **E105** **COOL SPRINGS**
RUSSELL
SIMPSON
TODD
TRIGG
UNION
WEBSTER

SECTION 140. KRS 118B.120 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Second Congressional District shall consist of the following territory:

---CENSUS---

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
BARREN						
BRECKINRIDGE						
BULLITT						
DAVIESS						
EDMONSON						
GRAYSON						
GREEN						
HANCOCK						
HARDIN						
HART						
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	2004	0202
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	2005	
JEFFERSON	A121		PRECINCT 121 28 DISTRICT	012104	2007	
JEFFERSON	A122		PRECINCT 122 28 DISTRICT			
JEFFERSON	A130		PRECINCT 130 28 DISTRICT			
JEFFERSON	A132		PRECINCT 132 28 DISTRICT			
JEFFERSON	B127		PRECINCT 127 29 DISTRICT			
JEFFERSON	B128		PRECINCT 128 29 DISTRICT			
JEFFERSON	B130		PRECINCT 130 29 DISTRICT			
JEFFERSON	B131		PRECINCT 131 29 DISTRICT			
JEFFERSON	B134		PRECINCT 134 29 DISTRICT	011703	3020	
JEFFERSON	B141		PRECINCT 141 29 DISTRICT			
JEFFERSON	B147		PRECINCT 147 29 DISTRICT			
JEFFERSON	B148		PRECINCT 148 29 DISTRICT			
JEFFERSON	B150		PRECINCT 150 29 DISTRICT			
JEFFERSON	H136		PRECINCT 136 35 DISTRICT			

<i>JEFFERSON</i>	<i>H138</i>	<i>PRECINCT 138 35 DISTRICT</i>			
<i>JEFFERSON</i>	<i>H143</i>	<i>PRECINCT 143 35 DISTRICT</i>			
<i>LARUE</i>					
<i>MARION</i>					
<i>MEADE</i>					
<i>NELSON</i>					
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980200</i>	<i>1031</i>	<i>0202</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980200</i>	<i>2054</i>	<i>0102</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1018</i>	<i>0102</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1020</i>	<i>0102</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1021</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1022</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1023</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1024</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1025</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1026</i>	<i>0102</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1027</i>	<i>0102</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1035</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1036</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1038</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1039</i>	<i>0202</i>
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1041</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1042</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1043</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1044</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1045</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1047</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1048</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1049</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1050</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1051</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>1999</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>3000</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4000</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980300</i>	<i>4001</i>	
<i>OHIO</i>	<i>A104</i>	<i>HARTFORD #21</i>	<i>980500</i>	<i>4010</i>	<i>0202</i>
<i>OHIO</i>	<i>A105</i>	<i>BUFORD</i>			
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4004</i>	<i>0102</i>
<i>OHIO</i>	<i>B103</i>	<i>BEAVER DAM #20</i>	<i>980500</i>	<i>4007</i>	<i>0202</i>

OHIO	B103	BEAVER DAM #20	980500	4008	
OHIO	B103	BEAVER DAM #20	980500	4009	
OHIO	B103	BEAVER DAM #20	980500	4010	0102
OHIO	B103	BEAVER DAM #20	980500	4017	
OHIO	B103	BEAVER DAM #20	980500	4026	
OHIO	B103	BEAVER DAM #20	980500	4027	
OHIO	B103	BEAVER DAM #20	980500	4028	
OHIO	B103	BEAVER DAM #20	980500	4030	
OHIO	B103	BEAVER DAM #20	980500	4031	
OHIO	B103	BEAVER DAM #20	980500	4032	
OHIO	B103	BEAVER DAM #20	980500	4033	
OHIO	B103	BEAVER DAM #20	980500	4034	0102
OHIO	B103	BEAVER DAM #20	980500	4036	0202
OHIO	B103	BEAVER DAM #20	980500	4037	0202
OHIO	B103	BEAVER DAM #20	980500	4038	
OHIO	B103	BEAVER DAM #20	980500	4075	
OHIO	B103	BEAVER DAM #20	980500	4076	0102
OHIO	B103	BEAVER DAM #20	980500	4077	
OHIO	C103	BEDA			
OHIO	D101	FORDSVILLE			
OHIO	D102	DEANFIELD			
OHIO	D103	ELMITCH			
OHIO	D104	MAGAN			
OHIO	D106	DUNDEE			
OHIO	E102	HORSE BRANCH			
OHIO	E103	ROSINE			
OHIO	E104	OLATON			

SHELBY**SPENCER****TAYLOR****WARREN****WASHINGTON**

SECTION 141. KRS 118B.130 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

*The Third Congressional District shall consist of the following territory:***---CENSUS---**

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
JEFFERSON	A105		PRECINCT 105 28 DISTRICT			
JEFFERSON	A107		PRECINCT 107 28 DISTRICT			

<i>JEFFERSON</i>	<i>A108</i>	<i>PRECINCT 108 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A111</i>	<i>PRECINCT 111 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A113</i>	<i>PRECINCT 113 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A114</i>	<i>PRECINCT 114 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A115</i>	<i>PRECINCT 115 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A117</i>	<i>PRECINCT 117 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A118</i>	<i>PRECINCT 118 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A119</i>	<i>PRECINCT 119 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A120</i>	<i>PRECINCT 120 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1000</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1001</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1002</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1003</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1004</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1005</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1006</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1007</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1008</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1009</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1010</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1011</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1012</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1013</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1014</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1015</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1016</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1017</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1018</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1019</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1020</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1021</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1022</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1023</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1024</i>
<i>JEFFERSON</i>	<i>A121</i>	<i>PRECINCT 121 28 DISTRICT</i>	<i>012104</i>	<i>1999</i>
<i>JEFFERSON</i>	<i>A123</i>	<i>PRECINCT 123 28 DISTRICT</i>		<i>0102</i>
<i>JEFFERSON</i>	<i>A124</i>	<i>PRECINCT 124 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A125</i>	<i>PRECINCT 125 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A126</i>	<i>PRECINCT 126 28 DISTRICT</i>		

<i>JEFFERSON</i>	<i>A127</i>	<i>PRECINCT 127 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A128</i>	<i>PRECINCT 128 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A129</i>	<i>PRECINCT 129 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A131</i>	<i>PRECINCT 131 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A133</i>	<i>PRECINCT 133 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>A134</i>	<i>PRECINCT 134 28 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B117</i>	<i>PRECINCT 117 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B119</i>	<i>PRECINCT 119 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B120</i>	<i>PRECINCT 120 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B121</i>	<i>PRECINCT 121 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B124</i>	<i>PRECINCT 124 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B125</i>	<i>PRECINCT 125 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B126</i>	<i>PRECINCT 126 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B129</i>	<i>PRECINCT 129 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B132</i>	<i>PRECINCT 132 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B133</i>	<i>PRECINCT 133 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>1003</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>2012</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>2013</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3000</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3001</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3002</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3007</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3008</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3009</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3010</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3015</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3016</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3017</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3018</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3019</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3021</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3022</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3023</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3025</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3026</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3027</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3028</i>

<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3029</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3030</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3997</i>
<i>JEFFERSON</i>	<i>B134</i>	<i>PRECINCT 134 29 DISTRICT</i>	<i>011703</i>	<i>3998</i>
<i>JEFFERSON</i>	<i>B138</i>	<i>PRECINCT 138 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B139</i>	<i>PRECINCT 139 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B143</i>	<i>PRECINCT 143 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B146</i>	<i>PRECINCT 146 29 DISTRICT</i>		
<i>JEFFERSON</i>	<i>B149</i>	<i>PRECINCT 149 29 DIST</i>		
<i>JEFFERSON</i>	<i>C101</i>	<i>PRECINCT 101 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C102</i>	<i>PRECINCT 102 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C103</i>	<i>PRECINCT 103 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C104</i>	<i>PRECINCT 104 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C105</i>	<i>PRECINCT 105 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C106</i>	<i>PRECINCT 106 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C108</i>	<i>PRECINCT 108 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C109</i>	<i>PRECINCT 109 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C110</i>	<i>PRECINCT 110 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C111</i>	<i>PRECINCT 111 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C113</i>	<i>PRECINCT 113 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C115</i>	<i>PRECINCT 115 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C121</i>	<i>PRECINCT 121 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C122</i>	<i>PRECINCT 122 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C123</i>	<i>PRECINCT 123 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C124</i>	<i>PRECINCT 124 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C125</i>	<i>PRECINCT 125 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C126</i>	<i>PRECINCT 126 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C127</i>	<i>PRECINCT 127 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C128</i>	<i>PRECINCT 128 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C129</i>	<i>PRECINCT 129 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C130</i>	<i>PRECINCT 130 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>C131</i>	<i>PRECINCT 131 30 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D101</i>	<i>PRECINCT 101 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D104</i>	<i>PRECINCT 104 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D105</i>	<i>PRECINCT 105 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D106</i>	<i>PRECINCT 106 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D108</i>	<i>PRECINCT 108 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D109</i>	<i>PRECINCT 109 31 DISTRICT</i>		
<i>JEFFERSON</i>	<i>D110</i>	<i>PRECINCT 110 31 DISTRICT</i>		

<i>JEFFERSON</i>	<i>D113</i>	<i>PRECINCT 113 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D114</i>	<i>PRECINCT 114 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D115</i>	<i>PRECINCT 115 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D116</i>	<i>PRECINCT 116 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D117</i>	<i>PRECINCT 117 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D120</i>	<i>PRECINCT 120 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D121</i>	<i>PRECINCT 121 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D122</i>	<i>PRECINCT 122 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D123</i>	<i>PRECINCT 123 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D124</i>	<i>PRECINCT 124 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D126</i>	<i>PRECINCT 126 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D127</i>	<i>PRECINCT 127 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D128</i>	<i>PRECINCT 128 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D129</i>	<i>PRECINCT 129 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D130</i>	<i>PRECINCT 130 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D131</i>	<i>PRECINCT 131 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D132</i>	<i>PRECINCT 132 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D133</i>	<i>PRECINCT 133 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D134</i>	<i>PRECINCT 134 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>D135</i>	<i>PRECINCT 135 31 DIST</i>
<i>JEFFERSON</i>	<i>D136</i>	<i>PRECINCT 136 31 DIST</i>
<i>JEFFERSON</i>	<i>D137</i>	<i>PRECINCT 137 31 DIST</i>
<i>JEFFERSON</i>	<i>D138</i>	<i>PRECINCT 138 31 DIST</i>
<i>JEFFERSON</i>	<i>D139</i>	<i>PRECINCT 139 31 DISTRICT</i>
<i>JEFFERSON</i>	<i>E103</i>	<i>PRECINCT 103 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E104</i>	<i>PRECINCT 104 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E105</i>	<i>PRECINCT 105 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E107</i>	<i>PRECINCT 107 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E110</i>	<i>PRECINCT 110 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E111</i>	<i>PRECINCT 111 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E112</i>	<i>PRECINCT 112 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E114</i>	<i>PRECINCT 114 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E116</i>	<i>PRECINCT 116 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E118</i>	<i>PRECINCT 118 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E119</i>	<i>PRECINCT 119 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E120</i>	<i>PRECINCT 120 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E126</i>	<i>PRECINCT 126 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E130</i>	<i>PRECINCT 130 32 DISTRICT</i>

<i>JEFFERSON</i>	<i>E138</i>	<i>PRECINCT 138 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E139</i>	<i>PRECINCT 139 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E140</i>	<i>PRECINCT 140 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E141</i>	<i>PRECINCT 141 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E142</i>	<i>PRECINCT 142 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E143</i>	<i>PRECINCT 143 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E144</i>	<i>PRECINCT 144 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E145</i>	<i>PRECINCT 145 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E146</i>	<i>PRECINCT 146 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E147</i>	<i>PRECINCT 147 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E148</i>	<i>PRECINCT 148 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E149</i>	<i>PRECINCT 149 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E150</i>	<i>PRECINCT 150 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E151</i>	<i>PRECINCT 151 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E152</i>	<i>PRECINCT 152 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E153</i>	<i>PRECINCT 153 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E154</i>	<i>PRECINCT 154 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E155</i>	<i>PRECINCT 155 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E156</i>	<i>PRECINCT 156 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>E157</i>	<i>PRECINCT 157 32 DISTRICT</i>
<i>JEFFERSON</i>	<i>F101</i>	<i>PRECINCT 101 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F103</i>	<i>PRECINCT 103 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F106</i>	<i>PRECINCT 106 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F108</i>	<i>PRECINCT 108 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F109</i>	<i>PRECINCT 109 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F110</i>	<i>PRECINCT 110 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F111</i>	<i>PRECINCT 111 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F112</i>	<i>PRECINCT 112 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F113</i>	<i>PRECINCT 113 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F116</i>	<i>PRECINCT 116 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F117</i>	<i>PRECINCT 117 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F118</i>	<i>PRECINCT 118 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F119</i>	<i>PRECINCT 119 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F120</i>	<i>PRECINCT 120 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F121</i>	<i>PRECINCT 121 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F122</i>	<i>PRECINCT 122 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F125</i>	<i>PRECINCT 125 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F126</i>	<i>PRECINCT 126 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F127</i>	<i>PRECINCT 127 33 DISTRICT</i>

<i>JEFFERSON</i>	<i>F128</i>	<i>PRECINCT 128 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F129</i>	<i>PRECINCT 129 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F130</i>	<i>PRECINCT 130 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F131</i>	<i>PRECINCT 131 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F132</i>	<i>PRECINCT 132 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F133</i>	<i>PRECINCT 133 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F134</i>	<i>PRECINCT 134 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F137</i>	<i>PRECINCT 137 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F138</i>	<i>PRECINCT 138 33 DIST</i>
<i>JEFFERSON</i>	<i>F139</i>	<i>PRECINCT 139 33 DIST</i>
<i>JEFFERSON</i>	<i>F140</i>	<i>PRECINCT 140 33 DIST</i>
<i>JEFFERSON</i>	<i>F141</i>	<i>PRECINCT 141 33 DIST</i>
<i>JEFFERSON</i>	<i>F142</i>	<i>PRECINCT 142 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F143</i>	<i>PRECINCT 143 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F144</i>	<i>PRECINCT 144 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F145</i>	<i>PRECINCT 145 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F146</i>	<i>PRECINCT 146 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>F147</i>	<i>PRECINCT 147 33 DISTRICT</i>
<i>JEFFERSON</i>	<i>G103</i>	<i>PRECINCT 103 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G104</i>	<i>PRECINCT 104 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G106</i>	<i>PRECINCT 106 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G107</i>	<i>PRECINCT 107 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G108</i>	<i>PRECINCT 108 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G109</i>	<i>PRECINCT 109 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G111</i>	<i>PRECINCT 111 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G112</i>	<i>PRECINCT 112 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G116</i>	<i>PRECINCT 116 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G117</i>	<i>PRECINCT 117 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G119</i>	<i>PRECINCT 119 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G120</i>	<i>PRECINCT 120 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G121</i>	<i>PRECINCT 121 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G122</i>	<i>PRECINCT 122 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G123</i>	<i>PRECINCT 123 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G124</i>	<i>PRECINCT 124 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G126</i>	<i>PRECINCT 126 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G129</i>	<i>PRECINCT 129 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G138</i>	<i>PRECINCT 138 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G139</i>	<i>PRECINCT 139 34 DISTRICT</i>

<i>JEFFERSON</i>	<i>G140</i>	<i>PRECINCT 140 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G141</i>	<i>PRECINCT 141 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G142</i>	<i>PRECINCT 142 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G143</i>	<i>PRECINCT 143 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G144</i>	<i>PRECINCT 144 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G145</i>	<i>PRECINCT 145 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G146</i>	<i>PRECINCT 146 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G147</i>	<i>PRECINCT 147 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G148</i>	<i>PRECINCT 148 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G149</i>	<i>PRECINCT 149 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G150</i>	<i>PRECINCT 150 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G151</i>	<i>PRECINCT 151 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>G153</i>	<i>PRECINCT 153 34 DISTRICT</i>
<i>JEFFERSON</i>	<i>H102</i>	<i>PRECINCT 102 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H103</i>	<i>PRECINCT 103 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H105</i>	<i>PRECINCT 105 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H106</i>	<i>PRECINCT 106 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H109</i>	<i>PRECINCT 109 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H110</i>	<i>PRECINCT 110 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H111</i>	<i>PRECINCT 111 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H112</i>	<i>PRECINCT 112 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H113</i>	<i>PRECINCT 113 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H114</i>	<i>PRECINCT 114 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H115</i>	<i>PRECINCT 115 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H116</i>	<i>PRECINCT 116 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H117</i>	<i>PRECINCT 117 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H118</i>	<i>PRECINCT 118 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H120</i>	<i>PRECINCT 120 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H121</i>	<i>PRECINCT 121 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H123</i>	<i>PRECINCT 123 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H124</i>	<i>PRECINCT 124 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H125</i>	<i>PRECINCT 125 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H126</i>	<i>PRECINCT 126 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H127</i>	<i>PRECINCT 127 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H130</i>	<i>PRECINCT 130 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H131</i>	<i>PRECINCT 131 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H132</i>	<i>PRECINCT 132 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H133</i>	<i>PRECINCT 133 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H134</i>	<i>PRECINCT 134 35 DISTRICT</i>

<i>JEFFERSON</i>	<i>H140</i>	<i>PRECINCT 140 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H141</i>	<i>PRECINCT 141 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>H142</i>	<i>PRECINCT 142 35 DISTRICT</i>
<i>JEFFERSON</i>	<i>I101</i>	<i>PRECINCT 101 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I103</i>	<i>PRECINCT 103 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I104</i>	<i>PRECINCT 104 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I105</i>	<i>PRECINCT 105 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I106</i>	<i>PRECINCT 106 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I107</i>	<i>PRECINCT 107 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I109</i>	<i>PRECINCT 109 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I110</i>	<i>PRECINCT 110 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I111</i>	<i>PRECINCT 111 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I112</i>	<i>PRECINCT 112 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I114</i>	<i>PRECINCT 114 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I115</i>	<i>PRECINCT 115 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I117</i>	<i>PRECINCT 117 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I120</i>	<i>PRECINCT 120 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I122</i>	<i>PRECINCT 122 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I123</i>	<i>PRECINCT 123 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I124</i>	<i>PRECINCT 124 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I125</i>	<i>PRECINCT 125 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I126</i>	<i>PRECINCT 126 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I127</i>	<i>PRECINCT 127 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I128</i>	<i>PRECINCT 128 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I129</i>	<i>PRECINCT 129 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I130</i>	<i>PRECINCT 130 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I133</i>	<i>PRECINCT 133 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I134</i>	<i>PRECINCT 134 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>I135</i>	<i>PRECINCT 135 37 DISTRICT</i>
<i>JEFFERSON</i>	<i>J101</i>	<i>PRECINCT 101 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J104</i>	<i>PRECINCT 104 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J105</i>	<i>PRECINCT 105 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J107</i>	<i>PRECINCT 107 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J108</i>	<i>PRECINCT 108 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J110</i>	<i>PRECINCT 110 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J111</i>	<i>PRECINCT 111 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J113</i>	<i>PRECINCT 113 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J114</i>	<i>PRECINCT 114 38 DISTRICT</i>

<i>JEFFERSON</i>	<i>J117</i>	<i>PRECINCT 117 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J119</i>	<i>PRECINCT 119 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J120</i>	<i>PRECINCT 120 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J122</i>	<i>PRECINCT 122 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J123</i>	<i>PRECINCT 123 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J127</i>	<i>PRECINCT 127 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J128</i>	<i>PRECINCT 128 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J129</i>	<i>PRECINCT 129 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J130</i>	<i>PRECINCT 130 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J131</i>	<i>PRECINCT 131 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J133</i>	<i>PRECINCT 133 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J135</i>	<i>PRECINCT 135 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>J136</i>	<i>PRECINCT 136 38 DISTRICT</i>
<i>JEFFERSON</i>	<i>K103</i>	<i>PRECINCT 103 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K104</i>	<i>PRECINCT 104 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K105</i>	<i>PRECINCT 105 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K107</i>	<i>PRECINCT 107 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K108</i>	<i>PRECINCT 108 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K110</i>	<i>PRECINCT 110 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K111</i>	<i>PRECINCT 111 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K112</i>	<i>PRECINCT 112 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K113</i>	<i>PRECINCT 113 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K114</i>	<i>PRECINCT 114 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K116</i>	<i>PRECINCT 116 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K117</i>	<i>PRECINCT 117 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K118</i>	<i>PRECINCT 118 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K119</i>	<i>PRECINCT 119 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K121</i>	<i>PRECINCT 121 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K122</i>	<i>PRECINCT 122 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K123</i>	<i>PRECINCT 123 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K125</i>	<i>PRECINCT 125 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K126</i>	<i>PRECINCT 126 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K127</i>	<i>PRECINCT 127 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K128</i>	<i>PRECINCT 128 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K129</i>	<i>PRECINCT 129 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K130</i>	<i>PRECINCT 130 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K131</i>	<i>PRECINCT 131 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>K132</i>	<i>PRECINCT 132 40 DISTRICT</i>
<i>JEFFERSON</i>	<i>L101</i>	<i>PRECINCT 101 41 DISTRICT</i>

<i>JEFFERSON</i>	<i>L103</i>	<i>PRECINCT 103 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L104</i>	<i>PRECINCT 104 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L107</i>	<i>PRECINCT 107 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L108</i>	<i>PRECINCT 108 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L109</i>	<i>PRECINCT 109 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L110</i>	<i>PRECINCT 110 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L111</i>	<i>PRECINCT 111 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L112</i>	<i>PRECINCT 112 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L113</i>	<i>PRECINCT 113 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L114</i>	<i>PRECINCT 114 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L115</i>	<i>PRECINCT 115 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L116</i>	<i>PRECINCT 116 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L117</i>	<i>PRECINCT 117 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L118</i>	<i>PRECINCT 118 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L119</i>	<i>PRECINCT 119 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L121</i>	<i>PRECINCT 121 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L122</i>	<i>PRECINCT 122 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L124</i>	<i>PRECINCT 124 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L126</i>	<i>PRECINCT 126 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L127</i>	<i>PRECINCT 127 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L129</i>	<i>PRECINCT 129 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L130</i>	<i>PRECINCT 130 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L131</i>	<i>PRECINCT 131 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L132</i>	<i>PRECINCT 132 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>L133</i>	<i>PRECINCT 133 41 DISTRICT</i>
<i>JEFFERSON</i>	<i>M102</i>	<i>PRECINCT 102 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M103</i>	<i>PRECINCT 103 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M104</i>	<i>PRECINCT 104 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M105</i>	<i>PRECINCT 105 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M106</i>	<i>PRECINCT 106 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M107</i>	<i>PRECINCT 107 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M110</i>	<i>PRECINCT 110 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M113</i>	<i>PRECINCT 113 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M114</i>	<i>PRECINCT 114 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M115</i>	<i>PRECINCT 115 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M116</i>	<i>PRECINCT 116 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M117</i>	<i>PRECINCT 117 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M120</i>	<i>PRECINCT 120 42 DISTRICT</i>

<i>JEFFERSON</i>	<i>M121</i>	<i>PRECINCT 121 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M123</i>	<i>PRECINCT 123 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M124</i>	<i>PRECINCT 124 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M125</i>	<i>PRECINCT 125 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M129</i>	<i>PRECINCT 129 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M130</i>	<i>PRECINCT 130 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M131</i>	<i>PRECINCT 131 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M132</i>	<i>PRECINCT 132 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M133</i>	<i>PRECINCT 133 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M134</i>	<i>PRECINCT 134 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M135</i>	<i>PRECINCT 135 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>M136</i>	<i>PRECINCT 136 42 DISTRICT</i>
<i>JEFFERSON</i>	<i>N101</i>	<i>PRECINCT 101 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N102</i>	<i>PRECINCT 102 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N103</i>	<i>PRECINCT 103 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N104</i>	<i>PRECINCT 104 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N105</i>	<i>PRECINCT 105 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N106</i>	<i>PRECINCT 106 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N107</i>	<i>PRECINCT 107 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N108</i>	<i>PRECINCT 108 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N109</i>	<i>PRECINCT 109 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N110</i>	<i>PRECINCT 110 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N111</i>	<i>PRECINCT 111 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N112</i>	<i>PRECINCT 112 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N113</i>	<i>PRECINCT 113 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N115</i>	<i>PRECINCT 115 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N117</i>	<i>PRECINCT 117 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N118</i>	<i>PRECINCT 118 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N119</i>	<i>PRECINCT 119 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N121</i>	<i>PRECINCT 121 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N122</i>	<i>PRECINCT 122 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>N124</i>	<i>PRECINCT 124 43 DISTRICT</i>
<i>JEFFERSON</i>	<i>O103</i>	<i>PRECINCT 103 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O104</i>	<i>PRECINCT 104 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O105</i>	<i>PRECINCT 105 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O107</i>	<i>PRECINCT 107 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O109</i>	<i>PRECINCT 109 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O111</i>	<i>PRECINCT 111 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O112</i>	<i>PRECINCT 112 44 DISTRICT</i>

<i>JEFFERSON</i>	<i>O113</i>	<i>PRECINCT 113 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O114</i>	<i>PRECINCT 114 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O115</i>	<i>PRECINCT 115 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O116</i>	<i>PRECINCT 116 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O117</i>	<i>PRECINCT 117 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O119</i>	<i>PRECINCT 119 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O121</i>	<i>PRECINCT 121 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O123</i>	<i>PRECINCT 123 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O124</i>	<i>PRECINCT 124 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O126</i>	<i>PRECINCT 126 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O127</i>	<i>PRECINCT 127 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O128</i>	<i>PRECINCT 128 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O129</i>	<i>PRECINCT 129 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O130</i>	<i>PRECINCT 130 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O131</i>	<i>PRECINCT 131 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>O132</i>	<i>PRECINCT 132 44 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q101</i>	<i>PRECINCT 101 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q103</i>	<i>PRECINCT 103 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q104</i>	<i>PRECINCT 104 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q105</i>	<i>PRECINCT 105 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q107</i>	<i>PRECINCT 107 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q109</i>	<i>PRECINCT 109 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q112</i>	<i>PRECINCT 112 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q113</i>	<i>PRECINCT 113 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q114</i>	<i>PRECINCT 114 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q115</i>	<i>PRECINCT 115 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q116</i>	<i>PRECINCT 116 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q117</i>	<i>PRECINCT 117 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q118</i>	<i>PRECINCT 118 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q119</i>	<i>PRECINCT 119 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q120</i>	<i>PRECINCT 120 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q122</i>	<i>PRECINCT 122 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q123</i>	<i>PRECINCT 123 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q124</i>	<i>PRECINCT 124 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q125</i>	<i>PRECINCT 125 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>Q126</i>	<i>PRECINCT 126 46 DIST</i>
<i>JEFFERSON</i>	<i>Q127</i>	<i>PRECINCT 127 46 DISTRICT</i>
<i>JEFFERSON</i>	<i>R105</i>	<i>PRECINCT 105 47 DISTRICT</i>

<i>JEFFERSON</i>	<i>R106</i>	<i>PRECINCT 106 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R111</i>	<i>PRECINCT 111 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R112</i>	<i>PRECINCT 112 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R113</i>	<i>PRECINCT 113 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R114</i>	<i>PRECINCT 114 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R115</i>	<i>PRECINCT 115 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R116</i>	<i>PRECINCT 116 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R117</i>	<i>PRECINCT 117 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R118</i>	<i>PRECINCT 118 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R119</i>	<i>PRECINCT 119 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R120</i>	<i>PRECINCT 120 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R121</i>	<i>PRECINCT 121 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R122</i>	<i>PRECINCT 122 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R123</i>	<i>PRECINCT 123 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R124</i>	<i>PRECINCT 124 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R125</i>	<i>PRECINCT 125 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R126</i>	<i>PRECINCT 126 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R127</i>	<i>PRECINCT 127 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R128</i>	<i>PRECINCT 128 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R130</i>	<i>PRECINCT 130 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R131</i>	<i>PRECINCT 131 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R132</i>	<i>PRECINCT 132 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R133</i>	<i>PRECINCT 133 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R134</i>	<i>PRECINCT 134 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R135</i>	<i>PRECINCT 135 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R136</i>	<i>PRECINCT 136 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R137</i>	<i>PRECINCT 137 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R138</i>	<i>PRECINCT 138 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R139</i>	<i>PRECINCT 139 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R140</i>	<i>PRECINCT 140 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R141</i>	<i>PRECINCT 141 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>R142</i>	<i>PRECINCT 142 47 DIST</i>
<i>JEFFERSON</i>	<i>R143</i>	<i>PRECINCT 143 47 DIST</i>
<i>JEFFERSON</i>	<i>R144</i>	<i>PRECINCT 144 47 DIST</i>
<i>JEFFERSON</i>	<i>R145</i>	<i>PRECINCT 134 47 DISTRICT</i>
<i>JEFFERSON</i>	<i>S101</i>	<i>PRECINCT 101 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S102</i>	<i>PRECINCT 102 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S103</i>	<i>PRECINCT 103 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S116</i>	<i>PRECINCT 116 48 DISTRICT</i>

<i>JEFFERSON</i>	<i>S117</i>	<i>PRECINCT 117 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S118</i>	<i>PRECINCT 118 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S119</i>	<i>PRECINCT 119 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S120</i>	<i>PRECINCT 120 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S121</i>	<i>PRECINCT 121 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S122</i>	<i>PRECINCT 122 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S125</i>	<i>PRECINCT 125 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S126</i>	<i>PRECINCT 126 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S128</i>	<i>PRECINCT 128 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S129</i>	<i>PRECINCT 129 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S130</i>	<i>PRECINCT 130 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S131</i>	<i>PRECINCT 131 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S132</i>	<i>PRECINCT 132 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S133</i>	<i>PRECINCT 133 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S134</i>	<i>PRECINCT 134 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S135</i>	<i>PRECINCT 135 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S136</i>	<i>PRECINCT 136 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S137</i>	<i>PRECINCT 137 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S138</i>	<i>PRECINCT 138 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S139</i>	<i>PRECINCT 139 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S140</i>	<i>PRECINCT 140 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S141</i>	<i>PRECINCT 141 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S142</i>	<i>PRECINCT 142 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>S143</i>	<i>PRECINCT 143 48 DIST</i>
<i>JEFFERSON</i>	<i>S144</i>	<i>PRECINCT 144 48 DISTRICT</i>
<i>JEFFERSON</i>	<i>T101</i>	<i>PRECINCT 101 59 DISTRICT</i>
<i>JEFFERSON</i>	<i>T102</i>	<i>PRECINCT 102 59 DISTRICT</i>

SECTION 142. KRS 118B.140 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fourth Congressional District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC SEC</i>	<i>NAME</i>	<i>TRACT BLCK SECT</i>
<i>BATH</i>	<i>A101</i>	<i>SHARPSBURG NO. 1</i>	
<i>BATH</i>	<i>A102</i>	<i>SHARPSBURG NO. 2</i>	
<i>BATH</i>	<i>A103</i>	<i>BETHEL</i>	
<i>BATH</i>	<i>A104</i>	<i>SOUTH SHERBURNE</i>	
<i>BATH</i>	<i>B101</i>	<i>OWINGSVILLE NO. 1</i>	
<i>BATH</i>	<i>B102</i>	<i>OWINGSVILLE NO. 2</i>	
<i>BATH</i>	<i>B103</i>	<i>OWINGSVILLE NO. 3</i>	

BATH	C103	WHITE SULPHUR	970300	3015	
BATH	C103	WHITE SULPHUR	970300	3016	
BATH	C103	WHITE SULPHUR	970300	3024	
BATH	C103	WHITE SULPHUR	970300	3035	
BATH	C104	OLYMPIA			
BATH	C105	PRESTON			
BOONE					
BOYD					
BRACKEN					
CAMPBELL					
CARROLL					
CARTER					
ELLIOTT					
FLEMING					
GALLATIN					
GRANT					
GREENUP					
HARRISON					
HENRY					
KENTON					
LEWIS					
MASON					
NICHOLAS					
OLDHAM					
OWEN					
PENDLETON					
ROBERTSON					
SCOTT	A100	PORTER			
SCOTT	A102	SADIEVILLE			
SCOTT	A104	COUNTY EXTENSION	040500	1040	
SCOTT	A104	COUNTY EXTENSION	040500	1064	
SCOTT	A104	COUNTY EXTENSION	040600	1000	0102
SCOTT	A106	DRY RUN	040400	2010	0102
SCOTT	A106	DRY RUN	040400	2011	0202
SCOTT	A106	DRY RUN	040400	2013	
SCOTT	A106	DRY RUN	040400	2014	
SCOTT	A106	DRY RUN	040400	2015	
SCOTT	A106	DRY RUN	040400	2017	0102
SCOTT	A106	DRY RUN	040400	2018	0102

SCOTT	A106	DRY RUN	040400	2019	0102
SCOTT	A106	DRY RUN	040400	2021	0102
SCOTT	A106	DRY RUN	040400	2022	
SCOTT	A106	DRY RUN	040400	2026	
SCOTT	A106	DRY RUN	040400	2027	
SCOTT	A106	DRY RUN	040400	2028	
SCOTT	A106	DRY RUN	040400	2029	
SCOTT	A106	DRY RUN	040400	2030	
SCOTT	A106	DRY RUN	040400	2031	
SCOTT	A106	DRY RUN	040400	2032	
SCOTT	A106	DRY RUN	040400	2034	
SCOTT	A106	DRY RUN	040400	2054	
SCOTT	A106	DRY RUN	040400	2055	
SCOTT	A106	DRY RUN	040400	2056	
SCOTT	A106	DRY RUN	040400	2057	
SCOTT	A106	DRY RUN	040500	1050	
SCOTT	A106	DRY RUN	040500	1051	
SCOTT	A106	DRY RUN	040500	1052	
SCOTT	A106	DRY RUN	040500	1053	
SCOTT	A106	DRY RUN	040500	1054	0203
SCOTT	A106	DRY RUN	040500	1055	
SCOTT	A106	DRY RUN	040500	1056	0202
SCOTT	A106	DRY RUN	040500	1057	
SCOTT	A106	DRY RUN	040500	1058	
SCOTT	A106	DRY RUN	040500	1999	
SCOTT	A106	DRY RUN	040600	1000	0202
SCOTT	A106	DRY RUN	040600	1001	0203
SCOTT	B103	MINORSVILLE	040500	2001	
SCOTT	B103	MINORSVILLE	040500	2002	
SCOTT	B103	MINORSVILLE	040500	2004	
SCOTT	B103	MINORSVILLE	040500	2005	
SCOTT	B103	MINORSVILLE	040500	2006	
SCOTT	B103	MINORSVILLE	040500	2009	
SCOTT	B103	MINORSVILLE	040500	2010	
SCOTT	B103	MINORSVILLE	040500	2014	0102
SCOTT	B103	MINORSVILLE	040500	2016	
SCOTT	B103	MINORSVILLE	040500	2037	
SCOTT	B103	MINORSVILLE	040500	2038	

<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2014</i>	<i>0202</i>
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2015</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2017</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2018</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2019</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2020</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2029</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2036</i>	

TRIMBLE

SECTION 143. KRS 118B.150 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

The Fifth Congressional District shall consist of the following territory:

---CENSUS---

<i>COUNTY</i>	<i>PREC</i>	<i>SEC</i>	<i>NAME</i>	<i>TRACT</i>	<i>BLCK</i>	<i>SECT</i>
<i>BATH</i>	<i>C101</i>		<i>SALT LICK NO. 1</i>			
<i>BATH</i>	<i>C102</i>		<i>SALT LICK NO. 2</i>			
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1001</i>	<i>0303</i>
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1002</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1003</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1004</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1005</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1006</i>	<i>0102</i>
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1007</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1035</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1036</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1037</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>1038</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>2052</i>	<i>0102</i>
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>2054</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3000</i>	<i>0102</i>
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3001</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3002</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3003</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3004</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3005</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3006</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3007</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3008</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3009</i>	
<i>BATH</i>	<i>C103</i>		<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3010</i>	

<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3011</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3012</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3013</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3014</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3037</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3038</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3039</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3040</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3041</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3042</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3043</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3044</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3045</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3046</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3047</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3048</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3049</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3051</i>	<i>0202</i>
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3052</i>	
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3053</i>	<i>0102</i>
<i>BATH</i>	<i>C103</i>	<i>WHITE SULPHUR</i>	<i>970300</i>	<i>3057</i>	
<i>BELL</i>					
<i>BREATHITT</i>					
<i>CLAY</i>					
<i>FLOYD</i>					
<i>HARLAN</i>					
<i>JACKSON</i>					
<i>JOHNSON</i>					
<i>KNOTT</i>					
<i>KNOX</i>					
<i>LAUREL</i>					
<i>LAWRENCE</i>					
<i>LEE</i>					
<i>LESLIE</i>					
<i>LETCHER</i>					
<i>MAGOFFIN</i>					
<i>MARTIN</i>					
<i>MCCREARY</i>					

MENIFEE**MORGAN****OWSLEY****PERRY****PIKE****PULASKI****ROCKCASTLE****ROWAN****WAYNE****WHITLEY****WOLFE**

SECTION 144. KRS 118B.160 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

*The Sixth Congressional District shall consist of the following territory:***---CENSUS---**

COUNTY	PREC	SEC	NAME	TRACT	BLCK	SECT
ANDERSON						
BOURBON						
BOYLE						
CLARK						
ESTILL						
FAYETTE						
FRANKLIN						
GARRARD						
JESSAMINE						
LINCOLN	A101		STANFORD #1			
LINCOLN	A102		STANFORD #2			
LINCOLN	A103		STANFORD #3			
LINCOLN	B101		CRAB ORCHARD #1			
LINCOLN	B102		CRAB ORCHARD #2			
LINCOLN	B103		BROUGHTENTOWN			
LINCOLN	B104		STANFORD # 5			
LINCOLN	C101		WAYNESBURG #1			
LINCOLN	C104		HALLS GAP			
LINCOLN	D101		HUSTONVILLE	980200	1025	0102
LINCOLN	D101		HUSTONVILLE	980200	1026	
LINCOLN	D101		HUSTONVILLE	980200	2000	
LINCOLN	D101		HUSTONVILLE	980200	2001	
LINCOLN	D101		HUSTONVILLE	980200	2002	
LINCOLN	D101		HUSTONVILLE	980200	2003	

LINCOLN	D101	HUSTONVILLE	980200	2004	
LINCOLN	D101	HUSTONVILLE	980200	2005	
LINCOLN	D101	HUSTONVILLE	980200	2006	
LINCOLN	D101	HUSTONVILLE	980200	2007	
LINCOLN	D101	HUSTONVILLE	980200	2008	
LINCOLN	D101	HUSTONVILLE	980200	2009	
LINCOLN	D101	HUSTONVILLE	980200	2067	
LINCOLN	D101	HUSTONVILLE	980200	2068	
LINCOLN	D101	HUSTONVILLE	980200	2069	
LINCOLN	D101	HUSTONVILLE	980200	2070	
LINCOLN	D101	HUSTONVILLE	980200	2071	
LINCOLN	D101	HUSTONVILLE	980200	2072	
LINCOLN	D101	HUSTONVILLE	980200	2073	
LINCOLN	D101	HUSTONVILLE	980200	3005	0102
LINCOLN	D102	MCKINNEY	980200	3001	
LINCOLN	D102	MCKINNEY	980200	3002	
LINCOLN	D102	MCKINNEY	980200	3003	
LINCOLN	D102	MCKINNEY	980200	3004	
LINCOLN	D102	MCKINNEY	980200	3005	0202
LINCOLN	D102	MCKINNEY	980200	3006	
LINCOLN	D102	MCKINNEY	980200	3007	
LINCOLN	D102	MCKINNEY	980200	3008	
LINCOLN	D102	MCKINNEY	980200	3009	
LINCOLN	D102	MCKINNEY	980200	3010	
LINCOLN	D102	MCKINNEY	980200	3011	
LINCOLN	D102	MCKINNEY	980200	3012	
LINCOLN	D102	MCKINNEY	980200	3023	
LINCOLN	D102	MCKINNEY	980200	3024	
LINCOLN	D102	MCKINNEY	980200	3025	
LINCOLN	D102	MCKINNEY	980200	3026	
LINCOLN	D102	MCKINNEY	980200	3027	
LINCOLN	D102	MCKINNEY	980200	3028	
LINCOLN	D102	MCKINNEY	980200	3031	
LINCOLN	D103	MORELAND	980100	2021	
LINCOLN	D103	MORELAND	980100	2022	
LINCOLN	D103	MORELAND	980100	2029	
LINCOLN	D103	MORELAND	980100	2030	
LINCOLN	D103	MORELAND	980100	2031	

<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980100</i>	<i>2032</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1000</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1001</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1019</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1020</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1023</i>	
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1025</i>	<i>0202</i>
<i>LINCOLN</i>	<i>D103</i>	<i>MORELAND</i>	<i>980200</i>	<i>1071</i>	
<i>LINCOLN</i>	<i>D104</i>	<i>STANFORD # 4</i>			
<i>MADISON</i>					
<i>MERCER</i>					
<i>MONTGOMERY</i>					
<i>POWELL</i>					
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040500</i>	<i>1054</i>	<i>0303</i>
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040500</i>	<i>1056</i>	<i>0102</i>
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040500</i>	<i>1063</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040500</i>	<i>1065</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1001</i>	<i>0103</i>
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1001</i>	<i>0303</i>
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1002</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1003</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1004</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1005</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1020</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1021</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1024</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1025</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1026</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1027</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1029</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1030</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1050</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1051</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1052</i>	
<i>SCOTT</i>	<i>A104</i>	<i>COUNTY EXTENSION</i>	<i>040600</i>	<i>1053</i>	
<i>SCOTT</i>	<i>A106</i>	<i>DRY RUN</i>	<i>040400</i>	<i>2033</i>	
<i>SCOTT</i>	<i>B101</i>	<i>NORTH CARDOME</i>			
<i>SCOTT</i>	<i>B103</i>	<i>MINORSVILLE</i>	<i>040500</i>	<i>2007</i>	
<i>SCOTT</i>	<i>B103</i>	<i>MINORSVILLE</i>	<i>040500</i>	<i>2008</i>	

SCOTT	B103	MINORSVILLE	040500	2011	
SCOTT	B103	MINORSVILLE	040500	2012	
SCOTT	B103	MINORSVILLE	040500	2013	
SCOTT	B103	MINORSVILLE	040500	2030	
SCOTT	B103	MINORSVILLE	040500	2031	
SCOTT	B103	MINORSVILLE	040500	2032	
SCOTT	B103	MINORSVILLE	040500	2033	
SCOTT	B103	MINORSVILLE	040500	3010	
SCOTT	B103	MINORSVILLE	040500	3011	
SCOTT	B103	MINORSVILLE	040500	3014	
SCOTT	B103	MINORSVILLE	040500	3015	
SCOTT	B103	MINORSVILLE	040500	3016	
SCOTT	B103	MINORSVILLE	040500	3017	
SCOTT	B103	MINORSVILLE	040500	3018	
SCOTT	B103	MINORSVILLE	040500	3019	
SCOTT	B103	MINORSVILLE	040500	3020	
SCOTT	B103	MINORSVILLE	040500	3021	
SCOTT	B103	MINORSVILLE	040500	3022	
SCOTT	B103	MINORSVILLE	040500	3023	
SCOTT	B103	MINORSVILLE	040500	3024	
SCOTT	B103	MINORSVILLE	040500	3032	
SCOTT	B103	MINORSVILLE	040500	3033	
SCOTT	B103	MINORSVILLE	040500	3034	
SCOTT	B103	MINORSVILLE	040500	3035	
SCOTT	B103	MINORSVILLE	040500	3036	
SCOTT	B103	MINORSVILLE	040500	3037	
SCOTT	B103	MINORSVILLE	040500	3038	
SCOTT	B103	MINORSVILLE	040600	1009	
SCOTT	B103	MINORSVILLE	040600	1010	
SCOTT	B103	MINORSVILLE	040600	1011	
SCOTT	B103	MINORSVILLE	040600	1012	
SCOTT	B103	MINORSVILLE	040600	1090	
SCOTT	B103	MINORSVILLE	040600	1099	
SCOTT	B103	MINORSVILLE	040600	1100	
SCOTT	B103	MINORSVILLE	040600	1101	0202
SCOTT	B105	STAMPING GROUND	040500	2021	
SCOTT	B105	STAMPING GROUND	040500	2022	
SCOTT	B105	STAMPING GROUND	040500	2023	

<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2024</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2025</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2026</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2027</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2028</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2034</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>2035</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3001</i>	<i>0202</i>
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3002</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3003</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3004</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3005</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3006</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3007</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3008</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3009</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3012</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3013</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3025</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3026</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3027</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3028</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3029</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3030</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040500</i>	<i>3031</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040600</i>	<i>1006</i>	<i>0102</i>
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040600</i>	<i>1007</i>	
<i>SCOTT</i>	<i>B105</i>	<i>STAMPING GROUND</i>	<i>040600</i>	<i>1008</i>	
<i>SCOTT</i>	<i>B107</i>	<i>GREAT CROSSING</i>			
<i>SCOTT</i>	<i>B109</i>	<i>SOUTH CARDOME</i>			
<i>SCOTT</i>	<i>C110</i>	<i>IRONWORKS</i>			
<i>SCOTT</i>	<i>C112</i>	<i>OLD GREAT CROSSING SCHOOL</i>			
<i>SCOTT</i>	<i>C114</i>	<i>WEST CANE RUN</i>			
<i>SCOTT</i>	<i>C116</i>	<i>EAST CANE RUN</i>			
<i>SCOTT</i>	<i>D111</i>	<i>WEST OXFORD</i>			
<i>SCOTT</i>	<i>D113</i>	<i>EAST OXFORD</i>			
<i>SCOTT</i>	<i>D115</i>	<i>NEWTOWN</i>			
<i>SCOTT</i>	<i>D117</i>	<i>EASTSIDE</i>			
<i>SCOTT</i>	<i>E118</i>	<i>NORTH COURTHOUSE</i>			

SCOTT	E120	SOUTH COURTHOUSE
SCOTT	E122	NORTH HAMILTON
SCOTT	E124	GARTH SCHOOL
SCOTT	F119	ROYAL SPRINGS
SCOTT	F121	SOUTH BROADWAY
SCOTT	F123	INDIAN HILLS
SCOTT	F125	GEORGETOWN MIDDLE SCHOOL
SCOTT	G126	INDIAN ACRES
SCOTT	G128	SOUTHERN SCHOOL WEST
SCOTT	G130	SOUTHERN SCHOOL EAST
SCOTT	G132	MARSHALL FIELD FIRE STA
WOODFORD		

Section 145. KRS 118B.010 is amended to read as follows:

For the purpose of *this chapter* ~~congressional redistricting done by the Second Extraordinary Session of 1991~~:

- (1) The boundaries of the congressional districts created by this chapter shall be those shown on the maps generated by the Legislative Research Commission's geographic information system to accompany the redistricting plan enacted into law. The official ~~paper~~ copies of these maps shall be on file with the State Board of Elections. A duplicate set of maps and associated population information shall be retained by the Legislative Research Commission.
- (2) (a) Designated precincts are those precincts in existence on July 15, ~~2000~~~~1990~~. Precinct boundaries shown in the maps referred to in subsection (1) of this section are taken from county precinct maps ~~filed with the State Board of Elections~~ and verified and corrected by the Legislative Research Commission staff in consultation with county election officials.
- (b) Census tracts and blocks shown in the maps referred to in subsection (1) of this section are those utilized for the making of the ~~2000~~~~1990~~ United States Census.
- (c) Population data utilized for redistricting is the ~~2000~~~~1990~~ United States Census PL 94-171 population data that was deemed to be official by the United States Secretary of Commerce on or before July 15, ~~2001~~~~1991~~, and election precinct population data prepared by the Legislative Research Commission staff from the official PL 94-171 population data.

Section 146. KRS 5.010 is amended to read as follows:

For the purpose of this chapter:

- (1) The boundaries of the legislative districts created by this chapter shall be those shown on the maps generated by the Legislative Research Commission's geographic information system to accompany a redistricting plan enacted into law~~, except that, notwithstanding provisions to the contrary in this chapter, the boundary between Tudor and Stonewall precincts in Fayette County shall be as it existed on July 15, 1990, and as drawn on Fayette County precinct maps filed with the State Board of Elections~~. The official~~paper~~ copies of these maps shall be on file with the State Board of Elections. A duplicate set of maps and associated population information shall be retained by the Legislative Research Commission.
- (2) (a) Designated precincts are those precincts in existence on July 15, ~~2000~~~~1990~~. Precinct boundaries shown in the maps referred to in subsection (1) of this section are taken from county precinct maps~~filed with the State Board of Elections~~ and verified and corrected by the Legislative Research Commission staff in consultation with county election officials.
- (b) Census tracts and blocks shown in the maps referred to in subsection (1) of this section are those utilized for the making of the ~~2000~~~~1990~~ United States Census.

- (c) Population data utilized for redistricting is the ~~2000~~~~[1990]~~ United States Census PL 94-171 population data that was deemed to be official by the United States Secretary of Commerce on or before July 15, ~~2001~~~~[1991]~~, and election precinct population data prepared by the Legislative Research Commission staff from the official PL 94-171 population data.

Section 147. County boards of elections shall meet immediately following the effective date of this Act, for the purpose of reviewing the changes made to district boundaries pursuant to this Act. The county boards of elections shall redraw precinct boundaries so as to conform to the district boundaries established by the General Assembly pursuant to this Act. Any redrawing of precinct boundaries required as a result of this redistricting shall be completed no later than forty-five (45) days after the effective date of this Act, KRS 117.055(3) and 117.056 to the contrary notwithstanding.

Section 148. KRS 118.165 or any other section of the Kentucky Revised Statutes to the contrary notwithstanding, the filing deadline of January 29, 2002, at 4 p.m., for nomination papers for state legislative and United States House of Representative candidates shall be suspended for the 2002 primary election, and for no other election, and shall be extended until 4 p.m. on February 1, 2002. All nomination papers for the office of state legislator and United States Representative for the 2002 primary election shall be filed in the office of the Secretary of State, Frankfort, Kentucky, no later than 4 p.m., local time, on February 1, 2002.

KRS 118.225 or any other section of the Kentucky Revised Statutes to the contrary notwithstanding, for state legislative and United States Representative candidates, the date for the public drawing for ballot position for the 2002 primary election, and that election only, shall be suspended. Public drawing for ballot position for state legislative and United States Representative candidates for the 2002 primary election shall occur on a date set by the Secretary of State, but shall not occur prior to Monday, February 4, 2002.

This section shall be retroactive to 4 p.m., January 29, 2002.

Section 149. Whereas the districts established by this legislation shall be effective for the primary and general elections to be held in 2002, and certain statutory and other deadlines that impact those 2002 elections occur prior to July, 2002, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Approved January 31, 2002

CHAPTER 2

(SB 54)

AN ACT relating to approval of a capital project, appropriating funds therefor, and declaring an emergency.

WHEREAS, KRS 45.763 requires that an institution of higher education shall obtain authorization from the General Assembly prior to entering into an agreement for the use, purchase, or acceptance of real property of any value, or equipment with a value in excess of four hundred thousand dollars (\$400,000), if the institution of higher education will become the owner of the real property or equipment at any time and all or any portion of the purchase price of the real property or equipment is funded through the issuance of a financial instrument which requires payment of principal and interest, regardless of the identity of the issuer; and

WHEREAS, Western Kentucky University intends to enter in a memorandum of agreement with the City of Bowling Green to make improvements on state-owned property to be financed through the issuance by the City of Bowling Green of general obligation bonds for the public project, consisting of the renovation of E. A. Diddle Arena and related facilities at Western Kentucky University, consistent with KRS Chapter 58 and KRS 66.011 and without exposure of liability to the Commonwealth of Kentucky; and

WHEREAS, Western Kentucky University will seek authorization for the use of student athletic fees as contemplated by the memorandum of agreement. Student athletic fees shall consist of those fees assessed and collected from Western Kentucky University students and dedicated to Western Kentucky University athletics; and

WHEREAS, the renovation of state-owned property will promote recreational, economic, and cultural opportunities for the general public in Bowling Green and the region as well as the students of Western Kentucky University;

NOW, THEREFORE,

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

Section 1. The General Assembly approves, authorizes, and appropriates thirty-two million five hundred thousand dollars (\$32,500,000) in other funds in fiscal year 2001-2002 for the renovation of Diddle Arena and related athletic facilities at Western Kentucky University, provided:

- (1) That Western Kentucky University submit the proposed memorandum of agreement with the City of Bowling Green to the Council on Postsecondary Education, the Finance and Administration Cabinet, and to the Capital Projects and Bond Oversight Committee for their respective review and approval to ensure consistency with appropriate state fiscal and legal interests and procedures prior to the execution of the memorandum of agreement; and
- (2) That Western Kentucky University submit quarterly progress reports to the Council on Postsecondary Education, the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

Section 2. Western Kentucky University is authorized to use student athletic fees as contemplated by the memorandum of agreement.

Section 3. Whereas it is imperative that the commencement of this capital project begin in fiscal year 2001-2002, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Approved February 8, 2002

CHAPTER 3

(HB 23)

AN ACT relating to elections and declaring an emergency.

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

Section 1. KRS 117.077 is amended to read as follows:

In case of a medical emergency within **fourteen (14)**~~seven (7)~~ days or less of an election, a registered voter **and the registered voter's spouse** may apply for an absentee ballot. The application shall state that the emergency condition occurred within the **fourteen (14)**~~seven (7)~~ day period. **The application**~~and~~ shall be notarized. The application form **may be requested by and delivered by**~~shall be restricted to the use of~~ the voter or the spouse, parents, or children of the voter. If the voter has no spouse, parents, or children, the application form **may be requested by and delivered by**~~shall be restricted to the use of the voter or~~ the brother, sister, niece,~~or~~ nephew, **or designee** of the voter. **The application form shall be restricted to the use of the voter.** Upon receipt of the application and verification, the county clerk shall issue an absentee ballot.

Section 2. KRS 117.085 is amended to read as follows:

- (1) All requests for an application for an absentee ballot may be transmitted by telephone, facsimile machine, by mail, or in person. Except as provided in paragraph (b) of this subsection, all applications for an absentee ballot shall be transmitted only by mail **to the voter** or in person at the option of the voter, except that the county clerk shall hand an application for an absentee ballot to a voter permitted to vote by absentee ballot who appears in person to request the application, or shall mail the application to a voter permitted to vote by absentee ballot who requests the application by telephone, facsimile machine, or mail. The absentee ballot application **may be requested by the voter, the spouse, parents, or children of the voter, but** shall be restricted to the use of the voter~~or the spouse, parents, or children of the voter~~. Except for qualified voters who apply pursuant to the requirements of KRS 117.075 and 117.077,~~and~~ those who are incarcerated in jail but have yet to be convicted, **military personnel confined to a military base on election day**, and persons who qualify under subparagraph ~~6.5~~ of paragraph (a) of this subsection, no absentee ballots shall be mailed to a voter who resides within the county in which he is registered. In the case of ballots returned by mail, the county clerk shall provide an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting to a voter who presents a completed application for an absentee ballot as provided in this section and who is properly registered as stated in his application.
 - (a) The following voters may apply to cast their votes by **mail-in** absentee ballot **if the application is received**~~at any time~~ not later than the close of business hours seven (7) days before the election:

1. Voters permitted to vote by absentee ballot pursuant to KRS 117.075;
 2. Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and citizens residing overseas;
 3. Students who temporarily reside outside the county of their residence and other voters who temporarily reside outside the state but who are still eligible to vote in this state;
 4. Persons who are incarcerated in jail who have been charged with a crime but have not been convicted of the crime;~~and~~
 5. ***Voters who change their place of residence to a different state while the registration books are closed in the new state of residence before an election of electors for President and Vice President of the United States, who shall be permitted to cast an absentee ballot for electors for President and Vice President of the United States only; and***
 6. Persons who are prevented from voting in person at the polls on election day and from casting an absentee ballot in person in the county clerk's office on all days absentee voting is conducted prior to election day because their employment location requires them to be absent from the county all hours and all days absentee voting is conducted in the county clerk's office.
- (b) Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and overseas citizens, may apply for an absentee ballot by means of the federal post-card application, which may be transmitted to the county clerk's office by mail or by facsimile machine. The application may be used to register, reregister, and to apply for an absentee ballot. If the federal post-card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to the application form upon receipt.
- (c) ***Absentee voting shall be conducted in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections during normal business hours for at least the twelve (12) working days before the election. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election.***
- (d) Any ~~other~~ qualified voter in the county who is not permitted to vote by absentee ballot under paragraph (a) of subsection (1) of this section who shall be absent from the county on any election day may, at any time during normal business hours on ***those days absentee voting is conducted in the county clerk's office***~~at least any of the twelve (12) working days before the election~~, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.~~[A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election prescribed above.]~~
- (e) ***Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and citizens residing overseas who shall be absent from the county on any election day may, at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.***
- (f) ***Students who temporarily reside outside the county of their residence and other voters who temporarily reside outside the state but who are still eligible to vote in this state who shall be absent from the county on any election day may, at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.***
- (g) ***Voters who have surgery scheduled that will require hospitalization on election day, and the spouse of the voter, may, at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.***

(h) ***Voters who change their place of residence to a different state while the registration books are closed in the new state of residence before a presidential election shall be permitted to cast an absentee ballot for President and Vice President only, by making application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.***

(i)~~(d)~~ Any member of the county board of elections, any precinct election officer appointed to serve in a precinct other than that in which he is registered,~~and~~ any alternate precinct election officer, ***any deputy county clerk, any staff for the State Board of Elections, and any staff for the county board of elections*** may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. The application form for those persons shall be prescribed by the State Board of Elections and, in the case of application by precinct election officers, shall contain a verification of appointment signed by a member of the county board of elections. If an alternate precinct election officer or a precinct election officer appointed to serve in a precinct other than that in which he is registered receives his appointment while absentee voting is being conducted in the county, such officer may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. In case of such voters, the verification of appointment shall also contain the date of appointment. The applications shall be restricted to the use of the voter only.

(j)~~(e)~~ Any pregnant woman who is in her last trimester of pregnancy at the time she wishes to vote under this paragraph may ***at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application to*** vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections.~~She may vote at any time during business hours on at least any of the twelve (12) working days before the election up to the close of business hours on the day before the election.~~ The application form for those persons shall be prescribed by the State Board of Elections, which shall contain the woman's sworn statement that she is in fact in her last trimester of pregnancy at the time she wishes to vote~~, and shall be made in person to the county clerk, at any time during any of the twelve (12) working days before the election. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election as prescribed above.~~

(k)~~(f)~~ The members of the county board of elections or their designees who provide equal representation of both political parties may serve as precinct election officers, without compensation, for all absentee voting performed on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. If the members of the county board of elections or their designees serve as precinct election officers for the absentee voting, they shall perform the same duties and exercise the same authority as precinct election officers who serve on the day of an election. If the members of the county board of elections or their designees do not serve as precinct election officers for the absentee voting, the county clerk or deputy county clerks shall supervise the absentee voting.

(l)~~(g)~~ Any individual qualified to appoint challengers for the day of an election may also appoint challengers to observe all absentee voting performed at the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, and those challengers may exercise the same privileges as challengers appointed for observing voting on the day of an election at a regular polling place.

- (2) The clerk shall type the name of the voter permitted to vote by absentee ballot on the application form for that person's use and no other. The absentee ballot application form shall be in the form prescribed by the State Board of Elections, shall bear the seal of the county clerk, and shall contain the following information: name, residential address, precinct, party affiliation, statement of the reason the person cannot vote in person on election day, statement of where the voter shall be on election day, statement of compliance with residency requirements for voting in the precinct, and the voter's mailing address for an absentee ballot. The form shall be verified and signed by the voter. A notice of the actual penalty provisions in KRS 117.995(2) and (5) shall be printed on the application.

- (3) If the county clerk finds that the voter is properly registered as stated in his application and qualifies to receive an absentee ballot by mail, he shall mail to the voter an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting. The county clerk shall complete a postal form for a certificate of mailing for ballots mailed within the fifty (50) states, and it shall be stamped by the postal service when the ballots are mailed. An absentee ballot may be transmitted by facsimile machine to a resident of Kentucky who is a member of the Armed Forces, a dependent of a member of the Armed Forces, or a citizen residing overseas.
- (4) Absentee ballots which are requested prior to the printing of the ballots shall be mailed by the county clerk to the voter within three (3) days of the receipt of the printed ballots; and absentee ballots which are requested subsequent to the receipt of the ballots by the county clerk shall be mailed to the voter within three (3) days of the receipt of the request.
- (5) The clerk shall cause ballots to be printed fifty (50) days prior to each primary or general election and fifteen (15) days prior to each runoff primary.
- (6) The outer envelope shall bear the words "Absentee Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address, ~~and~~ precinct number, **and signatures of two (2) witnesses if the voter signs the form with the use of a mark instead of the voter's signature**. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number, **signatures of two (2) witnesses if the voter signs the form with the use of a mark instead of the voter's signature** and notice of penalty provided in KRS 117.995(5). The clerk shall type the voter's address and precinct number in the upper left hand corner of the outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application and the postal form required by subsection (3) of this section for twenty-two (22) months after the election.
- (7) Any person who has received an absentee ballot by mail but who knows at least seven (7) days before the date of the election that he will be in the county on election day and who has not voted pursuant to the provisions of KRS 117.086 shall cancel his absentee ballot and vote in person. He shall return his absentee ballot to the county clerk's office no later than seven (7) days prior to the date of the election. Upon the return of the absentee ballot, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Canceled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent absentee ballots, and the voter may vote in the precinct in which he is properly registered.
- (8) ***Any voter qualified for a mail-in absentee ballot who does not receive a requested mail-in ballot within a reasonable amount of time shall contact the county clerk, who shall reissue a second ballot. The county clerk shall keep a record of the absentee ballots issued and returned by mail, and the absentee voting that is performed on the voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections, to verify that only the first voted ballot to be returned by the voter is counted. Upon the return of any ballot after the first ballot is returned, the clerk shall mark on the outer envelope of the sealed ballot the words "Cancelled because ballot reissued".***

Section 3. KRS 117.086 is amended to read as follows:

- (1) The voter returning his absentee ballot by mail shall mark his ballot, seal it in the inner envelope and then in the outer envelope and mail it to the county clerk as shall be provided by this chapter. The voter shall sign the detachable flap and the outer envelope in order to validate the ballot. ***A person having power of attorney for the voter and who signs the detachable flap and outer envelope for the voter shall complete the voter assistance form as required by KRS 117.255. The signatures of two (2) witnesses are required if the voter signs the form with the use of a mark instead of the voter's signature.*** A resident of Kentucky who is a member of the Armed Forces, a dependent of a member of the Armed Forces, or a citizen residing overseas who has received an absentee ballot transmitted by facsimile machine shall transmit the voted ballot to the county clerk by mail only, conforming with ballot security requirements that may be promulgated by the state board by administrative regulation. In order to be counted, the ballots shall be received by the clerk by at least the time established by the election laws generally for the closing of the polls, which time shall not include the extra hour during which those voters may vote who were waiting in line to vote at the scheduled poll closing time.
- (2) Any voter who shall be absent from the county on election day, but who does not qualify to receive an absentee ballot by mail under the provisions of KRS 117.085, and all ~~voters~~ ~~members of county boards of elections,~~ ~~precinct election officers, and pregnant women~~ qualified to vote prior to the election under the provisions of

KRS 117.085, shall vote at the main office of the county clerk or other place designated by the county board of elections, and approved by the State Board of Elections, prior to the day of election. The clerk may provide for such voting by the voting equipment in general use in the county either at the precinct, the equipment as may be used to tabulate absentee ballots, or any other voting equipment approved by the State Board of Elections for use in Kentucky, except as follows:

- (a) Any voter qualifying to vote in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, who receives assistance to vote shall complete the voter assistance form required by KRS 117.255.
- (b) Any voter qualifying to vote in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, whose qualifications are challenged by any clerk or deputy shall complete an "Oath of Voter" affidavit.
- (3) When the clerk uses general voting equipment as provided for in subsection (2) of this section, each voter casting his vote at the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, shall sign an "Absentee Ballot Signature Roster."
- (4) The clerk shall designate a location within his office where the ballots shall be cast secretly. The county clerk, with the approval of the State Board of Elections, may establish locations other than his main office in which the voters may execute their ballots. Public notice of the locations shall be given pursuant to KRS Chapter 424 and similar notice by mail shall be given to the county chairmen of the two (2) political parties whose candidates polled the largest number of votes in the county at the last general election.
- (5) The State Board of Elections shall promulgate administrative regulations to provide for casting ballots as provided in subsection (2) of this section.
- (6) The clerk shall deposit all of the absentee ballots returned by mail in a locked ballot box immediately upon receipt without opening the outer envelope. The ballot box shall be locked with three (3) locks. The keys to the box shall be retained by the three (3) members of the central absentee ballot counting board, if one is appointed, or by the members of the board of elections, and the box shall remain locked until the ballots are counted. All voting equipment on which ballots are cast as permitted in subsection (2) of this section shall also remain locked and the keys shall be retained by the three (3) members of the central absentee ballot counting board, if one is appointed, or by the members of the board of elections, and the equipment shall remain locked until the ballots are counted.
- (7) The clerk shall keep a list of all persons who return their absentee ballots by mail or cast their ballots in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, and send a copy of that list to the state board after election day. The county clerk and the Secretary of State shall keep a record of the number of votes cast by absentee ballots returned by mail and on the voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, cast in any election as a part of the official returns of the election.
- (8) ***The county board of elections shall report to the State Board of Elections within ten (10) days after any primary or general election as to the number of rejected absentee ballots and the reasons for rejected absentee ballots on a form prescribed by the State Board of Elections in administrative regulations promulgated under KRS Chapter 13A.***

Section 4. KRS 117.087 is amended to read as follows:

- (1) The challenge of an absentee ballot returned by mail shall be in writing and in the hands of the county clerk before 3:00 p.m. on election day.
- (2) The county board of elections shall count the absentee ballots returned by mail and the votes cast on the voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. The board may appoint a central ballot counting board of not less than three (3) members, who shall be qualified voters and no more than two-thirds (2/3) of whom shall be members of the same political party, to count the ballots at the direction of the county board of elections.
- (3) Beginning at 3:00 p.m. on election day, the board shall meet at the clerk's office to count the absentee ballots returned by mail and the ballots cast on the voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. Candidates or their representatives shall be permitted to be present. The county board of elections shall authorize representatives

of the news media to observe the counting of the ballots. The board shall open the boxes containing absentee ballots returned by mail and remove the envelopes one (1) at a time. As each envelope is removed, it shall be examined to ascertain whether the outer envelope and the detachable flap are in proper order and have been signed by the voter. ***A person having power of attorney for the voter and who signs the detachable flap and outer envelope for the voter shall complete the voter assistance form required by KRS 117.255. The signatures of two (2) witnesses are required if the voter signs the form with the use of a mark instead of the voter's signature.*** All unsigned absentee ballots shall be rejected automatically. The chairman of the county board of elections shall compare the signatures on the outer envelope and the detachable flap with the signature of the voter that appears on the registration card. If the outer envelope and the detachable flap are found to be in order, the chairman shall read aloud the name of the voter. If the vote of the voter is not rejected on a challenge then made as provided in subsection (4) of this section, the chairman shall remove the detachable flap and place the inner envelope unopened in a ballot box which has been provided for the purpose.

- (4) When the name of a voter who cast an absentee ballot by mail is read aloud by the chairman, the vote of the voter may be challenged by any board member or by the written challenge provided in subsection (1) of this section and the challenge may be determined and the vote accepted or rejected by the board as if the voter was present and voting in person; but if the outer envelope and the detachable flap are regular, and substantially comply with the provisions of this chapter, they shall be considered as showing that the voter is prima facie entitled to vote. If the vote of a voter is rejected pursuant to the challenge, the inner envelope shall not be opened, but returned to the outer envelope upon which the chairman shall write on the envelope the word "rejected".
- (5) After the challenges have been made and all the blank inner envelopes have been placed in a ballot box, the box shall be thoroughly shaken to redistribute the absentee ballots in the box. The board shall open the ballot box, remove the absentee ballots from the inner envelopes, and count the ballots.
- (6) The board shall unlock any voting equipment used to cast ballots in the clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, as provided for in KRS 117.086 and a total of all ballots shall be made and recorded on the form provided by the State Board of Elections.
- (7) The county board of elections ***and the county clerk*** shall ***not*** make public the ***absentee*** ballot results determined as provided in this section ***until*** after 6 p.m. ***prevailing time***.

Section 5. KRS 117.055(3), KRS 117.056, and any other provision of law to the contrary notwithstanding, county boards of elections shall meet immediately following the effective date of this Act for the purpose of altering election precinct boundaries to bring them into compliance with the new county commissioner and justice of the peace districts drawn under KRS 67.045 and in accordance with KRS 117.055(1). Any redrawing of precinct boundaries required under this section shall be accomplished no later than forty-five (45) days after the effective date of this Act. Any other provision of law to the contrary notwithstanding, the State Board of Elections shall adopt an expedited schedule so that the alteration of precinct boundaries under this section can be accomplished within the time frame established by the State Board of Elections.

Section 6. Whereas this Act relates to absentee voting and it is necessary for these provisions to be in place prior to the 2002 primary election, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved February 15, 2002

CHAPTER 4

(HCR 19)

A CONCURRENT RESOLUTION relating to a day to honor firefighters and emergency medical personnel.

WHEREAS, in the Commonwealth there are over 3,500 professional firefighters and 18,000 volunteer firefighters; and

WHEREAS, every day each firefighter is prepared to face injury and even death to prevent injury to property and persons; and

WHEREAS, in the Commonwealth there are over 10,000 Emergency Medical Technicians, 3,500 first responders, and 2,000 paramedics; and

WHEREAS, each of these emergency medical personnel have dedicated many hours in the pursuit of bringing comfort and healing to the sick and injured, often in disregard of their personal safety; and

WHEREAS, the horrible events occurring on September 11, 2001, referred to as 9-11, have acted as a lens bringing into focus on a national level the dedication and desire of service that these individuals provide in the smallest of communities as well as the largest cities;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. This honorable body does hereby proclaim every September 11th as Firefighters and Emergency Medical Personnel Day in the Commonwealth of Kentucky, and urges the Commonwealth's citizens to reflect this day upon the service and sacrifice these individuals provide.

Section 2. The first annual commemoration of Firefighters and Emergency Medical Personnel Day in the Commonwealth of Kentucky shall be September 11, 2002.

Section 3. The Clerk of the House of Representatives is hereby directed to transmit one copy each of this Resolution to: David Lee Manley, State Fire Marshal, Division of Fire Prevention, 1047 U.S. 127 South, Suite #1, Frankfort, Kentucky 40601; Mark Bailey, Chair, Kentucky Board of Emergency Medical Services, 275 East Main Street HS1E-F, Frankfort, Kentucky 40601; William S. Carver, President, Kentucky Firefighters Association, 1845 Loop Drive, Bowling Green, Kentucky 42101; and Bobby A. Thacker, President, Kentucky Association of Emergency Medical Technicians, 4408 Brownhurst Way, Louisville, Kentucky 40241.

Approved February 20, 2002

CHAPTER 5

(HB 282)

AN ACT relating to classified school employees.

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

Section 1. KRS 161.011 is amended to read as follows:

- (1) (a) "Classified employee" means an employee of a local district who is not required to have certification for his position as provided in KRS 161.020; and
 - (b) "Seniority" means total continuous months of service in the local school district, including all approved paid and unpaid leave.
- (2) The commissioner of education shall establish by January, 1992, job classifications and minimum qualifications for local district classified employment positions which shall be effective July 1, 1992. After June 30, 1992, no person shall be eligible to be a classified employee or receive salary for services rendered in that position unless he holds the qualifications for the position as established by the commissioner of education.
- (3) No person who is initially hired after July 13, 1990, shall be eligible to hold the position of a classified employee or receive salary for services rendered in such position, unless he holds at least a high school diploma *or high school certificate of completion* or GED certificate, or he shows progress toward obtaining a GED. To show progress toward obtaining a GED, a person shall be enrolled in a GED program and be progressing satisfactorily through the program, as defined by administrative regulations adopted by the State Board for Adult and Technical Education.
- (4) Local school districts shall encourage classified employees who were initially hired before July 13, 1990, and who do not have a high school diploma or a GED certificate to enroll in a program to obtain a GED.
- (5) Local districts shall enter into written contracts with classified employees. Contracts with classified employees shall be renewed annually except contracts with the following employees:
 - (a) An employee who has not completed four (4) years of continuous active service, upon written notice which is provided or mailed to the employee by the superintendent, no later than April 30, that the

contract will not be renewed for the subsequent school year. Upon written request by the employee, within ten (10) days of the receipt of the notice of nonrenewal, the superintendent shall provide, in a timely manner, written reasons for the nonrenewal.

- (b) An employee who has completed four (4) years of continuous active service, upon written notice which is provided or mailed to the employee by the superintendent, no later than April 30, that the contract is not being renewed due to one (1) or more of the reasons described in subsection (7) of this section. Upon written request within ten (10) days of the receipt of the notice of nonrenewal, the employee shall be provided with a specific and complete written statement of the grounds upon which the nonrenewal is based. The employee shall have ten (10) days to respond in writing to the grounds for nonrenewal.
- (6) Local districts shall provide in contracts with classified employees of family resource and youth services centers the same rate of salary adjustment as provided for other local board of education employees in the same classification.
- (7) Nothing in this section shall prevent a superintendent from terminating a classified employee for incompetency, neglect of duty, insubordination, inefficiency, misconduct, immorality, or other reasonable grounds which are specifically contained in board policy.
- (8) The superintendent shall have full authority to make a reduction in force due to reductions in funding, enrollment, or changes in the district or school boundaries, or other compelling reasons as determined by the superintendent.
 - (a) When a reduction of force is necessary, the superintendent shall, within each job classification affected, reduce classified employees on the basis of seniority and qualifications with those employees who have less than four (4) years of continuous active service being reduced first.
 - (b) If it becomes necessary to reduce employees who have more than four (4) years of continuous active service, the superintendent shall make reductions based upon seniority and qualifications within each job classification affected.
 - (c) Employees with more than four (4) years of continuous active service shall have the right of recall positions if positions become available for which they are qualified. Recall shall be done according to seniority with restoration of primary benefits, including all accumulated sick leave and appropriate rank and step on the current salary schedule based on the total number of years of service in the district.
- (9) Local school boards shall develop and provide to all classified employees written policies which shall include, but not be limited to:
 - (a) Terms and conditions of employment;
 - (b) Identification and documentation of fringe benefits, employee rights, and procedures for the reduction or laying off of employees; and
 - (c) Discipline guidelines and procedures that satisfy due process requirements.
- (10) Local school boards shall maintain a registry of all vacant classified employee positions that is available for public inspection in a location determined by the superintendent and make copies available at cost to interested parties. If financially feasible, local school boards may provide training opportunities for classified employees focusing on topics to include, but not be limited to, suicide prevention, abuse recognition, and cardiopulmonary resuscitation (CPR).
- (11) The evaluation of the local board policies required for classified personnel as set out in this section shall be subject to review by the Department of Education while it is conducting district management audits pursuant to KRS 158.785.

Approved February 20, 2002

CHAPTER 6

(HB 131)

AN ACT relating to the Kentucky Higher Education Student Loan Corporation.

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

Section 1. KRS 164A.080 is amended to read as follows:

- (1) The corporation may provide for the issuance, at one (1) time or from time to time, of not exceeding ***one billion nine hundred fifty million dollars (\$1,950,000,000)***~~*nine hundred fifty million dollars (\$950,000,000)*~~ in bonds of the corporation to carry out and effectuate its corporate purposes and powers. In anticipation of the issuance of bonds, the corporation may provide for the issuance, at one (1) time or from time to time, of bond anticipation notes. The principal of and the interest on bonds or notes shall be payable solely from the funds provided for payment. Any notes may be made payable from the proceeds of bonds or renewal notes or, if bond or renewal note proceeds are not available, notes may be paid from any available revenues or assets of the corporation. The bonds or notes of each issue shall be dated and may be made redeemable before maturity at the option of the corporation at the price or prices and under the terms and conditions determined by the corporation. Any bonds or notes shall bear interest at a rate or rates determined by the corporation. Notes shall mature at a time or times not exceeding five (5) years from their date or dates and bonds shall mature at a time or times not exceeding thirty (30) years from their date or dates, as determined by the corporation. The corporation shall determine the form and manner of execution of the bonds or notes, including any interest coupons to be attached, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the state. If any officer whose signature or a facsimile of whose signature appears on any bonds or notes or coupons attached to them shall cease to be an officer before the delivery of the bonds or notes, the signature or facsimile shall be valid and sufficient for all purposes as if he had remained in office until the delivery. The corporation may also provide for the authentication of the bonds or notes by a trustee or fiscal agent. The bonds or notes may be issued in coupon or in registered form, or both, as the corporation may determine, and provision may be made for the registration of any coupon bonds or notes as to principal alone and also as to both principal and interest, and for the reconversion into coupon bonds or notes of any bonds or notes registered as to both principal and interest, and for the interchange of registered and coupon bonds or notes. Upon the approval of a resolution of the corporation authorizing the sale of its bonds or notes, the bonds or notes may be sold in a manner, either at public or private sale, and for a price the corporation shall determine to be for the best interest of the corporation and best effectuate the purposes of this chapter if the sale is approved by the corporation.
- (2) The proceeds of any bonds or notes shall be used solely for the purposes for which they are issued and shall be disbursed in a manner and under restrictions, if any, the corporation may provide in the resolution authorizing the issuance of bonds or notes or in the trust agreement securing the bonds or notes. The principal of and interest on any bonds issued by the corporation shall be payable only from the proceeds derived by the corporation from insured student loans made and purchased from the proceeds of the bonds.
- (3)
 - (a) Prior to the issuance of any bonds or notes that are not secured by the repayment of student loans at least ninety-five percent (95%) insured by the guarantee agency and reinsured by the United States of America, the corporation shall obtain approval of the issuance from the General Assembly in accordance with the provisions of KRS 56.870(1). This requirement shall not apply to refunding bond or note issues which are for the purpose of achieving debt service savings and which do not extend the term of the refunded bond or note.
 - (b) Notwithstanding paragraph (a) of this subsection, if during the interim of sessions of the General Assembly, the federal act is amended to reduce to less than ninety-five percent (95%) the maximum rate of insurance payable by the guarantee agency or reinsurance payable by the Secretary of Education of the United States on insured student loans, upon notification by the corporation to the Legislative Research Commission of the change in the federal act, the corporation may, until the adjournment of the next even-numbered-year regular session of the General Assembly, issue bonds or notes for student loans insured by the guarantee agency and reinsured by the Secretary of Education of the United States to the maximum extent permitted by the federal act.

Approved February 20, 2002

CHAPTER 7

(HB 103)

AN ACT relating to the Medicaid outpatient pharmacy program and declaring an emergency.

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

Legislative Research Commission PDF Version

SECTION 1. A NEW SECTION OF KRS 205.510 TO 205.645 IS CREATED TO READ AS FOLLOWS:

- (1) *The Pharmacy and Therapeutics Advisory Committee is established and attached to the Department for Medicaid Services for administrative purposes.*
- (2) *The committee shall have fourteen (14) members, as follows:*
 - (a) *Twelve (12) voting members who shall be physicians currently participating in the Medicaid program who may legally prescribe a broad range of scheduled and nonscheduled drugs, as categorized by the U.S. Drug Enforcement Administration, or pharmacists who dispense prescriptions to Medicaid recipients, as follows:*
 1. *Three (3) licensed, practicing family practice physicians;*
 2. *Two (2) licensed, practicing physicians who are pediatricians;*
 3. *One (1) licensed, practicing physician who is an obstetrician/gynecologist or gynecologist;*
 4. *One (1) licensed, practicing internal medicine physician who is a primary care provider;*
 5. *One (1) licensed, practicing physician from any medical specialty;*
 6. *One (1) licensed, practicing physician who is a psychiatrist; and*
 7. *Three (3) licensed, practicing pharmacists; and*
 - (b) *Two (2) nonvoting members, as follows:*
 1. *The medical director of the department; and*
 2. *A representative of the department's pharmacy program, as designated by the commissioner.*
- (3) *One (1) voting committee member shall be appointed, and may be reappointed, by the Governor from a list of three (3) nominees received from the President of the Senate, and one (1) voting committee member shall be appointed, and may be reappointed, by the Governor from a list of three (3) nominees received from the Speaker of the House of Representatives. The remaining ten (10) voting committee members shall be appointed, and may be reappointed, by the Governor from a list of nominees submitted by the department. Terms of the voting committee members shall be three (3) years with no members serving more than two (2) consecutive terms.*
- (4) *The Pharmacy and Therapeutics Advisory Committee shall:*
 - (a) *Act in an advisory capacity to the Governor, the secretary of the Cabinet for Health Services, and the Medicaid commissioner on the development and administration of an outpatient drug formulary;*
 - (b) *Perform drug reviews and make recommendations to the secretary regarding specific drugs or drug classes to be placed on prior authorization or otherwise restricted, as determined through a process established by the cabinet;*
 - (c) *Provide for an appeals process to be utilized by a person or entity that disagrees with recommendations of the committee;*
 - (d) *Establish bylaws or rules for the conduct of committee meetings; and*
 - (e) *Function in accordance with the Kentucky Open Meetings Law and the Kentucky Open Records Law.*
- (5) *Voting members of the committee shall elect a chair and vice chair by majority vote. A quorum shall consist of seven (7) voting members of the committee.*
- (6) *The committee shall meet every other month for a total of at least six (6) times per year or upon the call of the chair, the secretary of the Cabinet for Health Services, or the Governor. The Department for Medicaid Services shall post the agenda on its web site no later than fourteen (14) days prior to the date of a regularly scheduled meeting and no later than seventy-two (72) hours prior to the date of a specially called meeting. Options, including any recommendations, by the department for drug review or drug review placement shall be posted on the department's web site no later than seven (7) days prior to the date of the next regularly scheduled meeting and as soon as practicable prior to the date of the next specially called meeting.*

- (7) *Members of the committee shall receive no compensation for service, but shall receive necessary and actual travel expenses associated with attending meetings.*
- (8) *Any recommendation of the committee to the secretary of the Cabinet for Health Services shall be posted to the web site of the Department for Medicaid Services within seven (7) days of the date of the meeting at which the recommendation was made.*
- (9) *A recommendation of the committee shall be submitted to the secretary for a final determination. If the secretary does not accept the recommendation of the committee, the secretary shall present the basis for the final determination at the next scheduled meeting of the committee. The secretary shall act on the committee's recommendation within thirty (30) days of the date that the recommendation was posted on the web site.*
- (10) *Any interested party may request and may be permitted to make a presentation to the board on any item under consideration by the board. The Cabinet for Health Services shall, by administrative regulation promulgated under KRS Chapter 13A, establish requirements for any presentation made to the board.*
- (11) *The secretary's final determination shall be posted on the web site of the Department for Medicaid Services.*
- (12) *Any appeal from a decision of the secretary shall be made in accordance with KRS Chapter 13B, except that the time for filing an appeal shall be within thirty (30) days of the date of the posting of the secretary's final determination on the web site of the Department for Medicaid Services.*
- (13) *The Cabinet for Health Services shall promulgate an administrative regulation in accordance with KRS Chapter 13A to implement the provisions of this section.*

Section 2. KRS 205.5631 is amended to read as follows:

- (1) ~~As used in KRS 205.5631 to 205.5639, "available" means the calendar date when a new drug is first covered on a statewide basis through normal distribution channels for the Medical Assistance Program patients in the Commonwealth.~~
- ~~(2)~~ As used in KRS 205.5631 to 205.5639, "commissioner" means the commissioner of the Department for Medicaid Services.
- ~~(2)(3)~~ As used in *Section 3 of this Act* ~~[KRS 205.5631 to 205.5639]~~, "new drug" means *a drug that is approved for marketing by the Federal Food and Drug Administration* ~~[any entity that is marketed]~~ under a product licensing application, new drug application, or a supplement to a new drug application, and *that is a new chemical or molecular entity, but shall not mean* ~~[prescribed by a health care provider with prescribing authority for a medically accepted indication, except those drugs or classes of drugs identified in 42 U.S.C. sec. 1396r-8(d)(2), as amended, and that is any of]~~ the following:
 - (a) *Drugs, classes of drugs, or medical uses identified in 42 U.S.C. sec. 1396r-8(d)(2), as amended* ~~[Any new chemical or molecular entity];~~
 - (b) *Drugs that are considered to be less than effective by the Federal Food and Drug Administration or drugs that are considered to be identical, related, or similar to the less than effective drugs* ~~[Any new dosage form of an existing chemical or molecular entity]; and~~
 - (c) *Drugs that are excluded from coverage by the Kentucky Medicaid program due to lack of compliance by the drug manufacturer with federal drug rebate requirements* ~~[Any combination of an existing chemical or molecular entity created for a distinct therapeutic purpose; or~~
 - ~~(d) Any new indication for an existing chemical or molecular entity approved by the Federal Food and Drug Administration].~~

Section 3. KRS 205.5632 is amended to read as follows:

- (1) *Upon initial coverage by the Kentucky Medicaid program, a new drug shall be exempt from prior authorization unless:*
 - (a) *There has been a review of the drug and recommendation regarding prior authorization by the Pharmacy and Therapeutics Advisory Committee as provided under Section 1 of this Act and a final determination regarding prior authorization by the secretary of the Cabinet for Health Services; or*

- (b) *The drug is in a specific class of drugs for which the Pharmacy and Therapeutics Advisory Committee has recommended, and the secretary of health services has determined, that all new drugs shall require prior authorization upon initial availability, in which case the drug shall require prior authorization and shall be scheduled for review by the Pharmacy and Therapeutics Advisory Committee within seventy-five (75) days*~~[No prior authorization shall be required for reimbursement of any claim involving any Medicaid covered new drug that is available after July 15, 1998, for a period of at least twelve (12) months, during which time the Drug Management Review Advisory Board may review the product].~~
- (2) The *Cabinet for Health*~~[Department for Medicaid]~~ Services shall promulgate *an* administrative *regulation*~~[regulations]~~ in accordance with KRS Chapter 13A *that describes the process by which drugs under this section shall be determined to require prior authorization*~~[for the drug submission program. Prior to implementation of the administrative regulations, the Drug Management Review Advisory Board shall review the guidelines.~~
- ~~(3) The Department for Medicaid Services shall, within twenty four (24) months of July 15, 1998, analyze drug class reviews of all current drugs requiring prior authorization, and shall continue requiring prior authorization by using drug class reviews, safety, utilization factors, and unusual or extreme cost drivers having inappropriate economic impact on the Department for Medicaid Services, until the review criteria are promulgated by administrative regulations according to KRS Chapter 13A, and pursuant to KRS 205.5634(2). At least fifty percent (50%) of class reviews shall be completed within twelve (12) months of July 15, 1998.~~
- ~~(4) (a) Federal Food and Drug Administration (FDA) approved prescription drugs that have been determined to be within the same pharmacological category, and that have comparable clinical application, efficacy, and safety, and that are of comparable cost to other FDA approved prescription drugs that have been placed on the Kentucky Medicaid nonprior authorized drug file shall be placed on the Kentucky Medicaid nonprior authorized drug file. Any drug that is removed from prior authorization in accordance with the provisions of this section shall be returned to prior authorization status if the comparable drug that was nonprior authorized subsequently becomes prior authorized. To assure the cost effective operation of the Medicaid pharmacy program, the department shall file, no later than October 1, 2000, administrative regulations in accordance with KRS Chapter 13A that describe the process that will be employed to describe drug comparability with regard to efficacy, safety, and cost.~~
- ~~(b) For purposes of this subsection, "pharmacological category" means a category of drugs that is characterized as having very similar properties and therapeutic effects upon living organisms].~~

Section 4. KRS 205.5634 is amended to read as follows:

- (1) The Drug Management Review Advisory Board shall coordinate the use of utilization data to identify appropriate use of pharmaceuticals and determine any need for educational interventions. Prospective drug utilization review and retrospective drug utilization review measures shall be utilized to monitor the success of the interventions. Interventions shall be evaluated for a period of not less than six (6) months.
- ~~(2) [The Department for Medicaid Services shall promulgate administrative regulations in accordance with KRS Chapter 13A setting forth the procedures by which all products are placed in the prior authorization drug file.~~
- ~~(3) The commissioner may prior authorize any product that the commissioner determines may pose any significant safety issues or impose an inappropriate financial burden upon the Medicaid program. Placement of a drug on prior authorization by the commissioner shall initiate a review by the Drug Management Review Advisory Board.~~
- ~~(4) Drug reviews related to prior authorization decisions shall not take longer than ninety (90) days.~~
- ~~(5) Implementation and performance of the duties of this section and KRS 205.5631, 205.5632, and 205.5636 and any drug review shall be performed by the staff of the Cabinet for Health Services, or its contractors.~~

Section 5. KRS 205.5638 is amended to read as follows:

- (1) The Drug Management Review Advisory Board shall have at least the following duties and responsibilities:
- (a) Review and make recommendations to the commissioner or designee on predetermined prospective drug use review standards submitted to the board by the Department for Medicaid Services or its contractor;

- (b) Evaluate the use of the predetermined prospective drug use review standards and make recommendations to the commissioner or the commissioner's designee concerning modification or elimination of existing standards and the need for additional standards;
 - (c) Make recommendations to the commissioner or the commissioner's designee concerning guidelines governing written predetermined standards that pharmacies must use in conducting prospective drug use review if they do not use approved software;
 - (d) Oversee the retrospective drug use review contract and incorporate the results into predetermined retrospective drug use review standards;
 - (e) Review and make recommendations to the commissioner or the commissioner's designee on predetermined retrospective drug use standards submitted to the board by the Department for Medicaid Services;
 - (f) Make recommendations to the commissioner or the commissioner's designee concerning the modification or elimination of existing predetermined retrospective drug use review standards and the need for additional standards;
 - (g) Identify and develop educational topics on common drug therapy problems if needed to improve prescribing or dispensing practices of practitioners;
 - (h) Make recommendations to the commissioner or the commissioner's designee concerning which mix of interventions would most effectively lead to an improvement in the quality of drug therapy;
 - (i) Conduct periodic reevaluations to determine the effectiveness of educational effort and, if necessary, modify the interventions;
 - (j) ***Recommend***~~Establish~~ standards for the identification of suspected fraud and abuse;
 - (k) Prepare and submit to the commissioner an annual drug use review report that contains the following information:
 1. A description of the nature and scope of the retrospective drug utilization program including the identity of the contractor, the frequency of screening of claims data and the criteria and standards used, along with new or revised copies of the clinical criteria, and in subsequent years, a list of revised criteria and deleted criteria;
 2. A summary of nonpatient and provider specific educational activities including information on the use of each type of patient and provider specific intervention that indicates the guidelines for use and frequency of use by type of intervention and the effectiveness of each type of intervention on changes in prescribing or dispensing practices;
 3. An evaluation of the adequacy of prospective drug use review database software; and
 4. Details on policy guidelines adopted by the board pertaining to written criteria that pharmacies may use if they do not use a computer prospective drug utilization review database; ***and***
 - ~~(l) [Provide advice to the Department for Medicaid Services regarding outpatient drug coverage and the delivery of quality care in the most cost effective manner possible, giving consideration to the therapeutic equivalence and the cost, including rebate, of drugs and within the context of disease management.]~~In advising the department, the board may consider the effectiveness of all interventions used to manage a particular disease over time, the stage and intensity of the disease, and the economic, clinical, and patient-prospective outcomes, including quality of life.~~[Rebate information shall be considered during executive sessions and shall assure that confidential rebate information is protected in accordance with federal and state law; and~~
 - ~~(m) Recommend to the commissioner the criteria for publication pursuant to KRS Chapter 13A relating to the evaluation and consideration of new products with input from affected parties, including the pharmaceutical industry.]~~
- (2) The board shall function in accordance with the Kentucky Open Meetings Law and the Kentucky Open Records Act. The board may designate subcommittees to address specific issues and to report findings to the board. In conducting its business, the board shall utilize distance communication technologies whenever possible.

- (3) Clerical and administrative support shall be provided the board through the Cabinet for Health Services or by contract.

Section 6. The General Assembly confirms Executive Order 2001-1243, dated October 2, 2001, to the extent it is not otherwise confirmed or superseded by this Act.

Section 7. The initial voting member appointees to the Pharmacy and Therapeutics Advisory Committee shall serve terms as follows: four (4) shall serve a one (1) year term; four (4) shall serve a two (2) year term; and four (4) shall serve a three (3) year term. The members appointed to the committee prior to the effective date of this Act may continue to serve as members of the committee under the term schedule designated in this section. Vacancies arising after the effective date of this Act shall be filled as provided in Section 1 of this Act.

Section 8. Whereas the cost of the outpatient drug program is a major contributing factor to the Medicaid shortfall and is placing a significant strain on the budget of the Commonwealth, and the provisions of this Act will help alleviate this problem, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved February 21, 2002

CHAPTER 8

(HB 170)

AN ACT relating to Medicaid dispensing fees and declaring an emergency.

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

Section 1. KRS 205.561 is amended to read as follows:

- (1) The cabinet shall submit ~~a[an annual]~~ report to the Governor and the Legislative Research Commission on the dispensing of prescription medications to persons eligible under KRS 205.560, on or before ***October 31, 2003, and every third year thereafter***~~[December 1 of each year]~~. Each report shall include a research study ***on costs incurred by pharmacies in the provision of prescription medications to Medicaid eligible recipients including, but not limited to, dispensing fee costs and drug acquisition costs***~~[to determine the average cost of dispensing prescription medications, including associated administrative costs, and the average cost of acquiring drugs for eligible recipients under the provisions of KRS 205.560]~~, the current level of dispensing fee provided by the cabinet ***and other third-party payors***, and an estimate of ***any additional*** revenues ***needed***~~[required]~~ to ~~adequately~~ adjust reimbursement to ~~cover costs for~~ pharmacies. The report shall also include current data on the most utilized and abused drugs in ***the Kentucky Medicaid program***, a determination of factors causing high drug costs and drug usage rates of Medicaid recipients,~~[objectives and timelines for cost containment in the Medicaid drug program, comparative data from other states,]~~ and ***the cost*** effectiveness of the drug formulary and prior authorization process ***in managing drug costs***. The ~~annual~~ report shall be ***reviewed by***~~[developed with the advice of]~~ the Drug Management Review ***Advisory*** Board created under KRS 205.5636.
- (2) Prior to data collection ***for*** and analysis of ~~the~~~~[any]~~ research study ***specified in subsection (1) of this section***~~[to determine the cost of dispensing prescription medications and the cost of acquiring drugs for Medicaid eligible recipients]~~, the Cabinet for Health Services and any person or entity holding a contract to perform the study shall report to the Interim Joint Committee on Health and Welfare ***with***~~[regarding]~~ the proposed research methodology for carrying out subsection (1) of this section.
- (3) ***The research study specified in subsection (1) of this section***~~[Any research study to determine the cost of dispensing prescription medications and the cost of acquiring drugs for Medicaid eligible recipients]~~ shall include the following components:
 - (a) Recent academic review of the literature, previous research performed for the Department for Medicaid Services, and research from other states to determine the relevant factors~~[or characteristics]~~ to include in the study ***methodology***;
 - (b) Analysis of relevant factors~~[or characteristics]~~ that influence dispensing and acquisition costs including, but not limited to:
 1. Urban versus rural location;

2. Chain versus independent affiliation;
 3. Total prescription volume;~~and~~
 4. Medicaid volume as a percent of the total volume; *and*
 5. *Profit*;
- (c) A~~Sufficient~~ representative sample *of sufficient size* appropriately stratified to make valid estimates of the effects of each of the relevant factors on dispensing and acquisition costs;
 - (d) Standard error for each estimate;
 - (e) Calculation of a ninety-five percent (95%) confidence interval for each sample estimate;
 - (f) *Review*~~Reports~~ of statistical tests of significance at the five percent (5%) significance level to determine if the variation in dispensing and acquisition costs *occurs*~~occur~~ across the stratification types included in the study;
 - (g) *A test*~~Reports of test results~~ for normality;
 - (h) *Methodology*~~Reports of methods~~ to identify and exclude outliers;~~and~~
 - (i) Analysis of the cost of administering the prior authorization program by the Department for Medicaid Services; *and*
 - (j) *Comparison of the differences in reimbursement for dispensing fee costs and for drug acquisition costs between the Kentucky Medicaid program, other states' Medicaid programs, and commercial payors*~~and factors which cause a discrepancy between the cost of dispensing prescription medications and the cost of acquiring drugs for Medicaid eligible recipients as compared to the cost of dispensing prescription medications and acquiring drugs for patients within the commercial market~~.
- (4) *A reasonable fee for dispensing prescription medications shall be determined by the Department for Medicaid Services based on a review of:*
- (a) *The findings of the research study required under subsection (1) of this section;*
 - (b) *Dispensing fee reimbursement used by other state Medicaid programs; and*
 - (c) *Dispensing fee reimbursement used by commercial payors*~~The findings of any research study and the annual report required under this section shall be used to establish the fees for dispensing prescription medications to Medicaid eligible recipients. The dispensing fees shall reflect the average cost of dispensing prescription medications to Medicaid eligible recipients in accordance with the annual report~~.

Section 2. KRS 205.6316 is amended to read as follows:

The Cabinet for Health Services shall review the procedures for medical assistance reimbursement of pharmacists to reduce fraud and abuse. The cabinet shall by promulgation of administrative regulation, pursuant to KRS Chapter 13A, establish the following:

- (1) Point-of-sale computer technology, with integration of data at the physician's office and the pharmacy, that will permit prospective drug utilization review;
- (2) Usage parameters by drug class to enable medical necessity and appropriateness reviews to be conducted prior to payment;
- (3) A dialog among the Department for Medicaid Services, the Kentucky Medical Board of Licensure, and the Kentucky Board of Pharmacy, to develop recommendations for legislation for the 1996 Regular Session of the General Assembly that will strengthen the generic substitution laws for prescription medication; and
- (4) A dispensing fee for each prescription *considering*~~in accordance with~~ the findings of the *research study*~~annual~~ report submitted by the cabinet pursuant to KRS 205.561.

Section 3. Whereas the high cost of pharmacy-related expenditures is having a significant effect on an already overburdened Medicaid budget, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved February 21, 2002

CHAPTER 9

(HB 340)

AN ACT relating to the designation of the official state outdoor musical.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

"Stephen Foster -- The Musical" is named and designated as the official state outdoor musical of Kentucky.

Approved March 01, 2002

CHAPTER 10

(HB 33)

AN ACT regarding confirmation of voter identity.

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

Section 1. KRS 117.227 is amended to read as follows:

Election officers shall confirm the identity of each voter by personal acquaintance or by a document, such as a motor vehicle operator's license, Social Security card, or credit card. ~~[- If the voter has no identification in his possession, the election officer shall require the voter to complete the affidavit which is required to be completed by a voter whose right to vote is challenged.]~~ The election officer confirming the identity shall sign the precinct voter roster and list the method of identification.

Approved March 01, 2002

CHAPTER 11

(HB 86)

AN ACT relating to criminal justice matters, including but not limited to, inmate lawsuits.

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

Section 1. KRS 197.025 is amended to read as follows:

- (1) KRS 61.884 and 61.878 to the contrary notwithstanding, no person ~~[- including any inmate confined in a jail or any facility or any individual on active supervision under the jurisdiction of the department,]~~ shall have access to any records if the disclosure is deemed by the commissioner of the department or his designee to constitute a threat to the security of the inmate, any other inmate, correctional staff, the institution, or any other person.
- (2) KRS 61.872 to the contrary notwithstanding, the department shall not be required to comply with a request for any record from any inmate confined in a jail or any facility or any individual on active supervision under the jurisdiction of the department, unless the request is for a record which ***contains a specific reference*** ~~[- pertains]~~ to that individual.
- (3) KRS 61.880 to the contrary notwithstanding, all persons confined in a penal facility shall challenge any denial of an open record with the Attorney General by mailing or otherwise sending the appropriate documents to the Attorney General within twenty (20) days of the denial pursuant to the procedures set out in KRS 61.880(2) before an appeal can be filed in a Circuit Court.
- (4) KRS 61.872 to the contrary notwithstanding, the Department of Corrections shall refuse to accept the hand delivery of an open records request from a confined inmate.

- (5) KRS 61.870 to 61.884 to the contrary notwithstanding, all records containing information expunged pursuant to law shall not be open to the public.
- (6) The policies and procedures ~~or of~~ administrative regulations of the department which address the security and control of inmates and penitentiaries shall not be accessible to the public or inmates. The Administrative Regulations Review Subcommittee's review process for these policies and procedures **or administrative regulations** shall be conducted in closed sessions.
- (7) KRS 61.880(1) to the contrary notwithstanding, upon receipt of a request for any record, the department shall determine within five (5) days after receipt of the request, excepting Saturdays, Sundays, and legal holidays, whether the record shall be released.

Section 2. KRS 454.415 is amended to read as follows:

- (1)
 - (a) ***No action shall be brought by an inmate, with respect to a prison disciplinary proceeding or challenges to a sentence calculation or challenges to custody credit, until administrative remedies as set forth in Department of Corrections policies and procedures are exhausted.***
 - (b) ***Administrative remedies shall be exhausted even if the remedy the inmate seeks is unavailable.***
 - (c) ***The inmate shall attach to any complaint filed documents verifying that administrative remedies have been exhausted.***
- (2) In any civil action brought by an inmate, the court may continue the action for a period of time not to exceed one hundred and eighty (180) days in order to require the inmate to exhaust any plain, speedy, and effective administrative remedies available, if the court believes that such a requirement would be appropriate and in the interests of justice.

Section 3. KRS 413.140 is amended to read as follows:

- (1) The following actions shall be commenced within one (1) year after the cause of action accrued:
 - (a) An action for an injury to the person of the plaintiff, or of her husband, his wife, child, ward, apprentice, or servant;
 - (b) An action for injuries to persons, cattle, or other livestock by railroads or other corporations, with the exception of hospitals licensed pursuant to KRS Chapter 216;
 - (c) An action for malicious prosecution, conspiracy, arrest, seduction, criminal conversation, or breach of promise of marriage;
 - (d) An action for libel or slander;
 - (e) An action against a physician, surgeon, dentist, or hospital licensed pursuant to KRS Chapter 216, for negligence or malpractice;
 - (f) A civil action, arising out of any act or omission in rendering, or failing to render, professional services for others, whether brought in tort or contract, against a real estate appraiser holding a certificate or license issued under KRS Chapter 324A;
 - (g) An action for the escape of a prisoner, arrested or imprisoned on civil process;
 - (h) An action for the recovery of usury paid for the loan or forbearance of money or other thing, against the loaner or forbearer or assignee of either;
 - (i) An action for the recovery of stolen property, by the owner thereof against any person having the same in his possession;~~and~~
 - (j) An action for the recovery of damages or the value of stolen property, against the thief or any accessory;
and
 - (k) ***An action arising out of a detention facility disciplinary proceeding, whether based upon state or federal law.***
- (2) In respect to the action referred to in paragraph (e) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time the injury is first discovered or in the exercise of reasonable care should have

been discovered; provided that such action shall be commenced within five (5) years from the date on which the alleged negligent act or omission is said to have occurred.

- (3) In respect to the action referred to in paragraph (f) of subsection (1) of this section, the cause of action shall be deemed to accrue within one (1) year from the date of the occurrence or from the date when the cause of action was, or reasonably should have been, discovered by the party injured.
- (4) In respect to the action referred to in paragraph (h) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time of payment. This limitation shall apply to all payments made on all demands, whether evidenced by writing or existing only in parol.
- (5) In respect to the action referred to in paragraph (i) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time the property is found by its owner.
- (6) In respect to the action referred to in paragraph (j) of subsection (1) of this section, the cause of action shall be deemed to accrue at the time of discovery of the liability.
- (7) ***In respect to the action referred to in paragraph (k) of subsection (1) of this section, the cause of action shall be deemed to accrue on the date an appeal of the disciplinary proceeding is decided by the institutional warden.***

Section 4. KRS 454.410 is amended to read as follows:

- (1) When an inmate commences, intervenes, or becomes a party to an action ***or an appeal of a judgment in a civil action or proceeding*** without paying the fees and court costs imposed by law, the inmate shall prepare an affidavit with a certified copy of the inmate's prison account statement ***showing the total deposits*** for the six (6) months immediately preceding the inmate's commencement, intervention, or joining of the action, ***or an appeal of a judgment in a civil action or proceeding***, if available. If the records are not available for the preceding six (6) months, all inmate account records that are available shall be filed with the affidavit.
- (2) When an inmate commences, intervenes, or joins an action ***or an appeal of a judgment in a civil action or proceeding***, the inmate shall pay at least partial court fees and costs. At a minimum, the inmate shall pay a five dollar (\$5) filing fee unless the court determines the inmate is unable to pay a fee and waives all fees and costs. If the inmate has the ability to pay a higher amount, the court shall order the inmate to pay the higher amount. However, the fees and costs imposed shall not exceed the full amount otherwise imposed by law.
- ~~(3) If the inmate claims exceptional circumstances that render the inmate unable to pay at least the partial fees and costs required by this section, the inmate shall submit, in addition to the statement of account required by this section, an affidavit of special circumstances setting forth the reasons and circumstances that justify relief from the partial fees and costs requirement.~~
- ~~(4) If the court approves the application to waive all fees and costs, the court shall give written notice to the inmate that all fees and costs relating to the action will be waived. If the court denies the motion to waive all fees, the court shall give written notice to the inmate that the inmate's case will be dismissed if the partial fees and costs are not paid within forty-five (45) days after the date of the order, or within an additional period that the court may, upon request, allow. Process concerning the inmate's case shall not be served until the ***filing fee and the*** fee relating to service of process is paid.~~
- (4) ***If the inmate claims exceptional circumstances that render the inmate unable to pay at least the partial fees and costs ordered by the court, then the inmate shall submit, in addition to the statement of account required by this section, a copy of the detailed canteen expenditure sheet, and an affidavit of special circumstances setting forth the reasons and circumstances that justify relief from the partial fees and costs requirement.***
- (5) ***In no event shall an inmate bring a civil action or appeal a judgment in a civil action or proceeding under this section if the inmate has, on three (3) or more occasions within a five (5) year period, while incarcerated or detained in any facility, brought an action or appeal in any court that was dismissed on the grounds that it is frivolous, malicious, or harassing, unless the prisoner is under imminent danger of serious physical injury, without paying the entire filing fee in full.***

Section 5. KRS 532.110 is amended to read as follows:

- (1) When multiple sentences of imprisonment are imposed on a defendant for more than one (1) crime, including a crime for which a previous sentence of probation or conditional discharge has been revoked, the multiple

sentences shall run concurrently or consecutively as the court shall determine at the time of sentence, except that:

- (a) A definite and an indeterminate term shall run concurrently and both sentences shall be satisfied by service of the indeterminate term;
 - (b) The aggregate of consecutive definite terms shall not exceed one (1) year; and
 - (c) The aggregate of consecutive indeterminate terms shall not exceed in maximum length the longest extended term which would be authorized by KRS 532.080 for the highest class of crime for which any of the sentences is imposed. In no event shall the aggregate of consecutive indeterminate terms exceed seventy (70) years.
- (2) If the court does not specify the manner in which a sentence imposed by it is to run, the sentence shall run concurrently with any other sentence which the defendant must serve ***unless the sentence is required by subsection (3) of this section or KRS 533.060 to run consecutively.***
- ~~(3) When a defendant is sentenced to imprisonment for a crime committed while on parole in this state, the term of imprisonment and any period of reimprisonment that the board of parole may require the defendant to serve upon the revocation of his parole shall run concurrently, unless the court orders them to run consecutively.~~
- ~~(4)~~ Notwithstanding any provision in this section to the contrary, if a person is convicted of an offense that is committed while he is imprisoned in a penal or reformatory institution, during an escape from imprisonment, or while he awaits imprisonment, the sentence imposed for that offense may be added to the portion of the term which remained unserved at the time of the commission of the offense. The sentence imposed upon any person convicted of an escape or attempted escape offense shall run consecutively with any other sentence which the defendant must serve.
- ~~(4)~~~~(5)~~ Notwithstanding any provision in this chapter to the contrary, if a person is convicted of an offense that is committed while he is imprisoned in a penal or reformatory institution, the sentence imposed for that offense may, upon order of the trial court, be served in that institution. The person may be transferred to another institution pursuant to administrative regulations of the Department of Corrections.

SECTION 6. A NEW SECTION OF KRS CHAPTER 422 IS CREATED TO READ AS FOLLOWS:

- (1) ***No officer or employee of the Department of Corrections shall be required to give personal attendance as a witness in any civil suit, arising from that person's employment, out of the county in which his or her official workstation is situated, but his or her deposition shall be taken in lieu thereof; however, in the court in which the civil action is pending, if the court finds that the witness is a necessary witness for trial the court may order the personal attendance of the witness at trial.***
- (2) ***Subject to the approval of the court, the Department of Corrections records which relate to supervision, custody, or confinement of an offender or which constitute an offender's medical charts or records that are susceptible to photostatic reproduction may be proved as to foundation, identity, and authenticity, without any preliminary testimony, by use of legible and durable copies certified by the employee of the department charged with the responsibility of being the custodian of the originals thereof. The certification shall be signed before a notary public by the employee and shall include the full name of the offender and, for medical charts or records, the offender's medical record number and the number of pages in the medical record. The certification shall also include a legend substantially to the following effect: "The copies of records for which this certification is made are true and complete reproductions of the original or microfilmed records which are housed at (provide the office, address, and phone number). The original records were made in the regular course of business, and it was the regular course of the Department of Corrections to make the records at or near the time of the matter recorded. This certification is given by the custodian of the records in lieu of the custodian's personal appearance."***
- (3) ***Nothing in this section shall be construed as a waiver of any privilege the department may have relating to the records.***

Section 7. KRS 317.420 is amended to read as follows:

- (1) No person shall engage in the practice of "barbering" for other than cosmetic purposes nor shall any person engage in barbering for the treatment of physical or mental ailments, except that the provisions of this chapter shall not apply to:

- (a) Persons authorized by the law of this state to practice medicine, chiropody, optometry, dentistry, chiropractic, nursing or embalming when incidental practices of barbering are performed by them in the normal course of the practice of their profession;
 - (b) Commissioned medical or surgical personnel of the United States Army, Navy, Air Force or Marine Hospital Service performing incidental practices of barbering in the course of their duties; *or*
 - (c) ***Barbering services performed at an institution operated by or under contract to the Department of Corrections.***
- (2) Except as provided in subsection (1) of this section no person shall engage in the practice of barbering for the public generally or for consideration without the appropriate license required by this chapter;
- (3) No person unless duly and properly licensed pursuant to this chapter shall:
- (a) Teach barbering;
 - (b) Operate a barber shop;
 - (c) Engage in a barber apprenticeship;
 - (d) Conduct or operate a school for barbers.
- (4) No person shall aid or abet any person in violating the provisions of this section, nor shall any person engage or employ for consideration any person for the performance of any practice licensed by this chapter unless the person to perform such practice holds and displays the appropriate license therefor.

Section 8. KRS 17.552 is amended to read as follows:

No person shall conduct comprehensive sex offender presentence evaluations or treatment without first obtaining approval from the Sex Offender Risk Assessment Advisory Board, *except that the Department of Corrections sex offender treatment program shall be regulated under KRS 197.400 to 197.440 and excluded from the application of this statute.*

Approved March 01, 2002

CHAPTER 12

(HB 109)

AN ACT relating to reorganization.

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

Section 1. KRS 42.013 is amended to read as follows:

- (1) The office of the secretary of the Finance and Administration Cabinet shall include a deputy secretary who shall be appointed by the secretary with the approval of the Governor. The deputy secretary shall be responsible to and have such authority to sign for the secretary as the secretary designates in writing.
- (2) The secretary may organize the office into such additional administrative units as he deems necessary to perform the functions and fulfill the duties of the cabinet, subject to the provisions of KRS Chapter 12. The Office of the Secretary shall include the Office of Technology Operations, ***the Office of Legal and Legislative Services, the Office of Management and Budget,*** the Customer Resource Center, and the Administrative Policy and Audit Division.
- (3) All appointments under this chapter to positions not in the classified service shall be made pursuant to KRS 12.050, and such appointees shall be major assistants to the secretary and shall assist in the development of policy.

Section 2. KRS 42.014 is amended to read as follows:

- (1) There is established within the cabinet the ~~Office of Legal and Legislative Services, the Office of Management and Budget, the~~ Office of Financial Management, the Office of Capital Plaza Operations, and the Office of the Controller, each of which ~~offices~~ shall be headed by an executive director, the Department for Administration, and the Department for Facilities Management, each of which shall be headed by a

commissioner appointed by the secretary, upon the approval of the Governor, and responsible to the secretary. Each of these departments may have at least one (1) major assistant not in the classified service.

- (2) The secretary shall establish the internal organization and assignment of functions which are not established by statute, and shall divide the cabinet into the offices, bureaus, divisions, or other units the secretary deems necessary to perform the functions, powers, and duties of the cabinet, subject to the provisions of KRS Chapter 12.

Section 3. KRS 42.017 is amended to read as follows:

- (1) The Office of Legal and Legislative Services~~[of the cabinet]~~ established ***within the Office of the Secretary by Section 1 of this Act***~~[KRS 42.014]~~ shall be generally responsible for such functions and duties as the secretary may assign relating to the performance of the cabinet's legal services and legislative liaison functions.
- (2) There shall be included within the Office of Legal and Legislative Services a general counsel, whose appointment shall be made pursuant to KRS 12.210, who shall report to the secretary through the ~~head~~~~[executive director]~~ of the Office of Legal and Legislative Services. The Attorney General, on request of the secretary, may designate attorneys in the Office of Legal and Legislative Services as assistant attorneys general as provided in KRS 15.105.

Section 4. KRS 42.018 is amended to read as follows:

- (1) The Office of Management and Budget established ***within the Office of the Secretary by Section 1 of this Act***~~[KRS 42.014]~~ shall be responsible for the fiscal, personnel, and payroll functions of the cabinet.
- (2) The Office of Capital Plaza Operations established by KRS 42.014 shall:
 - (a) Be responsible for the operation of the Capital Plaza Civic Center and related facilities in Frankfort, Kentucky; and
 - (b) Provide administrative support to the Capital Development Committee created by KRS 45.001.

Section 5. 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. 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.
 - (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.
 - (m) Office of Technology.
 - (n) Office of Quality.
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) Department for Coal County Development.
 - (f) Tobacco Research Board.
 - (g) 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.
 - (o) Mine Safety Review Commission.
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.~~
 - ~~(b)(d) Office of the Controller.~~

- (c)~~(e)~~ Department for Administration.
 - (d)~~(f)~~ Department of Facilities Management.
 - (e)~~(g)~~ State Property and Buildings Commission.
 - (f)~~(h)~~ Kentucky Pollution Abatement Authority.
 - (g)~~(i)~~ Kentucky Savings Bond Authority.
 - (h)~~(j)~~ Deferred Compensation Systems.
 - (i)~~(k)~~ Office of Equal Employment Opportunity Contract Compliance.
 - (j)~~(l)~~ Office of Capital Plaza Operations.
 - (k)~~(m)~~ County Officials Compensation Board.
 - (l)~~(n)~~ Kentucky Employees Retirement Systems.
 - (m)~~(o)~~ Commonwealth Credit Union.
 - (n)~~(p)~~ State Investment Commission.
 - (o)~~(q)~~ Kentucky Housing Corporation.
 - (p)~~(r)~~ Governmental Services Center.
 - (q)~~(s)~~ Kentucky Local Correctional Facilities Construction Authority.
 - (r)~~(t)~~ Kentucky Turnpike Authority.
 - (s)~~(u)~~ Historic Properties Advisory Commission.
 - (t)~~(v)~~ Kentucky Tobacco Settlement Trust Corporation.
 - (u)~~(w)~~ Eastern Kentucky Exposition Center 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 Information Technology.
 - (m) Office of Labor-Management Relations and Mediation.
 - (n) Office of General Counsel.
 - (o) Workers' Compensation Funding Commission.
 - (p) 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) Department for 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.
- (l) Office of Public Employee Health Insurance.

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.
- 10. Education Professional Standards Board.

Section 6. The General Assembly confirms gubernatorial Executive Order 2001-794, dated June 25, 2001, to the extent it is not otherwise confirmed by Sections 1 to 5 of this Act.

Approved March 01, 2002

CHAPTER 13

(HB 143)

AN ACT relating to ceding concurrent civil and criminal jurisdiction of various locations to the United States and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 3 IS CREATED TO READ AS FOLLOWS:

- (1) ***Kentucky cedes to the United States concurrent civil and criminal jurisdiction over all of the lands acquired by the United States in McCreary County and Martin County acquired for a United States Penitentiary and ancillary correctional facilities, including lands now owned and adjacent lands that may be acquired by the United States in the future as part of said correctional facilities.***
- (2) ***The cession granted hereby shall remain in effect as to all of said land, or any portion thereof that continues to be owned by the United States and used as a United States Penitentiary and ancillary correctional facilities.***

Section 2. As the provisions of this Act further the protection of the populace from the privations of crime and lawlessness and this protection needs to be in place with all due speed, an emergency is declared to exist and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved March 01, 2002

CHAPTER 14

(HB 261)

AN ACT relating to the practice of occupational therapy.

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

Section 1. KRS 319A.010 is amended to read as follows:

As used in this chapter:

- (1) "Board" means the Kentucky *Board of Licensure for Occupational Therapy*~~[Board]~~ appointed by the Governor;
- (2) *"Practice of occupational therapy" means the therapeutic use of purposeful and meaningful occupations (goal-directed activities) to evaluate and treat individuals who have a disease or disorder, impairment, activity limitation, or participation restriction that interferes with their ability to function independently in daily life roles, and to promote health and wellness. Occupational therapy intervention may include:*
 - (a) *Remediation or restoration, through goal-directed activities, of those performance abilities that are limited due to impairment in biological, physiological, or neurological processes;*
 - (b) *Adaptation of task, process, or the environment or the teaching of compensatory techniques to enhance performance;*
 - (c) *Disability prevention methods and techniques that facilitate the development or safe application of performance skills; and*
 - (d) *Health promotion strategies and practices that enhance performance abilities*~~["Occupational therapy" means the use of goal directed activities with individuals who are limited by physical limitations due to injury or illness, psychiatric and emotional disorders, developmental or learning disabilities, poverty and cultural differences or the aging process, in order to maximize independence, prevent disability and maintain health. The practice encompasses evaluation, treatment and consultation. Occupational therapy services include: teaching daily living skills; developing perceptual motor skills and sensory integrative functioning; developing play skills and prevocational and leisure capacities; designing, fabricating, or applying selective orthotic and prosthetic devices or selective adaptive equipment; using specifically designed crafts and therapeutic activities to enhance functional performance; administering and interpreting tests such as manual muscle and range of motion; using and administering certain modalities, specifically hot and cold water, hot packs and cold packs, neutral warmth, quick icing, and paraffin to the hand; and consulting in the adaptation of the environment for individuals with disabilities. These services shall be provided individually, in groups, or through medical, health, educational and social systems. The practice of occupational therapy shall not include gait training; the use or application of electromodalities; accessory joint mobilizations; assessment of integrity and pathology of muscle, soft tissue and joint capsule; and postural or biomechanical analysis; fluidotherapy, diathermy (shortwave, microwave or infrared), ultrasound or whirlpools];~~
- (3) "Occupational therapist" means a person licensed to practice occupational therapy under this chapter;
- (4) "Occupational therapy assistant" means a person licensed to assist in the practice of occupational therapy under this chapter, who works under the supervision of an occupational therapist;
- (5) ~~["Occupational therapy Aide" means a person~~ *who is not licensed by the board who provides supportive services to occupational therapists and occupational therapy assistants. An aide shall function under the guidance and responsibility of a licensed occupational therapist and is supervised by an occupational therapist or an occupational therapy assistant for specifically selected routine tasks for which the aide has been trained and has demonstrated competence. The aide shall comply with supervision requirements developed by the board that are consistent with prevailing professional standards;* ~~[who assists in the practice of occupational therapy under the direct supervision of a licensed occupational therapist or occupational therapy assistant and who is required to have an understanding of occupational therapy but is not required to have professional or advanced training in the basic anatomical, biological, psychological, and social sciences involved in the practice of occupational therapy; and]~~
- (6) *"Occupational therapy services" include, but are not limited to:*

- (a) *Evaluating, developing, improving, sustaining, or restoring skills in basic and instrumental activities of daily living (BADLs and IADLs), work or productive activities, and play and leisure activities;*
 - (b) *Evaluating, developing, remediating, or restoring components of performance as they relate to sensorimotor, cognitive, or psychosocial aspects;*
 - (c) *Designing, fabricating, applying, and training in the use of assistive technology or orthotic devices and training in the use of prosthetic devices for functional mobility and activities of daily living;*
 - (d) *Adapting environments and processes, including the application of ergonomic principles, to enhance performance and safety in daily life roles;*
 - (e) *Applying superficial physical agent modalities as an adjunct to or in preparation for engagement in occupations;*
 - (f) *Applying deep physical agent modalities as an adjunct to or in preparation for engagement in occupations, in accordance with Section 5 of this Act;*
 - (g) *Evaluating and providing intervention in collaboration with the client, family, caregiver, or others;*
 - (h) *Educating the client, family, caregiver, or others in carrying out appropriate nonskilled interventions; and*
 - (i) *Consulting with groups, programs, organizations, or communities to provide population-based services;*
- (7) "Person" means any individual, partnership, or unincorporated organization, or corporation;
- (8) *"Deep physical agent modalities" means any device that uses sound waves or agents which supply or induce an electric current through the body, which make the body a part of the circuit, including iontophoresis units with a physician's prescription, ultrasound, transcutaneous electrical nerve stimulation units and functional electrical stimulation, or microcurrent devices; and*
- (9) *"Superficial physical agent modalities" means hot packs, cold packs, ice, fluidotherapy, paraffin, water, and other commercially available superficial heating and cooling devices.*

Section 2. KRS 319A.020 is amended to read as follows:

- (1) There is hereby created the Kentucky **Board of Licensure for Occupational Therapy**~~Board~~ which shall consist of seven (7) members to be appointed by the Governor. **Four (4)**~~Five (5)~~ members shall be licensed occupational therapists with at least five (5) years' experience; one (1) member shall be a **licensed**~~certified~~ occupational therapy assistant with~~at least five (5) years' experience in the practice of occupational therapy;~~ and **two (2) members shall be members of the public with an interest in the rights of consumers of health services**~~one (1) member shall be a consumer~~.
- (2) **Appointments for the occupational therapists and occupational therapy assistant positions may be made from recommendations submitted to the Governor by the Kentucky Occupational Therapy Association.**

Section 3. KRS 319A.040 is amended to read as follows:

The board shall meet at least annually and may meet at such other times as **necessary to complete the business required**~~its bylaws provide~~. A majority of the members of the board shall constitute a quorum for the transaction of business. **Annually**~~At its initial meeting~~ the board shall elect from its membership a chairman, a vice chairman and a secretary to serve for one (1) year terms.~~The board shall have the power to adopt bylaws and rules of procedure necessary to perform its duties.~~

Section 4. KRS 319A.070 is amended to read as follows:

- (1) The board shall administer and enforce the provisions of this chapter and shall have the responsibility of evaluating the qualifications of applicants for licensure.
- (2) The board may issue subpoenas, examine witnesses, administer oaths, and investigate allegations of practices violating the provisions of this chapter.
- (3) The board may:

- (a) Promulgate administrative regulations, pursuant to KRS Chapter 13A, relating to professional conduct to carry out the provisions of this chapter, including, but not limited to, administrative regulations relating to professional licensure and holding a license to practice occupational therapy *or assist in the practice of occupational therapy* in the Commonwealth;
- (b) Conduct administrative hearings in accordance with KRS Chapter 13B;
- (c) Evaluate the qualifications and authorize the issuance of licenses to qualified occupational therapists and occupational therapy assistants;
- (d) Issue and renew licenses *based on evidence of initial and continued competence of persons subject to this chapter*;
- (e) Suspend or revoke licenses;
- (f) Require the continuing professional education of persons subject to this chapter;
- (g) Keep a record of its proceedings and a register of all persons licensed as occupational therapists or occupational therapy assistants. The register shall show the name of every licensee, the licensee's last known place of business and last known place of residence, and the date and number of the license of each licensed occupational therapist or occupational therapy assistant. The board shall, during the month of January of every year, compile and make available a list of licensed occupational therapists and occupational therapy assistants authorized to practice in the Commonwealth. Any citizen of the Commonwealth may obtain a copy of the list upon application to the board and payment of an amount to be fixed by the board, which shall not exceed its cost;
- (h) Make an annual report to the *Governor and the* General Assembly which shall contain an account of duties performed, actions taken, and appropriate recommendations;~~and~~
- (i) *Institute and maintain actions to restrain or enjoin any violation of this chapter and administrative regulations notwithstanding the existence or pursuit of other civil or criminal penalties*;
- (j) *Approve an examination for occupational therapists and occupational therapy assistants and establish standards for acceptable performance*;
- (k) *Seek an injunction in Franklin Circuit Court against any individual who practices occupational therapy in the Commonwealth without a license; and*
- (l) *Promulgate administrative regulations to define appropriate supervision of assistants, aides, and unlicensed personnel that are delivering occupational therapy services*~~[In a contested case, subpoena witnesses, designated documents, papers, books, accounts, letters, photographs, objects, or other tangible things. All legal process and all documents required by law to be served upon or filed with the board shall be served upon or filed with the chairman. All official records of the board or affidavits certifying the content of such records shall be prima facie evidence of all matters required to be kept therein].~~

Section 5. KRS 319A.080 is amended to read as follows:

- (1) It shall be unlawful for any person to practice occupational therapy, *assist in the practice of occupational therapy*, or render services designated as occupational therapy in the Commonwealth of Kentucky, unless licensed under the provisions of this chapter.
- (2) The licensure of occupational therapists and occupational therapy assistants shall extend only to individuals. A license shall not be issued to a partnership, unincorporated association, corporation, or similar business organization.
- (3) *It shall be unlawful for a person to act or represent himself or herself as an occupational therapist or occupational therapy assistant,*~~[A person shall not]~~ use the title "occupational therapist" or "*occupational therapy assistant*," or use the letters OT or OTA or any abbreviation or acronym that would imply licensing under this chapter,~~[a title set forth in this chapter as it relates to the practice of occupational therapy]~~ unless ~~the~~~~[such]~~ person is licensed and is in good standing in accordance with the requirements of this chapter. A person, health care institution, health care service, health plan, or other ~~entity~~~~[institution]~~ holding itself out to the public as providing occupational therapy services shall not use ~~the~~~~[such a]~~ title unless the occupational therapy services are provided by a person licensed under this chapter.

- (4) (a) *It shall be unlawful for a person licensed under this chapter to utilize occupational therapy interventions involving deep physical agent modalities, unless the following requirements are met:*
1. *The person is an occupational therapist licensed under this chapter who has successfully completed a minimum of thirty-six (36) hours of training or instruction that meets the requirements specified in administrative regulations promulgated by the board, as well as five (5) treatments under supervision;*
 2. *The person is an occupational therapist licensed under this chapter who has successfully completed the certified hand therapist examination approved by the Hand Therapy Certification Commission, and who has successfully completed a minimum of twelve (12) hours of training or instruction that meets the requirements specified in administrative regulations promulgated by the board, as well as five (5) treatments under supervision; or*
 3. *The person is an occupational therapy assistant licensed under this chapter who has successfully completed a minimum of seventy-two (72) hours of training or instruction that meets the requirements specified in administrative regulations promulgated by the board, as well as five (5) treatments under supervision.*
- (b) *The board shall promulgate administrative regulations setting forth content guidelines for the training and instruction required in this subsection. Guidelines shall be based on policies and positions adopted by the American Occupational Therapy Association.*

Section 6. KRS 319A.090 is amended to read as follows:

- (1) The provisions of this chapter shall not be construed as preventing or restricting the practices, services, or activities of:
- (a)~~[(1)]~~ A person licensed in accordance with the provisions of another law of the Commonwealth from engaging in the profession or occupation for which licensed;
 - (b)~~[(2)]~~ A person employed as an occupational therapist or an occupational therapy assistant by the United States government, provided that person provides occupational therapy solely under the direction or control of the organization by which the person is employed;
 - (c)~~[(3)]~~ A person pursuing a course of study leading to a degree or certificate in occupational therapy at an accredited or approved educational program, provided the activities and services are part of a supervised course of study and the person is designated by a title which clearly indicates the status of student or trainee and not licensed occupational therapist *or occupational therapy assistant*;
 - (d)~~[(4)]~~ A person fulfilling the supervised fieldwork experience requirements of this chapter, provided such activities and services constitute a part of the experience necessary to meet the requirements of that program;
 - (e)~~[(5)]~~ Any person performing occupational therapy services in the Commonwealth, if these services are performed for no more than sixty (60) days in a calendar year in association with an occupational therapist licensed under this chapter, provided that:
 - 1.~~[(a)]~~ The person is licensed under the law of another state which has licensure requirements at least as stringent as the requirements of this chapter; or
 - 2.~~[(b)]~~ The person meets the requirements for **current** certification as an occupational therapist~~registered~~ or ~~an~~~~a certified~~ occupational therapy assistant, as established by the **National Board for Certification in Occupational Therapy or its equivalent**; ~~or American Occupational Therapy Association; and~~
 - (f)~~[(6)]~~ Any person employed as an occupational therapy aide.
- (2) *Occupational therapy services shall not include gait training, spinal or pelvic adjustment or manipulation, and the use of deep physical agent modalities, except as provided in Section 5 of this Act.*
- (3) *Occupational therapy services shall also not include independent diagnostic evaluation for the determination of visually related rehabilitative treatment plans or the testing and prescription of optical, electronic or assistive technology low vision devices. Occupational therapists may only provide low vision or visual therapy services, as defined in administrative regulation, under the direct supervision of an*

optometrist, ophthalmologist, or physician, or by written prescription from an optometrist, ophthalmologist, or physician. These services shall be provided in accordance with a written evaluation and clinical treatment plan from an optometrist, ophthalmologist, or physician. The board shall promulgate administrative regulations pursuant to this subsection in collaboration with the Kentucky Board of Optometric Examiners.

Section 7. KRS 319A.110 is amended to read as follows:

- (1) An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall file a written application on a form provided by the board, showing to the satisfaction of the board that ~~the~~~~[such]~~ person:
 - (a) Is of good moral character; and
 - (b) Has successfully completed the academic requirements of an educational program in occupational therapy *or for occupational therapy assistants accredited by the American Occupational Therapy Association's Accreditation Council for Occupational Therapy Education or its equivalent*~~[recognized by the board]~~.
- (2) ~~[The occupational therapy educational program shall be accredited by the Committee on Allied Health Education and Accreditation of the American Medical Association in collaboration with the American Occupational Therapy Association, and shall be approved by the American Occupational Therapy Association.]~~
- ~~(3)~~ An applicant shall submit to the board evidence of successful completion of a period of supervised fieldwork experience arranged by the recognized educational institution where the applicant met the academic requirements~~[or by the American Occupational Therapy Association]~~. To be considered for licensure, the following minimum amount of supervised fieldwork experience shall have been completed:
 - (a) *The equivalent of twenty-four (24) weeks*~~[Six (6) months]~~ for an occupational therapist; and
 - (b) *The equivalent of sixteen (16) weeks*~~[Two (2) months]~~ for an occupational therapy assistant.
- ~~(3)~~~~(4)~~ An applicant for licensure as an occupational therapist or as an occupational therapy assistant shall pass an examination as provided for in KRS 319A.120.

Section 8. KRS 319A.120 is amended to read as follows:

- ~~(1)~~ Individuals applying for licensure~~[, except as provided in KRS 319A.140,]~~ shall be required to pass a written *or computer-based* examination approved by the board, which is designed to test the knowledge and experience necessary to the safe, effective, and professional practice of occupational therapy in Kentucky. The examination shall test the applicant's knowledge of the basic and clinical sciences related to the occupational therapy *theory, research, practice, ethics, and professional behavior*~~[techniques and methods]~~, and such other subjects as the board may require to determine the applicant's fitness to practice.~~[The board shall approve an examination for occupational therapists and occupational therapy assistants and establish standards for acceptable performance.]~~
- ~~(2)~~ Applicants for licensure shall be examined at a time and place determined by the board. The examination shall be given at least twice a year. The board shall notify applicants by mail of the time and place of scheduled examinations.
- ~~(3)~~ Individuals applying for licensure shall remit an examination fee, to be determined by the board, prior to admission to take the written examination, using forms provided by the board. A person who fails an examination may apply for reexamination to the board accompanied by the prescribed fee.
- ~~(4)~~ Applicants for licensure may obtain their examination scores and may review but not copy or remove from the premises of the board their own graded examination papers in accordance with such rules and regulations as the board may establish pursuant to KRS Chapter 13A.]

Section 9. KRS 319A.140 is amended to read as follows:

On the payment to the board of fees required by this chapter and on submission of a written application on forms provided by the board, the board shall issue a license to:

- (1) A person~~[paying the fee and filing an application within one (1) year from July 15, 1986,]~~ who presents evidence satisfactory to the board *of being a registered occupational therapist*~~[that the applicant was an occupational therapist registered]~~ or a certified occupational therapy assistant through the *National Board for Certification in Occupational Therapy, or its equivalent, and who has met the academic and fieldwork*

requirements of Section 7 of this Act and the examination requirement of Section 8 of this Act; or~~[certification of the American Occupational Therapy Association prior to July 15, 1986; and]~~

- (2) A person~~[paying the fee and filing an application]~~ who presents evidence satisfactory to the board of being **currently** licensed, certified, or registered as an occupational therapist or occupational therapy assistant by another state, territory of the United States, or the District of Columbia,~~[or of being a certified occupational therapist or certified occupational therapy assistant through the American Occupational Therapy Association and of residing in or practicing in another state or territory of the United States or the District of Columbia]~~ where the requirements for licensure, registration, or certification are~~[substantially]~~ equal to **or greater than** the requirements set forth in this chapter.

Section 10. KRS 319A.160 is amended to read as follows:

- (1) Licenses issued under this chapter shall be subject to annual renewal and shall expire unless renewed upon the payment of a renewal fee in the manner prescribed by the rules of the board.
- (2) The board may set a required number of continuing education units for license renewal.
- (3) *At least thirty (30) days before the renewal date, the board shall mail an application for renewal to every person to whom a license was issued during the current licensure period.*
- (4) *A sixty (60) day grace period shall be allowed during which time licenses may be renewed on payment of a late renewal fee as set forth in administrative regulations promulgated by the board.*
- (5) The board may provide for the late renewal of a license upon the payment of a late fee in accordance with its rules, but no such renewal of a license may be granted more than five (5) years after its expiration.
- (6) *Licenses not renewed in a timely manner or by the end of the grace period shall be considered expired. Expired licenses may be restored in accordance with the requirements set forth by the board in administrative regulation. A person who fails to restore his license within five (5) years after its expiration may not restore it, and it shall not be restored, reissued, or reinstated thereafter. The person may apply for and obtain a new license if current requirements of this chapter are met.*
- (7) *Any person practicing occupational therapy after the license has expired shall be considered an illegal practitioner and shall be subject to the penalties provided for violations of the provisions of this chapter.*
- (8)~~(2)~~ A suspended license is subject to expiration and may be **restored**~~[renewed]~~ as provided in this section, but **restoration**~~[such renewal]~~ shall not entitle the licensee, while the license remains suspended and until it is reinstated, to engage in the licensed activity, or in any other conduct or activity in violation of the order or judgment by which the license was suspended.
- (9) ~~[(2)]~~ A license revoked on disciplinary grounds is **subject to expiration and may not be renewed. If the license is subsequently** reinstated, the licensee, as a condition of reinstatement shall pay **a reinstatement fee**, the renewal fee, and any late fee that may be applicable.
- (10) *Upon petition to the board, licensees may be granted inactive license status for a period of time not to exceed three (3) years. Licensees shall not practice occupational therapy or assist in the practice of occupational therapy while under inactive status. Inactive licensees may apply for an active license after paying a fee provided for by administrative regulation of the board.*
- (11) *Each occupational therapist and occupational therapy assistant licensed under this chapter shall notify the board in writing of any change in the person's name, home or office address, or employment within thirty (30) days after the change has taken place.*

Section 11. KRS 319A.170 is amended to read as follows:

Fees shall be collected and determined by the board for the following:

- (1) Initial license fee (nonrefundable):
 - (a) Registered occupational therapist, not to exceed fifty dollars (\$50);~~[and]~~
 - (b) Certified occupational therapy assistant, not to exceed thirty-five dollars (\$35); **and**
 - (c) **Certification for use of deep physical agent modalities, not to exceed twenty-five dollars (\$25);**
- (2) Renewal of license fees, not to exceed fifty dollars (\$50); and

- (3) Late renewal fees, not to exceed seventy-five dollars (\$75).

Section 12. KRS 319A.180 is amended to read as follows:

Foreign-trained occupational therapists~~[-and occupational therapy assistants]~~ who apply to be licensed by the board shall~~[-before examination,]~~ furnish proof of good moral character and shall present proof indicating the completion of educational requirements~~[-substantially]~~ equal to ***or greater than*** those contained in KRS 319A.110 ***and examination requirements of Section 8 of this Act.***

Section 13. KRS 319A.190 is amended to read as follows:

- (1) The board may deny or refuse to renew a license, may suspend or revoke a license, or may impose probationary conditions where the licensee or applicant for licensure has engaged in unprofessional conduct which has endangered or is likely to endanger the health, welfare, or safety of the public. Unprofessional conduct shall include:
 - (a) Obtaining a license by means of fraud, misrepresentation, or concealment of material facts;
 - (b) Unprofessional conduct as defined by administrative regulations promulgated by the board, or violating the code of ethics promulgated by the board;
 - (c) Being convicted of a felony in any court if the ***act or*** acts for which he was convicted are found by the board to have a direct bearing on whether he should be entrusted to serve the public in the capacity of a ***licensed***~~[-registered]~~ occupational therapist or ***licensed***~~[-certified]~~ occupational therapy assistant;
 - (d) Violating any lawful order or administrative regulation rendered or promulgated by the board; or
 - (e) Violating any provision of this chapter.
- (2) A denial, refusal to renew, suspension, revocation, or imposition of probationary conditions upon a license may be ordered by the board in a decision made after ***an administrative***~~[-a]~~ hearing conducted in accordance with KRS Chapter 13B ***and administrative regulations promulgated by the board.***~~[-One (1) year from the date of the revocation of a license, application may be made to the board for reinstatement.]~~ The board shall have discretion to accept or reject an application for reinstatement ***following an administrative hearing conducted in accordance with KRS Chapter 13B***~~[-, but shall be required to hold a hearing to consider the reinstatement].~~
- (3) ***The surrender of a license shall not serve to deprive the board of jurisdiction to proceed with disciplinary actions under this chapter.***

Section 14. KRS 319A.990 is amended to read as follows:

Any person violating any provision of this chapter shall be fined not less than one hundred dollars (\$100) nor more than ***one thousand***~~[-five hundred]~~ dollars ***(\$1,000)***~~[-(\$500)]~~, or imprisoned~~[-in the county jail]~~ for not more than six (6) months, or both.

Section 15. The following KRS section is repealed:

319A.130 Requirements for licensure.

Approved March 01, 2002

CHAPTER 15

(HB 279)

AN ACT relating to death certificates.

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

Section 1. KRS 213.076 is amended to read as follows:

- (1) A certificate of death or a provisional certificate of death for each death which occurs in the Commonwealth shall be filed with the cabinet or as otherwise directed by the state registrar prior to final disposition, and it shall be registered if it has been completed and filed in accordance with this section. The funeral director, or person acting as such, who first takes custody of a dead body shall be responsible for filing the certificate of death. The funeral director, or person acting as such shall obtain the required personal and statistical particulars from the person best qualified to supply them over the signature and address of the informant. The funeral

director, or person acting as such, shall within five (5) days of the death, present the certificate to the attending physician, if any, or to the health officer or coroner as directed by the state registrar, for the medical certificate of the cause of death and other particulars necessary to complete the record as required by this chapter.

- (a) It shall be unlawful for an institution to release a dead human body until the funeral director, or person acting as such, has completed and filed with the local registrar or person in charge of the institution, a provisional certificate of death. If death occurs outside an institution, the provisional certificate shall be filed with the local registrar by the funeral director, or person acting as such, prior to final disposition of the dead body. A copy of the provisional certificate of death signed by the person with whom it was filed, shall constitute authority for the possession, transportation, and, except for cremation, final disposition of the body.
 - (b) All persons having in their possession a completed provisional certificate of death shall file the certificate at not more than weekly intervals with the local registrar.
 - (c) If the place of death is unknown but the dead body is found in the Commonwealth, the certificate of death shall be completed and filed in accordance with this section. The place where the body is found shall be shown as the place of death. If the date of death is unknown, it shall be determined by approximation subject to amendment upon completion of any postmortem examination required to be performed.
 - (d) If death occurs in a moving conveyance in the United States and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, and the place where it is first removed shall be considered the place of death. If a death occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, but the certificate shall show the actual place of death insofar as can be determined.
- (2) If any certificate of death is incomplete or unsatisfactory, the state registrar shall call attention to the defects in the certificate and require the person responsible for the entry to complete or correct it. The state registrar may also require additional information about the circumstances and medical conditions surrounding a death in order to properly code and classify the underlying cause.
 - (3) The medical certification shall be completed, signed, and returned to the funeral director within five (5) working days after presentation to the physician, dentist, or chiropractor in charge of the patient's care for the illness or condition which resulted in death, except when inquiry is required by KRS 72.400 to 72.475. In such cases, the coroner shall complete and sign the certificate within five (5) days after receiving results of the inquiry as required by KRS 72.400 to 72.475. In the absence of the physician, dentist, or chiropractor, or with such person's approval, the certificate may be completed and signed by his associate physician, dentist, or chiropractor, or the chief medical officer of the institution in which death occurred, or the physician who performed an autopsy upon the decedent, or a physician employed by the local health department, if the individual has access to the medical history of the case and death is due to natural causes.
 - (4) If death occurs more than thirty-six (36) hours after the decedent was last treated or attended by a physician, dentist, or chiropractor, the case shall be referred to the coroner for investigation to determine and certify the cause of death. In the event that a coroner is not available to sign the certificate and there is no duly appointed deputy, the county judge/executive shall appoint a competent person to investigate the death and certify to its cause.
 - (5)
 - (a) The physician, dentist, chiropractor, or coroner who certifies to the cause of death shall return the certificate to the funeral director, or person acting as such, who, in turn, shall file the certificate directly with the Office of Vital Statistics. Any certified copies of the record requested at the time of filing shall be issued in not more than two (2) working days.
 - (b) ***In the case of a death in which diabetes was an underlying cause or contributing condition, diabetes shall be listed in the appropriate location on the death certificate by the physician, dentist, chiropractor, or coroner who certifies to the cause of death.***
 - (6) The Office of Vital Statistics shall provide self-addressed, color-coded envelopes for the funeral homes in the Commonwealth of Kentucky.

- (7) Three (3) free verification-of-death statements shall be provided to the funeral director by the Office of Vital Statistics for every death in the Commonwealth of Kentucky.
- (8) The body of any person whose death occurs in Kentucky shall not be interred, deposited in a vault or tomb, cremated or otherwise disposed of, or removed from or into any registration district, until a provisional certificate of death has been filed with the local registrar of the registration district in which the death occurs. If the death occurred from a disease declared by the Cabinet for Health Services to be infectious, contagious, or communicable and dangerous to the public health, no permit for the removal or other disposition of the body shall be granted by the registrar except under conditions prescribed by the Cabinet for Health Services and the local health department. The Cabinet for Health Services shall identify by regulation those communicable diseases which require blood and body fluid precautions. If a person who has been diagnosed as being infected with a communicable disease for which blood and body fluid precautions are required, dies within a health facility as defined in KRS 216B.015, the facility shall notify any embalmer or funeral director to whom the body will be transported of the need for such precautions. The notice shall be provided by including the statement "Blood and Body Fluid Precautions" on the provisional report-of-death form as prescribed by the Cabinet for Health Services. Lack of this notice shall not relieve any embalmer or funeral director from taking universal blood and body fluid precautions as are recommended by the United States Department of Health and Human Services, Centers for Disease Control for Morticians' Services. No embalmer or funeral director shall charge more for embalming the remains of a person with a communicable disease which requires blood and body fluid precautions than the price for embalming services listed on the price list funeral providers are required to maintain and provide to consumers pursuant to 16 C.F.R. Sec. 453.2 (1988).
- (9) A burial-transit permit for the final disposition issued under the law of another state which accompanies a dead body or fetus brought into the Commonwealth shall be the authority for final disposition of the body or fetus in the Commonwealth and may be accepted in lieu of a certificate of death. There shall be noted on the face of the record made for return to the local registrar that the body was shipped to Kentucky for interment and the actual place of death.
- (10) Nothing in this section shall be construed to delay, beyond a reasonable time, the interment or other disposition of a body unless the services of the coroner or the health officer are required or the Department for Public Health deems it necessary for the protection of the public health. If compliance with this section would result in unreasonable delay in the disposition of the body the funeral director, or person acting as such, shall file with the local registrar or deputy registrar prior to interment a provisional certificate of death which shall contain the name, date, and place of death of the deceased, the name of the medical certifier, and an agreement to furnish within ten (10) days a complete and satisfactory certificate of death.
- (11) No sexton or other person in charge of any place in which interment or other disposition of dead bodies is made shall inter or allow interment or other disposition of a dead body or fetus unless it is accompanied by a copy of the provisional certificate of death. The sexton, or if there is no sexton, the funeral director, or person acting as such, shall enter on the provisional certificate over his signature, the date, place, and manner of final disposition and file the certificate within five (5) days with the local registrar.
- (12) Authorization for disinterment, transportation, and reinterment or other disposition shall be required prior to disinterment of any human remains. The authorization shall be issued by the state registrar upon proper application. The provisions of this subsection shall apply to all manners of disposition except cremation and without regard for the time and place of death. The provisions of KRS 381.765 shall not apply to remains removed for scientific study and the advancement of knowledge.
- (13) After a death certificate has been on file for five (5) years, it may not be changed in any manner except upon order of a court. Prior to that time, requests for corrections, amendments, or additions shall be accompanied by prima facie evidence which supports the requested change.

Approved March 01, 2002

CHAPTER 16

(HB 297)

AN ACT relating to municipal elections.

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

Section 1. KRS 83A.040 is amended to read as follows:

- (1) A mayor shall be elected by the voters of each city at a regular election. A candidate for mayor shall be a resident of the city for not less than one (1) year prior to his or her election. His term of office shall begin on the first day of January following his election and shall be for four (4) years and until his successor qualifies. *If a person is elected or appointed as mayor in response to a vacancy and serves less than four (4) calendar years, then that period of service shall not be considered for purposes of re-election a term of office.* A mayor shall be at least twenty-five (25) years of age, shall be a qualified voter in the city, and shall reside in the city throughout his term of office.
- (2) If a vacancy occurs in the office of mayor, the following provisions shall apply:
 - (a) The legislative body of the city shall fill the vacancy within thirty (30) days.
 - (b) A member of the legislative body in any city organized and governed under the commission plan as provided by KRS 83A.140 or city manager plan as provided by KRS 83A.150 may vote for himself.
 - (c) A member of the legislative body in any city organized and governed under the mayor-council plan as provided by KRS 83A.130 and in any city of the first class organized under the mayor-alderman plan as provided by KRS Chapter 83 shall not vote for himself.
 - (d) The legislative body shall elect from among its members an individual to preside over meetings of the legislative body during any vacancy in the office of mayor in accordance with the provisions of KRS 83A.130 to 83A.150.
- (3) When voting to fill the vacancy created by a resignation of a mayor the resigning mayor shall not vote on his successor.
- (4) Each legislative body member shall be elected at large by the voters of each city at a regular election. A candidate for a legislative body shall be a resident of the city for not less than one (1) year prior to his or her election. His term of office shall begin on the first day of January following his election and shall be for two (2) years, except as provided by KRS 83A.050. A member shall be at least twenty-one (21) years of age, shall be a qualified voter in the city, and shall reside in the city throughout his term of office.
- (5) If one (1) or more vacancies on a legislative body occur in a way that one (1) or more members remain seated, the remaining members shall within thirty (30) days fill the vacancies one (1) at a time, giving each new appointee reasonable notice of his selection as will enable him to meet and act with the remaining members in making further appointments until all vacancies are filled. If vacancies occur in a way that all seats become vacant, the Governor shall appoint qualified persons to fill the vacancies sufficient to constitute a quorum. Remaining vacancies shall be filled as provided in this section.
- (6) If for any reason, any vacancy in the office of mayor or the legislative body is not filled within thirty (30) days after it occurs, the Governor shall promptly fill the vacancy by appointment of a qualified person who shall serve for the same period as if otherwise appointed.
- (7) No vacancy by reason of voluntary resignation in the office of mayor or on a legislative body shall occur unless a written resignation which specifies a resignation date is tendered to the legislative body. The resignation shall be effective at the next regular meeting of the city legislative body.
- (8) Pursuant to KRS 118.305(7), if a vacancy occurs which is required by law to be filled temporarily by appointment, the legislative body or the Governor, whichever is designated to make the appointment, shall immediately notify in writing both the county clerk and the Secretary of State of the vacancy.
- (9) Except in cities of the first class, any elected officer, in case of misconduct, incapacity, or willful neglect in the performance of the duties of his office, may be removed from office by a unanimous vote of the members of the legislative body exclusive of any member to be removed, who shall not vote in the deliberation of his removal. No elected officer shall be removed without having been given the right to a full public hearing. The officer, if removed, shall have the right to appeal to the Circuit Court of the county and the appeal shall be on the record. No officer so removed shall be eligible to fill the office vacated before the expiration of the term to which originally elected.
- (10) Removal of an elected officer in cities of the first class shall be governed by the provisions of KRS 83.660.

Approved March 01, 2002

CHAPTER 17

(HB 388)

AN ACT relating to emergency service personnel.

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

Section 1. KRS 337.100 is amended to read as follows:

- (1) No employer shall terminate an employee who is a volunteer firefighter, **rescue squad member, emergency medical technician, peace officer, or a member of an emergency management agency** because that employee, when acting as a volunteer firefighter, **rescue squad member, emergency medical technician, peace officer, or a member of an emergency management agency**, is absent or late to the employee's employment in order to respond to an emergency prior to the time the employee is to report to his or her place of employment.
- (2) An employer may charge any time that an employee who is a volunteer firefighter, **rescue squad member, emergency medical technician, peace officer, or a member of an emergency management agency** loses from employment because of the employee's response to an emergency against the employee's regular pay.
- (3) An employer may request an employee who loses time from the employee's employment to respond to an emergency to provide the employer with a written statement from the **supervisor or acting supervisor**~~chief~~ of the volunteer fire department, **rescue squad, emergency medical services agency, law enforcement agency, or the director of the emergency management agency** stating that the employee responded to an emergency and listing the time and date of the emergency.
- (4) Any employee that is terminated in violation of the provisions of this section may bring a civil action against his or her employer. The employee may seek reinstatement to the employee's former position, payment of back wages, reinstatement of fringe benefits, and **where seniority rights are granted, the** reinstatement of seniority rights. In order to recover, the employee shall file this action within one (1) year of the date of the violation of this section.

Approved March 01, 2002

CHAPTER 18

(HB 199)

AN ACT relating to credit cards.

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

SECTION 1. A NEW SECTION OF KRS 367.46951 TO 367.46999 IS CREATED TO READ AS FOLLOWS:

- (1) **A telemarketer shall not contact a credit card issuer, in writing or by telephone, facsimile, computer, or by any other means, for the purpose of obtaining a consumer's credit card account number.**
- (2) **A credit card issuer shall not provide a consumer's credit card account number to a telemarketer.**

Approved March 01, 2002

CHAPTER 19

(HB 286)

AN ACT relating to the Department for Facilities Management.

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

Section 1. KRS 42.027 is amended to read as follows:

- (1) The Department for Facilities Management established in the Finance and Administration Cabinet by KRS 42.014 shall be generally responsible for performance of the cabinet's functions and duties as outlined in KRS

Chapters 45, 45A, and 56 with relation to the management and administration of the State Capital Construction Program, including without limitation to the generality thereof, the procurement of necessary consulting services related to capital construction and building renovation projects, construction services, and supervision of building construction projects, and for the maintenance and operation of the state government's real property management functions and physical plant management functions. ***The department shall have the primary responsibility for developing and implementing policies applicable to all state agencies to ensure effective planning for and efficient operation of state office buildings, and shall provide appropriate assistance regarding the planning and efficient operation of all state facilities.*** The department shall be divided for administrative and operational purposes into a Division of Engineering, a Division of Contracting and Administration, a Division of Building Services, a Division of Mechanical Maintenance and Operations, a Division of Real Property, and a Division of Historic Properties, each of which shall be headed by a director appointed by the secretary, subject to the approval of the Governor, and responsible to the commissioner. The commissioner shall provide for the distribution of the department's work among the divisions within the department.

- (2) In conjunction with the responsibilities listed in subsection (1) of this section, the Department for Facilities Management shall have the following duties:
 - (a) Establish policies to ensure efficient utilization of state property by:
 1. Requiring the development of guidelines which set forth space standards and criteria for determining the space needs of state agencies, and maintaining an inventory which tracks the agencies' compliance with those standards and criteria; and
 2. Requiring certification of compliance, or justification for exceptions, as a criterion for approval of additional space;~~;~~
 - (b) Establish policies to ensure effective planning for state facilities by:
 1. Developing a long-range plan for the Frankfort area, with priority on reducing dependency on leased space and encouraging the consolidation of agencies' central offices into single locations, and shared offices for agencies with similar functions; and
 2. Developing long-range plans for housing state agencies in metropolitan areas, with priority on centralization of services and coordination of service delivery systems; and
 3. Encouraging executive branch agencies to expand long-range planning efforts, consistent with the policies of the Capital Planning Advisory Board; and
 4. Supporting long-range planning for a statewide information technology infrastructure to more efficiently deliver state government services;~~;~~
 - (c) Establish priorities to allow least-cost financing of state facilities by:
 1. Initiating policies which authorize the state to use innovative methods to lease, purchase, or construct necessary facilities; and
 2. Requiring cost analysis to determine the most effective method of meeting space needs, with consideration for ongoing operations and initial acquisition; ***and***
 - (d) ***Implement and maintain a comprehensive real property and facilities management database to include all state facilities and land owned or leased by the executive branch agencies, including any postsecondary institution. All state agencies and postsecondary institutions shall work cooperatively with the Department for Facilities Management to implement and maintain the database.***
- (3) The Department for Facilities Management shall develop plans for the placement of computing and communications equipment in all facilities owned or leased by state government. As part of this planning process, the department shall:
 - (a) Provide adequate site preparation in all state-owned facilities and require the same of those from whom the state leases space as part of the lease agreement;
 - (b) Fund a minimum level of site preparation for computing and communications in each new state-owned facility; and

- (c) As new office sites are developed, or existing ones undergo renovation, consider the placement of shareable high-cost, high-value facilities at strategic locations throughout the state. These facilities may include video teleconference centers, optical scanning and storage services, and gateways to high-speed communication networks.

Approved March 01, 2002

CHAPTER 20

(HB 308)

AN ACT relating to sexual assault response.

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

Section 1. KRS 216B.400 is amended to read as follows:

- (1) Where a person has been determined to be in need of emergency care by any person with admitting authority, no such person shall be denied admission by reason only of his inability to pay for services to be rendered by the hospital.
- (2) Every hospital of this state which offers emergency services shall provide that a physician or a sexual assault nurse examiner, who shall be a registered nurse licensed in the Commonwealth and credentialed by the Kentucky Board of Nursing as provided under KRS 314.142, is available on call twenty-four (24) hours each day for the examinations of persons reported to any law enforcement agency to be victims of sexual offenses as defined by KRS 510.010 to 510.140, KRS 530.020, 530.064, and 531.310.
- (3) An examination provided in accordance with this section of a victim of a sexual offense may be performed in a sexual assault examination facility as defined in KRS 216B.015. An examination under this section shall apply only to an examination of a victim.
- (4) The physician or sexual assault nurse examiner, acting under a statewide medical protocol which shall be developed by the chief medical examiner, and promulgated by the secretary of justice pursuant to KRS Chapter 13A shall, upon the request of any peace officer or prosecuting attorney, and with the consent of the reported victim, or upon the request of the reported victim, examine such person for the purpose of gathering physical evidence. This examination shall include, but not be limited to:
 - (a) Basic ~~emergency room~~ treatment and evidence gathering services; and
 - (b) Laboratory cultures and tests, as appropriate ~~to test for venereal disease of the victim~~.
- (5) Each reported victim shall be informed of available services for treatment of venereal disease, pregnancy, and other medical and psychiatric problems. Pregnancy counseling will not include abortion counseling or referral information.
- (6) Each reported victim shall be informed of available crisis intervention or other mental health services provided by regional rape crisis centers providing services to victims of sexual assault.
- (7) Notwithstanding any other provision of law, a minor may consent to examination under this section. This consent is not subject to disaffirmance because of minority, and consent of the parents or guardians of the minor is not required for the examination.
- (8) The examinations provided in accordance with this section shall be paid for by the Office of the Attorney General at a rate to be determined by the Attorney General by administrative regulation. The state shall reimburse the hospital or sexual assault examination facility, and the physician or sexual assault nurse examiner as provided in administrative regulations promulgated by the Office of the Attorney General pursuant to KRS Chapter 13A. No charge shall be made to the victim for these examinations, either by the hospital, the sexual assault examination facility, the physician, the sexual assault nurse examiner, the victim's insurance carrier, or the Commonwealth. ***Reimbursement shall be made to an out-of-state nurse who is credentialed in the other state to provide sexual assault examinations, an out-of-state hospital, or an out-of-state physician if the sexual assault occurred in Kentucky.***

Section 2. KRS 314.011 is amended to read as follows:

As used in KRS 314.011 to 314.161 and KRS 314.991, unless the context thereof requires otherwise:

- (1) "Board" means Kentucky Board of Nursing;
- (2) "Delegation" means directing a competent person to perform a selected nursing activity or task in a selected situation under the nurse's supervision and pursuant to administrative regulations promulgated by the board in accordance with the provisions of KRS Chapter 13A;
- (3) "Nurse" means a person licensed under the provisions of this chapter as a registered nurse or as a licensed practical nurse;
- (4) "Nursing process" means the investigative approach to nursing practice utilizing a method of problem-solving by means of:
 - (a) Nursing diagnosis, a systematic investigation of a health concern, and an analysis of the data collected in order to arrive at an identifiable problem; and
 - (b) Planning, implementation, and evaluation based on nationally accepted standards of nursing practice;
- (5) "Registered nurse" means one who is licensed under the provisions of this chapter to engage in registered nursing practice;
- (6) "Registered nursing practice" means the performance of acts requiring substantial specialized knowledge, judgment, and nursing skill based upon the principles of psychological, biological, physical, and social sciences in the application of the nursing process in:
 - (a) The care, counsel, and health teaching of the ill, injured, or infirm;
 - (b) The maintenance of health or prevention of illness of others;
 - (c) The administration of medication and treatment as prescribed by a physician, physician assistant, dentist, or advanced registered nurse practitioner and as further authorized or limited by the board, and which are consistent either with American Nurses' Association Standards of Practice or with Standards of Practice established by nationally accepted organizations of registered nurses. Components of medication administration include, but are not limited to:
 1. Preparing and giving medications in the prescribed dosage, route, and frequency;
 2. Observing, recording, and reporting desired effects, untoward reactions, and side effects of drug therapy;
 3. Intervening when emergency care is required as a result of drug therapy;
 4. Recognizing accepted prescribing limits and reporting deviations to the prescribing individual;
 5. Recognizing drug incompatibilities and reporting interactions or potential interactions to the prescribing individual; and
 6. Instructing an individual regarding medications;
 - (d) The supervision, teaching of, and delegation to other personnel in the performance of activities relating to nursing care; and
 - (e) The performance of other nursing acts which are authorized or limited by the board, and which are consistent either with American Nurses' Association Standards of Practice or with Standards of Practice established by nationally accepted organizations of registered nurses;
- (7) "Advanced registered nurse practitioner" means one who is registered and designated to engage in advanced registered nursing practice including the nurse anesthetist, nurse midwife, clinical nurse specialist, and nurse practitioner pursuant to KRS 314.042;
- (8) "Advanced registered nursing practice" means the performance of additional acts by registered nurses who have gained added knowledge and skills through an organized postbasic program of study and clinical experience and who are certified by the American Nurses' Association or other nationally established organizations or agencies recognized by the board to certify registered nurses for advanced nursing practice. The additional acts shall, subject to approval of the board, include, but not be limited to, prescribing treatment, drugs, devices, and ordering diagnostic tests. Advanced registered nurse practitioners who engage in these additional acts shall be authorized to issue prescriptions for and dispense nonscheduled legend drugs as defined

in KRS 217.905, under the conditions set forth in KRS 314.042. Nothing in this chapter shall be construed as requiring an advanced registered nurse practitioner designated by the board as a nurse anesthetist to obtain prescriptive authority pursuant to this chapter or any other provision of law in order to deliver anesthesia care. The performance of these additional acts shall be consistent with the certifying organization or agencies' scopes and standards of practice recognized by the board by administrative regulation;

- (9) "Licensed practical nurse" means one who is licensed under the provisions of this chapter to engage in licensed practical nursing practice;
- (10) "Licensed practical nursing practice" means the performance of acts requiring knowledge and skill such as are taught or acquired in approved schools for practical nursing in:
 - (a) The observing and caring for the ill, injured, or infirm under the direction of a registered nurse, a licensed physician, or dentist;
 - (b) The giving of counsel and applying procedures to safeguard life and health, as defined and authorized by the board;
 - (c) The administration of medication or treatment as authorized by a physician, physician assistant, dentist, or advanced registered nurse practitioner and as further authorized or limited by the board which is consistent with the National Federation of Licensed Practical Nurses or with Standards of Practice established by nationally accepted organizations of licensed practical nurses;
 - (d) Teaching, supervising, and delegating except as limited by the board; and
 - (e) The performance of other nursing acts which are authorized or limited by the board and which are consistent with the National Federation of Practical Nurses' Standards of Practice or with Standards of Practice established by nationally accepted organizations of licensed practical nurses;
- (11) "School of nursing" means a nursing education program preparing persons for licensure as a registered nurse or a practical nurse;
- (12) "Continuing education" means offerings beyond the basic nursing program that present specific content planned and evaluated to meet competency based behavioral objectives which develop new skills and upgrade knowledge;
- (13) "Nursing assistance" means the performance of delegated nursing acts by unlicensed nursing personnel for compensation under supervision of a nurse;
- (14) "Sexual assault nurse examiner" means a registered nurse who has completed the required education and clinical experience and ***maintains a current credential from***~~been credentialed by~~ the board as provided under KRS 314.142 to conduct forensic examinations of victims of sexual offenses under the medical protocol issued by the State Medical Examiner pursuant to KRS 216B.400(4);
- (15) "Competency" means the application of knowledge and skills in the utilization of critical thinking, effective communication, interventions, and caring behaviors consistent with the nurse's practice role within the context of the public's health, safety, and welfare;
- (16) "Credential" means a current license, registration, or certificate that is issued by the board and that permits the practice of nursing;
- (17) "Dispense" means to receive and distribute noncontrolled legend drug samples from pharmaceutical manufacturers to patients at no charge to the patient or any other party;
- (18) "Dialysis care" means a process by which dissolved substances are removed from a patient's body by diffusion, osmosis, and convection from one (1) fluid compartment to another across a semipermeable membrane; and
- (19) "Dialysis technician" means a person who is not a nurse, a physician assistant, or a physician and who provides dialysis care in a licensed renal dialysis facility under the direct, on-site supervision of a registered nurse or a physician.

Section 3. KRS 314.142 is amended to read as follows:

- (1) The Kentucky Board of Nursing shall promulgate administrative regulations pursuant to KRS Chapter 13A to create a Sexual Assault Nurse Examiner Program. These administrative regulations shall address, at a minimum:

- (a) Educational requirements for sexual assault nurse examiners and statewide standards for provision of the education;
 - (b) The application process through which registered nurses who submit documentation of required education and clinical experience and who remit the designated application fee may apply to the board to be credentialed as a "Sexual Assault Nurse Examiner";
 - (c) Continuing education requirements for maintenance of the sexual assault nurse examiner credential;~~{ and }~~
 - (d) Methods of monitoring overall program implementation; *and*
 - (e) *Procedures for obtaining input from the Sexual Assault Response Team Advisory Committee established under KRS Chapter 403 prior to proposing amendments to any provision of the administrative regulations promulgated under this section or KRS 314.131.*
- (2)~~{~~ ~~For the purpose of providing recommendations to the Kentucky Board of Nursing on the development and implementation of the Sexual Assault Nurse Examiner Program, there is hereby created a Sexual Assault Nurse Examiner Advisory Council. The following members shall serve on the council by virtue of their office: the executive director of the Kentucky Board of Nursing or the executive director's designee; the executive director of the Kentucky Hospital Association or the executive director's designee; the state medical examiner or the examiner's designee; the commissioner of the Department for Community Based Services of the Cabinet for Families and Children or the commissioner's designee; the executive director of the Governor's Office of Child Abuse and Domestic Violence Services or the executive director's designee; the president of the Kentucky Association of Sexual Assault Programs or the president's designee; the commissioner of the Department for Public Health of the Cabinet for Health Services or the commissioner's designee; the commissioner of the Kentucky State Police or the commissioner's designee; the chair of the Kentucky Association of Baccalaureate and Higher Degree Nursing Programs or the chair's designee; the director of the Victim's Advocacy Division of the Office of the Attorney General or the director's designee; the director of the Prosecutors Advisory Council of the Office of the Attorney General or the director's designee; and the director of the Kentucky State Police Crime Lab or the director's designee. Two (2) members shall be registered nurses with forensic experience appointed by the Governor from a list of three (3) names recommended by the Kentucky Nurses Association. One (1) member shall be a physician with forensic experience appointed by the Governor from a list of three (3) names recommended by the Kentucky Medical Association. Two (2) members with a demonstrated interest and experience in victims' services shall be appointed by the Governor to serve as at large members. Of the at large members, one (1) shall be appointed from a list of three (3) names recommended by the Kentucky Board of Nursing and one (1) from a list of three (3) names recommended by the Cabinet for Health Services.~~
- (3) ~~Members shall serve at the pleasure of the appointing authority but shall not serve longer than four (4) years without reappointment.~~
- (4) ~~The chair of the advisory council shall be elected by a majority vote of council members.~~
- (5) ~~Each member of the council may be reimbursed for necessary expenses incurred in attending its meetings from funds available through the collection of fees required under subsection (1) of this section.~~
- (6)~~{~~ Any person in this state who holds a credential as a Sexual Assault Nurse Examiner as defined in KRS 314.011(14) shall have the right to use the title "Sexual Assault Nurse Examiner" and the abbreviation "SANE". No other person shall assume the title or use the abbreviation or any other words, letters, signs, or figures to indicate that the person using the same is a Sexual Assault Nurse Examiner.

SECTION 4. A NEW SECTION OF KRS CHAPTER 403 IS CREATED TO READ AS FOLLOWS:

- (1) *The Governor's Council on Domestic Violence and Sexual Assault shall create a Sexual Assault Response Team Advisory Committee.*
- (2) *The Sexual Assault Response Team Advisory Committee shall be co-chaired by the executive director of the Kentucky Association of Sexual Assault Programs and the commissioner of the Kentucky State Police or the commissioner's designee.*
- (3) *The membership of the Sexual Assault Response Team Advisory Committee shall consist of the following:*
 - (a) *The executive director of the Kentucky Board of Nursing or the executive director's designee;*

- (b) *The executive director of the Kentucky Nurses Association or the executive director's designee;*
 - (c) *The executive director of the Kentucky Hospital Association or the executive director's designee;*
 - (d) *The director of the Kentucky State Police Crime Lab;*
 - (e) *The chief medical examiner or the chief medical examiner's designee;*
 - (f) *The executive director of the Governor's Office of Child Abuse and Domestic Violence Services or the executive director's designee;*
 - (g) *The director of the Victims' Advocacy Division of the Office of the Attorney General or the director's designee;*
 - (h) *A sexual assault nurse examiner serving on the Governor's Council on Domestic Violence and Sexual Assault;*
 - (i) *A representative from a sexual assault response team serving on the Governor's Council on Domestic Violence and Sexual Assault;*
 - (j) *A physician appointed by the co-chairs of the Governor's Council on Domestic Violence and Sexual Assault; and*
 - (k) *A Commonwealth's attorney or an assistant Commonwealth's attorney appointed by the co-chairs of the Governor's Council on Domestic Violence and Sexual Assault.*
- (4) *Members appointed under paragraphs (h) to (k) of subsection (3) shall serve at the pleasure of the appointing authority and shall not serve longer than four (4) years without reappointment.*
- (5) *The Sexual Assault Response Team Advisory Committee shall:*
- (a) *Serve in an advisory capacity to the Kentucky Board of Nursing in accomplishing the duties set forth under KRS 314.142;*
 - (b) *Serve in an advisory capacity to the chief medical examiner in the development of the statewide sexual assault protocol required under KRS 216B.400(4);*
 - (c) *Develop a model protocol for the operation of sexual assault response teams which shall include the roles of sexual assault nurse examiners, physicians, law enforcement, prosecutors, and victim advocates;*
 - (d) *Provide information and recommendations concerning the activities of the agency or organization represented by each individual committee member as related to sexual assault issues and programs within the purview of the agency or organization; and*
 - (e) *Recommend to the Governor's Council on Domestic Violence and Sexual Assault any changes in statute, administrative regulation, training, policy, and budget to promote a multidisciplinary response to sexual assault.*

Approved March 01, 2002

CHAPTER 21

(HB 47)

AN ACT relating to telephone solicitation.

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

Section 1. KRS 367.46951 is amended to read as follows:

As used in KRS 367.46951 to 367.46999 **and Section 8 of this Act**, unless the context otherwise requires:

- (1) "Telephone solicitation" means:
 - (a) **A live or recorded communication sent by a** telephone~~[-call]~~ or message sent by a facsimile machine to a residential, mobile, or telephone paging device telephone number, including a call made by an automatic dialing or recorded message device, for the purpose of:

1. Soliciting a sale of consumer goods or services, offering an investment, business, or employment opportunity, or offering a consumer loan to the person called;
 2. Obtaining information that will or may be used for the solicitation of a sale of consumer goods or services, the offering of an investment, business, or employment opportunity, or the offering of a consumer loan to the person called;
 3. Offering the person called a prize, gift, or anything else of value, if payment of money or other consideration is required in order to receive the prize or gift, including the purchase of other merchandise or services or the payment of any processing fees, delivery charges, shipping and handling fees, or other fees or charges; or
 4. Offering the person called a prize, gift, or other incentive to attend a sales presentation for consumer goods or services, an investment or business opportunity, or a consumer loan; or
- (b) A **live or recorded communication sent**~~[solicitation or attempted solicitation which is made]~~ by telephone, **facsimile machine, mobile telephone, or telephone paging device** in response to inquiries generated by unrequested notifications sent by the merchant to persons who have not previously purchased goods or services from the merchant or telemarketer or who have not previously requested credit from the merchant, to a prospective purchaser if the merchant or telemarketer represents or implies to the recipient of the notification that any of the following applies:
1. That the recipient has in any manner been specially selected to receive the notification or the offer contained in the notification;
 2. That the recipient will receive a prize or gift if the recipient calls the merchant or telemarketer; or
 3. That if the recipient buys one (1) or more items from the merchant or telemarketer, the recipient will also receive additional or other items of the same or a different type at no additional cost or for less than the regular price of the items;
- (2) "Telephone solicitation" does not mean the following:
- (a) A telephone call made in response to an express request of a person called, unless the request was made during a prior telephone solicitation;
 - (b) A telephone call made **to the debtor or a party to the contract**~~[primarily]~~ in connection with the payment or performance of an existing debt or contract, the payment or performance of which has not been completed at the time of the call;
 - (c) A telephone call to any person with whom the telemarketer or merchant has a prior or existing business relationship, including but not limited to the solicitation of contracts for the maintenance or repair of items previously purchased from the person making the solicitation or on whose behalf the solicitation is made;
 - (d) A telephone call made by~~[any of]~~ the following:
 1. **A merchant or telemarketer located in Kentucky to a location outside of the Commonwealth of Kentucky;**
 2. **A telephone call made by one (1) merchant to another;**
 - ~~3. A college or university accredited by a national or regional accrediting organization;~~
 - ~~2. An organization exempt from taxation under Section 501(c)(3) or Section 501(c)(6) of the Internal Revenue Code;~~
 - ~~3. A school, or a person on behalf of a school, regulated by the Kentucky Department of Education;~~
 - ~~4. A real estate broker or sales associate properly licensed under the provisions of KRS Chapter 324;~~
 - ~~5. A broker dealer, agent, or investment adviser properly registered under the provisions of KRS Chapter 292;~~

- ~~6. An insurance agent, solicitor, or consultant properly licensed under the provisions of Subtitle 9 of KRS Chapter 304;~~
- ~~7. An employment agency that has obtained a current permit from the Cabinet for Workforce Development under the provisions of KRS Chapter 340;~~
- ~~8. A person soliciting the sale of a subscription to a newspaper, magazine, or periodical of general circulation, or a cable television service;~~
- ~~9. A merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent, when the merchant or telemarketer is regulated by the Public Service Commission;~~
- ~~10. A merchant or telemarketer soliciting the sale of food costing less than one hundred dollars (\$100) to each address;~~
- ~~11. A person who periodically issues and delivers catalogs to potential purchasers if the catalog includes a written description or illustration and the sales price of each item offered for sale, includes at least twenty four (24) full pages of written material or illustrations, is distributed in more than one (1) state, and has an annual circulation of not less than two hundred fifty thousand (250,000) customers;~~
- ~~12. Any corporation, partnership, or individual whose business or activities are regulated by the Commonwealth of Kentucky, Department for Financial Institutions;~~
- ~~13. A merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent when the merchant or telemarketer is subject to the control or licensure regulations of the Federal Communications Commission;~~
- ~~14. A book, video, or record club or contractual plan or arrangement in which the merchant or telemarketer provides the consumer with a form which the consumer may use to instruct the merchant or telemarketer not to ship the offered merchandise, or which is regulated by federal regulation concerning the use of negative option plans by sellers in commerce, or which otherwise provides for the sale of books, records, or videos. Examples of the latter plan include continuity plans, subscription arrangements, standing order arrangements, supplements, and series arrangements under which the seller periodically ships merchandise to a consumer who has consented in advance to receive the merchandise on a periodic basis;~~
- ~~15. A merchant or telemarketer who: solicits without intent to complete or obtain provisional acceptance of a sale during the telephone solicitation; does not make the major sales presentation during the solicitation but arranges for the major presentation to be made at a later, face to face meeting between the sales person and the purchaser; and does not go or cause another to collect payment for the purchase or deliver any item purchased to the prospective purchaser directly following the telephone solicitation;~~
- ~~16. Any telephone marketing service company which provides telemarketing sales services under contract to merchants and has been operating continuously for at least five (5) years under the same business name and seventy five percent (75%) of whose services are performed for merchants exempted under KRS 367.46951 to 367.46999, if the company files an annual certification with the Office of the Attorney General on a form prescribed by the Attorney General. The certification shall include the company's basis for claiming the exemption and shall indicate the company's agreement to comply with the provisions of KRS 367.46951 to 367.46999, if applicable;~~
- ~~17. A telephone call made by a merchant or telemarketer located in Kentucky to a location outside the Commonwealth of Kentucky;~~
- ~~18. A merchant or his employee if the merchant has operated for at least two (2) years, under the same name as that used in connection with its telemarketing operations, a retail establishment in Kentucky where consumer goods are displayed and offered for sale on a continuing basis if a majority of the merchant's business involves the buyers obtaining services or products at the merchant's retail establishment; or~~
- ~~19. A merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent, where the merchant or telemarketer is a publicly traded corporation;~~

~~Except for paragraph (d)16. of this subsection, the exemptions provided under this subsection shall apply only to a merchant or telemarketer or the merchant's or telemarketer's affiliate or authorized agent engaging in a telephone solicitation on the merchant's or telemarketer's behalf;]~~

- (3) "Consumer goods or services" means goods, services, or interests in real property used by natural persons primarily for personal, family, or household purposes;
- (4) "Consumer loan" means any extension of credit, including credit cards and other forms of revolving credit, to a natural person primarily for the purposes of purchasing consumer goods or services or for paying existing personal, family, or household debts;
- (5) "Consumer" means a natural person who receives a telephone solicitation;
- (6) "Legal name of the merchant" means the real name of the merchant, as defined in KRS 365.015(1), or the assumed name of the merchant for which all proper certificates have been filed pursuant to KRS 365.015;
- (7) "Merchant" means the individual or business entity offering the consumer goods or services, an investment, business, or employment opportunity, or a consumer loan;
- (8) "Caller" or "sales person" means the individual making the call or operating the automatic dialing or recorded message device and causing the call to be made;
- (9) "Division" means the Consumer Protection Division of the Office of the Attorney General;
- (10) "Automated calling equipment" means any device or combination of devices used to select or dial telephone numbers and to deliver recorded messages to those numbers without the use of a live operator;~~[-and]~~
- (11) "Telemarketer" means any person who under contract with a merchant or in connection with a telephone solicitation initiates or receives telephone calls to or from a consumer of goods and services. A telemarketer includes, but is not limited to, any such person that is an owner, operator, officer, director, or partner to the management activities of a business;~~[-]~~
- (12) "Publicly-traded corporation" means an issuer or subsidiary of an issuer that has a class of securities which is:
 - (a) Subject to Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. sec. 78l) and which is registered or exempt from registration under paragraph (A), (B), (C), (E), (F), (G), or (H) of subsection (g)(2) of that section;
 - (b) Listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market System; or
 - (c) A reported security within the meaning of subparagraph (4) of Regulation Section 240.11Aa3-1.(a) under the Securities Exchange Act of 1934. A subsidiary of an issuer that qualifies for exemption under this paragraph shall not itself be exempt unless at least sixty percent (60%) of the voting power of its shares is owned by the qualifying issuer;
- (13) "Telemarketing company" means a company whose primary business is to engage in telephone solicitation;
and
- (14) ***"Zero call" list means a list containing the telephone numbers of the individuals that indicate their preference not to receive telephone solicitations.***

Section 2. KRS 367.46955 is amended to read as follows:

It is a prohibited telephone solicitation act or practice and a violation of KRS 367.46951 to 367.46999 for any ***person making a telephone solicitation***~~[telemarketing company]~~ to engage in the following conduct:

- (1) Advertising or representing that registration as a telemarketer equals an endorsement or approval by any government or governmental agency;
- (2) Requesting a fee in advance to remove derogatory information from or improve a person's credit history or credit record;
- (3) Requesting or receiving a payment in advance from a person to recover or otherwise aid in the return of money or any other item lost by the consumer in a prior telephone solicitation transaction;

- (4) Requesting or receiving payment of any fee or consideration in advance of obtaining a loan or other extension of credit when the telemarketing company has guaranteed or represented a high likelihood of success in obtaining or arranging a loan or other extension of credit for a person;
- (5) Obtaining or submitting for payment a check, draft, or other form of negotiable paper drawn on a person's checking, savings, or bond or other account without the consumer's express written authorization, **or charging a credit card account or making electronic transfer of funds except in conformity with KRS 367.46953**;
- (6) Procuring the services of any professional delivery, courier, or other pickup service to obtain immediate receipt or possession of a consumer's payment, unless the goods are delivered with the opportunity to inspect before any payment is collected;
- (7) Assisting, supporting, or providing substantial assistance to any telemarketer when the telemarketing company knew or should have known that the telemarketer was engaged in any act or practice prohibited under this section;
- (8) Making a telephone solicitation to anyone under eighteen (18) years of age. When making a telephone solicitation the telemarketer shall inquire as to whether the person is eighteen (18) years of age or older and the answer shall be presumed to be correct;
- (9) Utilizing any method to block or otherwise circumvent the use of a caller identification service when placing an unsolicited telephone solicitation call;
- (10) Directing or permitting employees to use a fictitious name or not to use their name while making a telephone solicitation;
- (11) Threatening, intimidating, or using profane or obscene language;
- (12) Causing the telephone to ring more than thirty (30) seconds in an intended telephone solicitation;
- (13) Engaging any person repeatedly or continuously with behavior a reasonable person would deem to be annoying, abusive, or harassing;
- (14) Initiating a telephone solicitation call to a person, when that person has stated previously that he or she does not wish to receive solicitation calls from that seller;
- (15)
 - (a) Making or causing to be made an unsolicited telephone solicitation call if the **residential** number for that telephone appears in the current publication of the **zero call**~~["no telephone solicitation calls"]~~ list maintained by the Office of the Attorney General, Division of Consumer Protection. Any holder of a **residential** telephone number may notify the division and be placed on a **zero call**~~["no telephone solicitation calls"]~~ list indicating the wish not to receive unsolicited telephone solicitation calls by notification to the division. The **telephone numbers**~~names~~ of persons requesting to be on the **zero call**~~["no telephone solicitation calls"]~~ list shall remain on the list until the person rescinds his or her name from the list.
 - (b) The **zero call** list shall be **updated**, published, **and distributed on a quarterly basis** in **electronic and** hard copy and may be made available in other formats at the discretion of the division. After the publication of the list each **quarter**~~month~~ each telemarketing company, **telemarketer, and merchant** shall be deemed to be on notice not to solicit any person whose **telephone number**~~name~~ appears on the list~~. The division shall charge a fee calculated to defray costs of the no telephone solicitation calls program to telemarketing companies for the provision of the list. Funds collected shall be deposited into the division's trust and agency account.~~ The list shall be made available to requesters either on a statewide or county by county basis;~~or~~
- (16) **Making telephone solicitations**~~Engaging in telemarketing~~ to a person's residence at any time other than between 10 a.m. - 9 p.m. local time, at the called person's location;
- (17) **Selling or making available for economic gain any information revealed during a telephone solicitation without the express written consent of the consumer**;
- (18) **Making a telephone solicitation to any residential telephone using an artificial or prerecorded voice to deliver a message, unless the call is initiated for emergency purposes by schools regulated by the Kentucky Department of Education or the call is made with the prior express consent of the called party; or**
- (19) **Engaging in any unfair, false, misleading, or deceptive practice or act as part of a telephone solicitation.**

Section 3. KRS 367.46971 is amended to read as follows:

- (1) At least ten (10) days prior to doing business in this state, a **telemarketing company**~~{merchant}~~ shall file with the division the information described below and pay a filing fee of three hundred dollars (\$300). A **telemarketing company**~~{merchant}~~ shall be deemed to do business in this state if the **telemarketing company**~~{merchant}~~ solicits prospective purchasers from locations in this state or solicits prospective purchasers who are located in this state. The information required by this section shall be submitted on a form provided by the Attorney General and shall be verified by a declaration signed by each principal of the **telemarketing company**~~{merchant}~~, under penalty of perjury. The declaration shall specify the date and location of signing. Information submitted pursuant to KRS 367.46951 to 367.46999 shall be clearly identified and appended to the filing.
- (2) Registration of a **telemarketing company**~~{merchant}~~ shall be valid for one (1) year from the effective date thereof and may be renewed annually by making the filing required by this section and paying a filing fee of fifty dollars (\$50).
- (3) If, prior to expiration of a **telemarketing company's**~~{merchant's}~~ annual registration, there is a material change in the information required by KRS 367.46951 to 367.46999, the **telemarketing company**~~{merchant}~~ shall, within ten (10) days, file an addendum updating the information with the division. However, changes in salespersons soliciting on behalf of a **telemarketing company**~~{merchant}~~ shall be updated by filing addenda, if necessary, in quarterly intervals computed from the effective date of registration. The addendum shall include the required information for all salespersons currently soliciting or having solicited on behalf of the **telemarketing company**~~{merchant}~~ at any time during the period between the filing of the registration, or the last addendum, and the current addendum, and shall include information on salespersons no longer soliciting for the **telemarketing company**~~{merchant}~~ as of the date of the filing of the current addendum.
- (4) Upon receiving the filing and the filing fee pursuant to this section, the division shall send the **telemarketing company**~~{merchant}~~ a written confirmation of receipt of the filing. If the **telemarketing company**~~{merchant}~~ has more than one (1) business location, the written confirmation shall be sent to the **telemarketing company's**~~{merchant's}~~ principal business location as identified in the **telemarketing company's**~~{merchant's}~~ filing in sufficient numbers so that the **telemarketing company**~~{merchant}~~ can meet the requirements of this subsection. Within ten (10) days of receipt of the confirmation, the **telemarketing company**~~{merchant}~~ shall post in a conspicuous place at each of the **telemarketing company's**~~{merchant's}~~ business locations within this state a copy of the entire registration statement which has been filed with the division. Until confirmation of receipt of filing is received and posted, the **telemarketing company**~~{merchant}~~ shall post in a conspicuous place at each of the **telemarketing company's**~~{merchant's}~~ business locations within this state a copy of the first page of the registration form sent to the department. The **telemarketing company**~~{merchant}~~ shall also post in close proximity to either the confirmation of receipt of filing or the first page of the submitted registration form the name of the individual in charge of each location from which the **telemarketing company**~~{merchant}~~ does business in this state.

Section 4. KRS 367.46981 is amended to read as follows:

- (1) Every **telemarketing company**~~{merchant}~~ shall maintain a bond issued by a surety company admitted to do business in this state. The bond shall be in the amount of fifty thousand dollars (\$50,000) in favor of the Attorney General for the benefit of any person suffering injury or loss by reason of any violation of KRS 367.46951 to 367.46999 to be paid under the terms of any order of a court of competent jurisdiction obtained by the Attorney General, as a result of any violation of KRS 367.46951 to 367.46999. A copy of the bond shall be filed with the division.
- (2) At least ten (10) days prior to the inception of any promotion offering a premium with an actual market value or advertised value of five hundred dollars (\$500) or more, the **telemarketing company**~~{merchant}~~ shall notify the Attorney General in writing of the details of the promotion, describing the premium and its current market value, the value at which it is advertised or held out to the customer, the date the premium shall be awarded, and the conditions under which the award shall be made. The **telemarketing company**~~{merchant}~~ shall maintain an additional bond for the greater of the current total market value or the advertised value of the premiums held out or advertised to be available to a purchaser or recipient. A copy of the bond shall be filed with the division. The bond, or a portion of it necessary to cover the cost of the award, shall be forfeited if the premium is not awarded to a bona fide customer within thirty (30) days of the date disclosed as the time of award or the time otherwise required by law. The proceeds of the bond shall be paid to any person suffering

injury or loss by reason of any violation of KRS 367.46951 to 367.46999 or shall be paid pursuant to the terms of any order of a court of competent jurisdiction obtained by the Attorney General, Commonwealth's attorney, or county attorney as a result of any violation of KRS 367.46951 to 367.46999. The bond shall be maintained until the **telemarketing company**~~[merchant]~~ files with the Attorney General proof that the premium was awarded.

SECTION 5. A NEW SECTION OF KRS 367.46951 TO 367.46999 IS CREATED TO READ AS FOLLOWS:

- (1) *Any person may apply to the Office of the Attorney General, Division of Consumer Protection, to have his or her residential telephone number listed on the zero call list. The Office of the Attorney General shall provide automated telephone dial-in registration and shall collect only the home phone number from the applicant deemed to be required to administer the zero call list. The Office of the Attorney General shall promulgate administrative regulations to:*

 - (a) *Provide for automatic telephone number referral from the incumbent local exchange carrier or the competitive local exchange carrier to the Office of the Attorney General for the purpose of updating the zero call list to reflect an applicant's change of address or an applicant's termination of telephone service; and*
 - (b) *Develop, modify, or administer the zero call list in such a way as to permit interface with any national registry established by the Federal Trade Commission or the Federal Communications Commission for the purpose of including in Kentucky's zero call list that part of the national database that relates to the Commonwealth or release to the national registry applicants on the zero call list that indicate a preference to be listed on a national registry.*
- (2) *The Attorney General shall place the residential telephone number provided by the applicant on the list. The Attorney General may update the information on the list as provided in subsection (1) of this section, but shall not remove the information unless requested to do so in writing by the applicant, or upon receiving notice that the given telephone number is no longer held in the name of the applicant.*
- (3) *Persons whose telephone numbers appear on the zero call list shall not receive telephone solicitations except in accordance with the provisions of KRS 367.46951 to 367.46999.*
- (4) *Any person that applies to the Office of the Attorney General to be placed on the zero call list shall be informed about how to add his or her name or telephone number to company-specific and industry-wide no solicitation call lists, including those lists provided by the Direct Marketing Association (DMA) and the Telephone Preference Service (TPS).*
- (5) *Information contained in a database established for the purpose of administering the zero call list shall be used only for the purpose of implementing the zero call program in conformance with KRS 367.46951 to 367.46999.*
- (6) *The zero call list shall be available at no cost to any merchant or telemarketing company that is required to consult the list. In addition to the formats described in subsection (15) of Section 2 of this Act, the list shall be made available in a format for electronic download from the Internet Web page of the Office of the Attorney General. The Attorney General shall make the electronic list available in a format that is searchable by area code and by local exchange. The electronic format shall be arranged with the last four digits of the telephone numbers in ascending order. The electronic list shall also be searchable by individual number and shall be downloadable in at least five (5) of the most common commercially available data management program formats. Hard copies of the zero call list shall be arranged by area code and local exchange with the last four digits in ascending order. The Office of the Attorney General shall develop procedures to assure that:*

 - (a) *The merchant or telemarketing company requesting the list shall maintain the confidentiality of the information on the list; and*
 - (b) *The merchant or telemarketing company shall use the list only for the purpose of preventing telephone solicitation calls to persons whose telephone numbers appear on the list.*
- (7) *The Kentucky Public Service Commission shall produce a consumer education pamphlet that:*

 - (a) *Describes the changes made in the year 2002 to Kentucky's telemarketing laws including the creation of the zero call list.*

- (b) *Describes the consumer's rights and responsibilities regarding the receipt of telephone solicitation.*
 - (c) *Explains how consumers can apply to be placed on the zero call list and on any federal do not call registry established by the Federal Communications Commission or the Federal Trade Commission.*
 - (d) *Explains how to apply to be placed on company-specific and industrywide no solicitation calls list, including those lists provided by the Direct Marketing Association (DMA) and the Telephone Preference Service (TPS).*
 - (e) *Describes how a consumer can file a complaint if the consumer receives calls after being placed on the zero call list.*
- (8) *At least once a year, the Public Service Commission shall require that the pamphlet be included in the billing inserts of the telephone companies under the Public Service Commission's jurisdiction.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 367.46951 TO 367.46999 IS CREATED TO READ AS FOLLOWS:

- (1) *Any claim or action alleging the making of a call to a person on the zero call list in violation of Section 2 of this Act shall be in writing and verified by the claimant.*
- (2) *In any action or claim alleging the making of a call to a person on the zero call list, it shall be a defense that the defendant obtains the current zero call list in a timely manner and makes reasonable efforts to avoid calling persons whose telephone numbers appear on the list.*
- (3) *It shall be a defense in any action or proceeding brought under KRS 367.46951 to 367.46999 that the defendant has established and implemented, with due care, reasonable practices and procedures to prevent telephone solicitations in violation of KRS 367.46951 to 367.46999.*

Section 7. KRS 367.46967 is amended to read as follows:

- (1) A violation by a **telemarketing company, telemarketer**, caller, or merchant of KRS 367.46951 to 367.46999 shall constitute an unfair, false, misleading, or deceptive act or practice in the conduct of trade or commerce in violation of KRS 367.170.
- (2) All of the remedies, powers, and duties provided for the Attorney General by KRS 367.190 to 367.300 and the penalties provided in KRS 367.990, relating to acts and practices violating KRS 367.170 shall apply with equal force and effect to acts and practices declared unlawful by KRS 367.46951 to 367.46999.
- (3) Nothing in KRS 367.46951 to 367.46999 shall be construed to limit or restrict the exercise of powers or the performance of the duties of the Attorney General authorized under any other provision of law.

Section 8. KRS 367.990 is amended to read as follows:

- (1) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.190 shall forfeit and pay to the Commonwealth a civil penalty of not more than twenty-five thousand dollars (\$25,000) per violation. For the purposes of this section, the Circuit Court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the Attorney General acting in the name of the Commonwealth may petition for recovery of civil penalties.
- (2) In any action brought under KRS 367.190, if the court finds that a person is willfully using or has willfully used a method, act, or practice declared unlawful by KRS 367.170, the Attorney General, upon petition to the court, may recover, on behalf of the Commonwealth, a civil penalty of not more than two thousand dollars (\$2,000) per violation, or where the defendant's conduct is directed at a person aged sixty (60) or older, a civil penalty of not more than ten thousand dollars (\$10,000) per violation, if the trier of fact determines that the defendant knew or should have known that the person aged sixty (60) or older is substantially more vulnerable than other members of the public.
- (3) Any person with actual notice that an investigation has begun or is about to begin pursuant to KRS 367.240 and 367.250 who intentionally conceals, alters, destroys, or falsifies documentary material is guilty of a Class A misdemeanor.
- (4) Any person who, in response to a subpoena or demand as provided in KRS 367.240 or 367.250, intentionally falsifies or withholds documents, records, or pertinent materials that are not privileged shall be subject to a fine as provided in subsection (3) of this section.

- (5) The Circuit Court of any county in which any plan described in KRS 367.350 is proposed, operated, or promoted may grant an injunction without bond, upon complaint filed by the Attorney General to enjoin the further operation thereof, and the Attorney General may ask for and the court may assess civil penalties against the defendant in an amount not to exceed the sum of five thousand dollars (\$5,000) which shall be for the benefit of the Commonwealth of Kentucky.
- (6) Any person, business, or corporation who knowingly violates the provisions of KRS 367.540 shall be guilty of a violation. It shall be considered a separate offense each time a magazine is mailed into the state; but it shall be considered only one (1) offense for any quantity of the same issue of a magazine mailed into Kentucky.
- (7) Any solicitor who violates the provisions of KRS 367.513 or 367.515 shall be guilty of a Class A misdemeanor.
- (8) In addition to the penalties contained in this section, the Attorney General, upon petition to the court, may recover, on behalf of the Commonwealth a civil penalty of not more than the greater of five thousand dollars (\$5,000) or two hundred dollars (\$200) per day for each and every violation of KRS 367.175.
- (9) Any person who shall willfully and intentionally violate any provision of KRS 367.976 to 367.985 shall be guilty of a Class B misdemeanor.
- (10)
 - (a) Any person who violates the terms of a temporary or permanent injunction issued under KRS 367.665 shall forfeit and pay to the Commonwealth a penalty of not more than five thousand dollars (\$5,000) per violation. For the purposes of this section, the Circuit Court issuing an injunction shall retain jurisdiction, and the cause shall be continued, and in such cases the Attorney General acting in the name of the Commonwealth may petition for recovery of civil penalties;
 - (b) The Attorney General may, upon petition to a court having jurisdiction under KRS 367.190, recover on behalf of the Commonwealth from any person found to have willfully committed an act declared unlawful by KRS 367.667 a penalty of not more than two thousand dollars (\$2,000) per violation; and
 - (c) Any person who knowingly violates any provision of KRS 367.652, 367.653, 367.656, 367.657, 367.658, 367.666, or 367.668 or who knowingly gives false or incorrect information to the Attorney General in filing statements or reports required by KRS 367.650 to 367.670 shall be guilty of a Class D felony.
- (11) Any dealer who fails to provide a statement under KRS 367.760 or a notice under KRS 367.765 shall be liable for a penalty of one hundred dollars (\$100) per violation to be collected in the name of the Commonwealth upon action of the Attorney General.
- (12) Any dealer or manufacturer who falsifies a statement under KRS 367.760 shall be liable for a penalty not exceeding one thousand dollars (\$1,000) to be collected in the name of the Commonwealth upon action by the Attorney General.
- (13) Any person who violates KRS 367.805, 367.809(2), 367.811, 367.813(1), or 367.816 shall be guilty of a Class C felony.
- (14) Either the Attorney General or the appropriate Commonwealth's attorney shall have authority to prosecute violations of KRS 367.801 to 367.819.
- (15) A violation of KRS 367.474 to 367.478 and KRS 367.482 is a Class C felony. Either the Attorney General or the appropriate Commonwealth's attorney shall have authority to prosecute violators of KRS 367.474 to 367.478 and KRS 367.482.
- (16) Any person who violates KRS 367.310 shall be guilty of a violation.
- (17) Any person, partnership, or corporation who violates the provisions of KRS 367.850 shall be guilty of a Class A misdemeanor.
- (18) Any dealer in motor vehicles or any other person who fraudulently changes, sets back, disconnects, fails to connect, or causes to be changed, set back, or disconnected, the speedometer or odometer of any motor vehicle, to effect the sale of the motor vehicle shall be guilty of a Class D felony.
- (19) Any person who negotiates a contract of membership on behalf of a club without having previously fulfilled the bonding requirement of KRS 367.403 shall be guilty of a Class D felony.

- (20) Any person or corporation who operates or attempts to operate a health spa in violation of KRS 367.905(1) shall be guilty of a Class A misdemeanor.
- (21) (a) Any person who violates KRS 367.832 shall be guilty of a Class C felony; and
 - (b) The appropriate Commonwealth's attorney shall have authority to prosecute felony violations of KRS 367.832.
- (22) (a) Any person who violates the provisions of KRS 367.855 or 367.857 shall be guilty of a violation. Either the Attorney General or the appropriate county health department may prosecute violators of KRS 367.855 or 367.857.
 - (b) The provisions of this subsection shall not apply to any retail establishment if the wholesaler, distributor, or processor fails to comply with the provisions of KRS 367.857.
- (23) *Notwithstanding any other provision of law, any telemarketing company, telemarketer, caller, or merchant shall be guilty of a Class D felony when that telemarketing company, telemarketer, caller, or merchant three (3) times in one (1) calendar year knowingly and willfully violates subsection (15)(a) of Section 2 of this Act by making or causing to be made an unsolicited telephone solicitation call to a telephone number that appears in the current publication of the zero call list maintained by the Office of the Attorney General, Division of Consumer Protection.*
- (24) *Notwithstanding any other provision of law, any telemarketing company, telemarketer, caller, or merchant shall be guilty of a Class A misdemeanor when that telemarketing company, telemarketer, caller, or merchant uses a zero call list identified in subsection (15) of Section 2 of this Act for any purpose other than complying with the provisions of KRS 367.46951 to 367.46999.*
- (25) (a) *Notwithstanding any other provision of law, any telemarketing company, telemarketer, caller, or merchant that violates KRS 367.46951 to 367.46999 shall be assessed a civil penalty of not more than five thousand dollars (\$5,000) for each offense.*
 - (b) *The Attorney General, or any person authorized to act in his or her behalf, shall initiate enforcement of a civil penalty imposed under paragraph (a) of this subsection.*
 - (c) *Any civil penalty imposed under paragraph (a) of this subsection may be compromised by the Attorney General or his or her designated representative. In determining the amount of the penalty or the amount agreed upon in compromise, the Attorney General, or his or her designated representative, shall consider the appropriateness of the penalty to the financial resources of the telemarketing company, telemarketer, caller, or merchant charged, the gravity of the violation, the number of times the telemarketing company, telemarketer, caller, or merchant charged has been cited, and the good faith of the telemarketing company, telemarketer, caller, or merchant charged in attempting to achieve compliance, after notification of the violation.*
 - (d) *If a civil penalty is imposed under this subsection, a citation shall be issued which describes the violation which has occurred and states the penalty for the violation. If, within fifteen (15) working days from the receipt of the citation, the affected party fails to pay the penalty imposed, the Attorney General, or any person authorized to act in his or her behalf, shall initiate a civil action to collect the penalty. The civil action shall be taken in the court which has jurisdiction over the location in which the violation occurred.*

Section 9. KRS 454.210 is amended to read as follows:

- (1) As used in this section, "person" includes an individual, his executor, administrator, or other personal representative, or a corporation, partnership, association, or any other legal or commercial entity, who is a nonresident of this Commonwealth.
- (2) (a) A court may exercise personal jurisdiction over a person who acts directly or by an agent, as to a claim arising from the person's:
 - 1. Transacting any business in this Commonwealth;
 - 2. Contracting to supply services or goods in this Commonwealth;
 - 3. Causing tortious injury by an act or omission in this Commonwealth;

4. Causing tortious injury in this Commonwealth by an act or omission outside this Commonwealth if he regularly does or solicits business, or engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered in this Commonwealth, provided that the tortious injury occurring in this Commonwealth arises out of the doing or soliciting of business or a persistent course of conduct or derivation of substantial revenue within the Commonwealth;
5. Causing injury in this Commonwealth to any person by breach of warranty expressly or impliedly made in the sale of goods outside this Commonwealth when the seller knew such person would use, consume, or be affected by, the goods in this Commonwealth, if he also regularly does or solicits business, or engages in any other persistent course of conduct, or derives substantial revenue from goods used or consumed or services rendered in this Commonwealth;
6. Having an interest in, using, or possessing real property in this Commonwealth, providing the claim arises from the interest in, use of, or possession of the real property, provided, however, that such in personam jurisdiction shall not be imposed on a nonresident who did not himself voluntarily institute the relationship, and did not knowingly perform, or fail to perform, the act or acts upon which jurisdiction is predicated;
7. Contracting to insure any person, property, or risk located within this Commonwealth at the time of contracting;~~+~~
8. Committing sexual intercourse in this state which intercourse causes the birth of a child when:
 - a. The father or mother or both are domiciled in this state;
 - b. There is a repeated pattern of intercourse between the father and mother in this state; or
 - c. Said intercourse is a tort or a crime in this state; *or*
9. ***Making a telephone solicitation, as defined in Section 1 of this Act, into the Commonwealth.***
 - (b) When jurisdiction over a person is based solely upon this section, only a claim arising from acts enumerated in this section may be asserted against him.
 - (3) (a) When personal jurisdiction is authorized by this section, service of process may be made on such person, or any agent of such person, in any county in this Commonwealth, where he may be found, or on the Secretary of State who, for this purpose, shall be deemed to be the statutory agent of such person;
 - (b) The clerk of the court in which the action is brought shall issue a summons against the defendant named in the complaint. The clerk shall execute the summons by sending by certified mail two (2) true copies to the Secretary of State and shall also mail with the summons two (2) attested copies of plaintiff's complaint. The Secretary of State shall, within seven (7) days of receipt thereof in his office, mail a copy of the summons and complaint to the defendant at the address given in the complaint. The letter shall be posted by certified mail, return receipt requested, and shall bear the return address of the Secretary of State. The clerk shall make the usual return to the court, and in addition the Secretary of State shall make a return to the court showing that the acts contemplated by this statute have been performed, and shall attach to his return the registry receipt, if any. Summons shall be deemed to be served on the return of the Secretary of State and the action shall proceed as provided in the Rules of Civil Procedure; and
 - (c) The clerk mailing the summons to the Secretary of State shall mail to him, at the same time, a fee of ten dollars (\$10), which shall be taxed as costs in the action.
 - (4) When the exercise of personal jurisdiction is authorized by this section, any action or suit may be brought in the county wherein the plaintiff resides or where the cause of action or any part thereof arose.
 - (5) A court of this Commonwealth may exercise jurisdiction on any other basis authorized in the Kentucky Revised Statutes or by the Rules of Civil Procedure, notwithstanding this section.

Section 10. The Attorney General shall study the implementation and effectiveness of a zero call list and shall report to the legislative committee with jurisdiction over telephone solicitation and the Legislative Research Commission by October 15, 2004. The Attorney General's report may contain recommendations for legislative action in the next odd-numbered year session of the General Assembly.

CHAPTER 22**(HB 305)**

AN ACT changing the classification of the City of Stanford, in Lincoln County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Stanford, in Lincoln County, is such as to justify its being classified as a city of the fourth class;

NOW, THEREFORE,

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

Section 1. The City of Stanford, in Lincoln County, is transferred from the fifth to the fourth class of cities.

Approved March 07, 2002

CHAPTER 23**(HCR 71)**

A CONCURRENT RESOLUTION consenting to the appointment of Charles M. Tackett as a member of the Mine Safety Review Commission.

WHEREAS, KRS 351.1041 requires the Governor to appoint the three members of the Mine Safety Review Commission, subject to the consent of the Senate and House of Representatives in accordance with KRS 11.160; and

WHEREAS, on May 23, 2001, the Governor appointed Charles M. Tackett as a member of the Mine Safety Review Commission by Executive Order 2001-633, to serve a term expiring on May 23, 2004; and

WHEREAS, the House of Representatives and the Senate find that Charles M. Tackett meets the requirements of KRS 351.1041, having the qualifications of a Judge of the Court of Appeals, except for residence in a district;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate consent to the appointment of Charles M. Tackett as a member of the Mine Safety Review Commission, for a term expiring on May 23, 2004.

Section 2. The Clerk of the House of Representatives shall notify the Governor and the appointee of the General Assembly's action, by forwarding a copy of this Resolution and written notification of its adoption to Mr. Charles M. Tackett, 7086 Bates Creek Road, Lexington, Kentucky 40515 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved March 07, 2002

CHAPTER 24**(HCR 70)**

A CONCURRENT RESOLUTION consenting to the appointment of Bayard Collier as a member of the Mine Safety Review Commission.

WHEREAS, KRS 351.1041 requires the Governor to appoint the three members of the Mine Safety Review Commission, subject to the consent of the Senate and House of Representatives in accordance with KRS 11.160; and

WHEREAS, on May 23, 2001, the Governor appointed Bayard Collier as a member of the Mine Safety Review Commission by Executive Order 2001-633, to serve a term expiring on May 23, 2003, and designating him to serve as Chair of the Commission; and

WHEREAS, the House of Representatives and the Senate find that Bayard Collier meets the requirements of KRS 351.1041, having the qualifications of a Judge of the Court of Appeals, except for residence in a district;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate consent to the appointment of Bayard Collier as a member of the Mine Safety Review Commission, for a term expiring on May 23, 2003, and to serve as Chair of the Commission.

Section 2. The Clerk of the House of Representatives shall notify the Governor and the appointee of the General Assembly's action, by forwarding a copy of this Resolution and written notification of its adoption to Mr. Bayard Collier, 395 Walters Road, Pikeville, Kentucky 41502 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved March 07, 2002

CHAPTER 25

(HB 386)

AN ACT relating to Kentucky's postsecondary education prepaid tuition program.

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

Section 1. KRS 164A.700 is amended to read as follows:

As used in KRS 164A.700 to 164A.709, unless the context requires otherwise:

- (1) "Academic year" means the time period specified by each *eligible educational*~~[participating]~~ institution;
- (2) "Board" means the board of directors of the Commonwealth postsecondary education prepaid tuition trust fund;
- (3) *"Eligible educational institution" means an institution defined in the Internal Revenue Code of 1986, as amended, 26 U.S.C. sec. 529;*
- (4) "Fund" means the prepaid tuition payment fund created in KRS 164A.701 and known as the "Commonwealth Postsecondary Education Prepaid Tuition Trust Fund" *which shall be marketed under the name "Kentucky's Affordable Prepaid Tuition"*;
- (5)~~[(4)]~~ "Office" means the Tuition Account Program Office in the Office of the State Treasurer that is responsible for administering the prepaid tuition accounts;
- ~~[(5) "Participating institution" means any Kentucky public four (4) year institution or two (2) year community college or technical college that grants a postsecondary education credential, all of which are required to participate, and any Kentucky private college or university that is accredited by a national or regional accrediting agency, recognized by the United States Department of Education, that voluntarily requests to participate and is accepted for participation in the program by the board of directors created in KRS 164A.703;]~~
- (6) "Prepaid tuition" means the amount of tuition estimated by the board for the ~~[standard]~~ *plan* ~~under [plans and for each participating institution for the academic year specified in]~~ the prepaid tuition contract;
- (7) "Prepaid tuition academic year conversion" means the difference between the amount of prepaid tuition required in the original prepaid tuition contract and the amount of prepaid tuition required in an amended prepaid tuition contract as the result of the change in the academic year;
- (8) "Prepaid tuition academic year conversion shortfall" means the amount by which the prepaid tuition required in an amended prepaid tuition contract as the result of the change in the academic year exceeds the amount of prepaid tuition required in the original prepaid tuition contract;
- (9) "Prepaid tuition account" means the account for a qualified beneficiary as specified in the prepaid tuition contract;

- (10) "Prepaid tuition contract" means the contract entered into by the board and the purchaser for the purchase of prepaid tuition for a qualified beneficiary to attend any *eligible educational*~~[a participating]~~ institution as provided in KRS 164A.700 to 164A.709;
- (11) "Prepaid tuition conversion" means the difference between the *value of a* prepaid tuition *account*~~[of a standard plan]~~ and the ~~[prepaid]~~ tuition at *an eligible educational*~~[a participating]~~ institution~~[or the difference between the prepaid tuition at one (1) participating institution and the prepaid tuition at another participating institution];~~
- (12) "Prepaid tuition conversion shortfall" means the amount by which the *actual*~~[prepaid]~~ tuition *cost* at *an eligible educational*~~[a participating]~~ institution exceeds the amount of the *value of a* prepaid tuition *account*~~[of a standard plan or the amount by which the prepaid tuition at a participating institution exceeds the amount of the prepaid tuition at another participating institution];~~
- (13) "Purchaser" means a person, corporation, association, partnership, or other legal entity who enters into a prepaid tuition contract;
- (14) "Qualified beneficiary" means:
- (a) Any *Kentucky* resident *designated as beneficiary*~~[of Kentucky]~~ at the time a purchaser enters into a prepaid tuition contract;~~[on behalf of the resident]~~ or
 - (b) Any nonresident *designated at the time a purchaser enters into a prepaid tuition contract* who intends to attend *an eligible*~~[a participating]~~ institution in Kentucky; or
 - (c) *The new beneficiary, in the case of a change of beneficiaries under provisions of Section 6 of this Act; or*
 - (d) *The individual receiving a scholarship in the case of a prepaid tuition contract purchased by a state or local government or agency or instrumentality thereof or an organization described in 26 U.S.C. sec. 501(c)(3), and exempt from federal income taxation pursuant to 26 U.S.C. sec. 501(a) as part of a scholarship program offered by the government entity or the organization;*
- (15)~~["Standard tuition plan" means the average of the estimated tuition for the:~~
- ~~(a) — Commonwealth's community colleges;~~
 - ~~(b) — Technical colleges;~~
 - ~~(c) — Four (4) year universities; or~~
 - ~~(d) — Private colleges or universities;~~
- (16)~~["Tuition" means the actual charges and all mandatory fees required as a condition of full-time enrollment in an undergraduate program for an academic year for a qualified beneficiary to attend an eligible educational~~~~[a participating]~~ institution~~. Tuition for a private college or university is calculated on the current year tuition rate, increased by the same percentage that the University of Kentucky tuition is increased on a per year basis];~~
- (16)~~(17)~~ *"Qualified postsecondary education expenses"*~~["Tuition credit"]~~ means the *expenses as defined in 26 U.S.C. sec. 529*~~[discounted net present value of a unit equal to one twenty fourth (1/24) of the prepaid tuition]; and]~~
- (17)~~(18)~~ "Tuition *plan*~~[shortfall]~~" means *a*~~[the amount by which]~~ tuition *plan approved by the board and provided under a*~~[exceeds the]~~ prepaid tuition contract; and
- (18) *"Value of a prepaid tuition account" means the amount which the fund is obligated to pay for tuition for an academic period based on full payment of the purchaser's tuition plan; except, under a tuition plan for private colleges and universities, tuition shall be calculated based on the same percentage that University of Kentucky tuition is increased from the year the prepaid tuition contract is purchased to the year of payment*~~[adjusted in proportion to the number of tuition credits purchased].~~

Section 2. KRS 164A.701 is amended to read as follows:

- (1) There is hereby created an instrumentality of the Commonwealth to be known as the "Commonwealth Postsecondary Education Prepaid Tuition Trust Fund", to be governed by a board of directors and administered by the Tuition Account Program Office in the Office of the State Treasurer. The fund shall

consist of payments received from prepaid tuition contracts under KRS 164A.700 to 164A.709. Income earned from the investment of the fund shall remain in the fund and be credited to it. The fund shall not constitute an investment company as defined in KRS 291.010.

- (2) The purposes of the fund are:
 - (a) To provide affordable access to participating institutions for the qualified beneficiaries; and
 - (b) To provide students and their parents economic protection against rising tuition costs.
- (3) The office and the facilities of the State Treasurer shall be used and employed in the administration of the fund including, but not limited to, the keeping of records, the employment of staff to assist in the administration of the fund, the management of accounts and other investments, the transfer of funds, and the safekeeping of securities evidencing investments. The office of the Treasurer and the board of the Kentucky Higher Education Assistance Authority, shall work together to jointly market, as appropriate, the Commonwealth Prepaid Tuition Plan and the Savings Plan established in KRS 164A.300.
- (4) Assets of the fund shall constitute public funds of the Commonwealth and may be invested in any instrument, obligation, security, or property that constitutes legal investments for the investment of public funds in the Commonwealth that are deemed most appropriate by the board and may be pooled for investment purposes with any other investment of the Commonwealth that is eligible for asset pooling.
- (5) The fund, through the State Treasurer, may receive and deposit into the fund gifts made by any individual or agency as deemed acceptable by the board.
- (6) There is created a separate account within the State Treasurer's office to be known as the prepaid postsecondary tuition administrative account for the purposes of implementing and maintaining the ~~Commonwealth postsecondary education prepaid tuition trust~~ fund. Funds may be transferred from the property abandoned under KRS Chapter 393 to the administrative account and shall be repaid to the abandoned property fund no later than three (3) years after the transfer. The board may establish administrative fees for handling prepaid tuition contracts and deposit the money in this account.
- (7) Four (4) years after July 14, 2000, the administration of the fund shall be transferred from the Office of the State Treasurer to the Kentucky Higher Education Assistance Authority unless the General Assembly shall decide that the administration of the fund shall remain in the Office of the State Treasurer.

Section 3. KRS 164A.703 is amended to read as follows:

- (1) The fund shall be governed by an eleven (11) member board of directors. The board shall have five (5) ex officio voting members including the State Treasurer, the president of the Council on Postsecondary Education or designee, the secretary of the Finance Cabinet or designee, the secretary of the Revenue Cabinet or designee, the chair of the Association of **Independent** Kentucky ~~Independent~~ Colleges and Universities or designee, three (3) members appointed by the State Treasurer, and three (3) members appointed by the Governor. The executive director of the Higher Education Assistance Authority or designee shall serve as a nonvoting member. The gubernatorial and State Treasurer appointees shall have experience in finance, accounting, or investment management.
- (2) Of the members to be appointed initially by the State Treasurer, one (1) shall be appointed for a three (3) year term, and two (2) shall be appointed for a four (4) year term; of the members to be appointed by the Governor, two (2) shall be appointed for a two (2) year term and one (1) for a three (3) year term. Thereafter, all appointments shall be for terms of four (4) years, except that appointments to fill vacancies shall be for the unexpired terms. No person shall be appointed to serve for more than two (2) successive four (4) year terms. No person holding a full-time office or position of employment with the state, any county or city, or any educational institution shall be eligible for gubernatorial appointment to the board.
- (3) Members of the board shall receive no compensation but shall be reimbursed expenses incurred in the performance of their duties at the same per diem and travel rate as is paid the employees of the state.
- (4) The State Treasurer shall be the chair and presiding officer of the board. The State Treasurer may appoint other officers as the board may deem advisable or necessary. A majority of the members of the board shall constitute a quorum for the transaction of the business of the fund.
- (5) The initial board appointments shall be made by October 1, 2000.

Section 4. KRS 164A.704 is amended to read as follows:

The board shall:

- (1) Promulgate administrative regulations, set fees, and adopt procedures as are necessary to implement the provisions of KRS 164A.700 to 164A.709;
- (2) Enter into contractual agreements, including contracts for legal, actuarial, financial, and consulting services;
- (3) Invest moneys in the fund in any instruments, obligations, securities, or property as permitted by law and deemed appropriate by the board;
- (4) Procure insurance to protect against any loss in connection with the fund's property, assets, or activities and to indemnify board members from personal loss or accountability from liability arising from any action or inaction as a board member;
- (5) Make arrangements with **eligible educational**~~[participating]~~ institutions in the Commonwealth to fulfill obligations under prepaid tuition contracts, including, but not limited to, payment from the fund of the tuition cost on behalf of a qualified beneficiary to attend a **eligible educational**~~[participating]~~ institution in which the beneficiary is admitted and enrolled;
- (6) Develop requirements, procedures, and guidelines regarding prepaid tuition contracts, including but not limited to, the termination, withdrawal, or transfer of payments under a prepaid tuition contract; tuition shortfalls; number of participants; time limitations for prepaid tuition contracts and the use of tuition benefits; tuition conversions; payment schedules; payroll deductions; penalties for failure of purchasers to adhere to contracts; and transfer of prepaid tuition credits towards private education in the Commonwealth or for out-of-state institutions;
- (7) Obtain appropriate actuarial assistance to establish, maintain, and certify a fund sufficient to defray the obligation of the fund, annually evaluate or cause to be evaluated, the actuarial soundness of the fund, and determine prior to each academic year the amount of prepaid tuition for each~~[standard]~~ tuition plan and for each **eligible educational**~~[participating]~~ institution for specific academic years, the corresponding **value**~~[required amount of tuition credits, the amount of prepaid tuition conversion, and the amount of prepaid tuition academic year conversion];~~
- (8) Make an annual report each year to the Legislative Research Commission showing the fund's condition;~~[and]~~
- (9) Market and promote participation in the fund; **and**
- (10) ***Develop, sponsor, and maintain a scholarship program, if deemed feasible by the board, to provide the benefits of the fund to financially disadvantaged families and students of Kentucky under criteria established by the board to encourage students to obtain postsecondary education in Kentucky and otherwise consistent with the purposes of the fund.***

Section 5. KRS 164A.705 is amended to read as follows:

- (1) The prepaid tuition contract entered into by the purchaser and the board shall constitute an irrevocable pledge and guarantee by the fund to pay for the tuition of a qualified beneficiary upon acceptance and enrollment at **an eligible educational**~~[a participating]~~ institution in **accordance with**~~[proportion to]~~ the~~[number of]~~ tuition **plan**~~[credits]~~ purchased.~~[The fund shall pay this amount to the participating institution on behalf of the qualified beneficiary.]~~
- (2) ***Under a***~~[The fund shall pay the amount of any]~~ tuition ***plan for private colleges and universities, tuition shall be paid based on the same percentage that University of Kentucky tuition is increased from the year the prepaid tuition contract is purchased to the year of payment***~~[shortfall to the participating institution on behalf of the qualified beneficiary].~~
- (3) The purchaser or qualified beneficiary shall pay to the **eligible educational**~~[participating]~~ institution the amount of any prepaid tuition academic year conversion shortfall and the amount of any prepaid tuition conversion shortfall.
- (4) A qualified beneficiary attending **an eligible educational**~~[a participating]~~ institution may apply ***the value of a prepaid*** tuition ***account***~~[credits]~~ to a specific academic year at the maximum course load or maximum number of credit hours generally permitted to full-time undergraduates at that institution.

- (5) The *value of a prepaid*~~board and participating institutions may agree that~~ tuition *account*~~credits~~ remaining~~in a prepaid tuition account~~ after tuition is paid may be *used for*~~converted into~~ other *qualified* educational *expenses*~~expense credits~~ under administrative regulations promulgated by the board in compliance with *26 U.S.C. sec.*~~Section~~ 529~~of the Internal Revenue Code~~. The board may permit the use of *the value of a prepaid* tuition *account*~~credits~~ for part-time undergraduate enrollment or graduate programs at *eligible educational*~~participating~~ institutions~~, after an appropriate conversion. Any prepaid tuition remaining in a prepaid tuition account, for reasons other than termination of the account as provided for in KRS 164A.707, shall be refunded to the purchaser or the purchaser's designee.~~
- (6) *In the event a qualified beneficiary attends an eligible educational institution for which payment of tuition is not guaranteed by the fund in whole or in part, and if the cost of tuition exceeds the value of a prepaid tuition account, the fund shall have no responsibility to pay the difference. If the value of a prepaid tuition account exceeds the cost of tuition, the excess may be used for other qualified postsecondary education expenses as directed by the purchaser.*
- (7) The value of *a*~~the~~ prepaid tuition *account*~~credits~~ shall not be used in calculating personal asset contribution for determining eligibility and need for student loan programs, student grant programs or other student aid programs administered by any agency of the Commonwealth, except as otherwise may be provided by federal law.

Section 6. KRS 164A.707 is amended to read as follows:

- (1) Purchasers buying *prepaid* tuition~~credits~~ for a qualified beneficiary shall enter into prepaid tuition contracts with the board. These contracts shall be in a form as shall be determined by the office. The contract shall provide for the purchase of *a* tuition *plan*~~credits~~ for prepaid tuition for the qualified beneficiary from one (1) to *five* ~~(5)~~~~four (4)~~ specific academic years.
- (2) Upon written notification to the office a purchaser may amend the prepaid tuition contract to change:
- (a) The qualified beneficiary, *in accordance with 26 U.S.C. sec. 529*;
 - (b) The academic year or years for which *prepaid* tuition *is*~~credits are~~ purchased;
 - (c)~~— A standard plan designation to a participating institution designation;~~
 - ~~(d)~~ A *tuition*~~standard~~ plan designation to another *tuition*~~standard~~ plan designation;~~or~~
 - ~~(d)~~~~(e)~~ *The number of years for which prepaid tuition is purchased; or*
 - (e) *Other provisions of the prepaid tuition contract as permitted*~~One (1) participating institution designation to another participating institution designation. The value of the tuition credit shall be adjusted under requirements of administrative regulations promulgated~~ by the board.
- (3) A prepaid tuition account shall not be subject to attachment, levy, or execution by any creditor of a purchaser or qualified beneficiary. *Prepaid tuition accounts*~~and~~ shall be exempt from all state and local taxes including, but not limited to, ~~the~~ intangible personal property tax levied under KRS 132.020, ~~the~~ individual income tax levied under KRS 141.020 and the inheritance tax levied under KRS Chapter 140. *Payments from a prepaid tuition account used to pay qualified postsecondary education expenses, or disbursed due to the death or disability of the beneficiary, or receipt of a scholarship by the beneficiary shall be exempt from tax liabilities.*
- (4) Nothing in KRS 164A.700 to 164A.709 or in a prepaid tuition contract shall be construed as a promise or guarantee that a qualified beneficiary shall be admitted to *an eligible educational*~~a participating~~ institution, be allowed to continue to attend *an eligible educational*~~a participating~~ institution after having been admitted, or be graduated from *an eligible educational*~~a participating~~ institution.
- (5) Prepaid tuition contract payments shall not be made in real or personal property other than cash and shall not exceed the prepaid tuition. Prepaid tuition contract payments may be made in lump-sum installments.
- (6) The purchaser shall designate the qualified beneficiary at the time the purchaser enters into a prepaid tuition contract, *except for a prepaid tuition contract purchased in accordance with subsection (14)(d) of Section 1 of this Act*. In the case of gifts made to the fund, the board shall designate a qualified beneficiary at the time of the gift.
- (7) The prepaid tuition contract shall provide that the purchaser and the qualified beneficiary shall not directly or indirectly or otherwise control the investment of the prepaid tuition account or earnings on the account.

Payments made for prepaid tuition shall be accounted for separately for each qualified beneficiary. No interest or earnings on a prepaid tuition contract of the purchaser or qualified beneficiary shall be pledged or otherwise encumbered as security of a debt.

- (8) A prepaid tuition contract does not constitute a security as defined in KRS 292.310 or an annuity as defined in KRS 304.5-030.
- (9) ***Each prepaid tuition contract is subject to, and shall incorporate by reference, all operating procedures and policies adopted by the board, the statutes governing prepaid tuition contracts in KRS 164A.700 to 164A.709 and KRS 393.015, and administrative regulations promulgated thereunder. Any amendments to statutes, administrative regulations, and operating procedures and policies shall automatically amend prepaid tuition contracts, with retroactive or prospective effect, as applicable.***

Section 7. KRS 164A.709 is amended to read as follows:

- (1) ***A purchaser may terminate a prepaid tuition contract at any time upon written request to the office.***
- (2) Upon termination of a prepaid tuition contract ***at the request of a purchaser***, the office shall pay from the fund to the purchaser~~or the purchaser's designee~~:
- (a) The value of the ***prepaid*** tuition ~~account~~~~credits~~ if the contract is terminated for~~any of the following~~:
1. The death of the qualified beneficiary; ***or***
 2. The disability of the qualified beneficiary that, in the opinion of the office, would make attendance by the beneficiary ***at an eligible educational***~~a participating~~ institution impossible or unreasonably burdensome; ***or***
 3. ***A request made on or after July 1 of the initial projected year of enrollment of the qualified beneficiary; and***
- (b) The ***amounts paid on the purchaser's prepaid***~~purchase price of the~~ tuition ~~contract~~~~credits~~ if the contract is terminated ***and a request for refund is made before July 1 of the qualified beneficiary's initial projected year of enrollment. The board may determine a rate of interest to accrue for payment on the amount otherwise payable under this paragraph***~~for any of the following~~:
1. ~~Failure of the qualified beneficiary who, in the opinion of the office, has made a good faith attempt to gain admission to a participating or nonparticipating institution within the time limits imposed by the board; or~~
 2. ~~The movement of a family of a qualified beneficiary from Kentucky to another state with a savings plan.~~
- ~~(2) Upon termination of a prepaid tuition account as a result of a decision by the qualified beneficiary to attend a nonparticipating institution, the office at the direction of the beneficiary and upon presentation of proof of the beneficiary's acceptance by and enrollment in the nonparticipating institution, shall pay from the fund to the institution the value of the tuition credits as determined by the board of directors for the postsecondary education prepaid tuition program. If the cost of tuition exceeds the value of the tuition credits, it shall be the responsibility of the beneficiary to pay the difference. If the value of the tuition credits exceeds the cost of tuition, the beneficiary shall be given a refund equal to the difference.~~
- (3) At the option of the purchaser~~or~~ the ***value of the prepaid***~~purchaser's designee, the purchase price of any unused~~ tuition ~~account~~~~credits~~ may be carried forward to another academic year or ***distributed***~~refunded~~ by the~~office from the~~ fund ***upon the purchaser's request.***
- (4) ***All refunds paid shall be net of administrative fees as determined by the board.*** ~~{Upon termination of a tuition account as a result of a decision by the qualified beneficiary not to attend a participating or nonparticipating institution, within time limits determined by the board, the purchaser or purchaser's designee shall receive the purchase price of the tuition credits.~~
- ~~(5) The office may impose a fee upon termination of the account for administrative costs and deduct the fee from the amount otherwise payable under this section.~~
- ~~(5){(6)}~~ If a qualified beneficiary is awarded a scholarship that covers tuition costs included in a prepaid tuition contract, the purchaser ***may request***~~for the purchaser's designee shall receive~~ a refund~~from the fund by the~~

~~office]~~ consisting of the amount of the *value of the* prepaid tuition *account, not to exceed the amount of the scholarship*~~[for the number of tuition credits purchased for that academic year].~~

- (6)~~(7)~~ If the purchaser wishes to transfer funds from the prepaid tuition account to the Kentucky Higher Educational Savings Plan Trust, the purchaser may do so under administrative regulations promulgated by the board of directors of the Commonwealth postsecondary education prepaid tuition trust fund and the board of the Kentucky Higher Education Assistance Authority.
- (7) *If the purchaser wishes to transfer funds from the prepaid tuition account to another qualified tuition program as defined in 26 U.S.C. sec. 529, the purchaser may do so under administrative regulations promulgated by the board.*
- (8) *The board may terminate a prepaid tuition contract at any time due to the fraud or misrepresentation of a purchaser or qualified beneficiary with respect to the prepaid tuition contract.*

Approved March 07, 2002

CHAPTER 26

(HB 325)

AN ACT relating to motor vehicle taxes.

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

Section 1. KRS 138.450 is amended to read as follows:

As used in KRS 138.455 to 138.470, unless the context requires otherwise:

- (1) "Current model year" means a motor vehicle of either the model year corresponding to the current calendar year or of the succeeding calendar year, if the same model and make is being offered for sale by local dealers;
- (2) "Dealer" means "motor vehicle dealer" as defined in KRS 190.010;
- (3) "Dealer demonstrator" means a new motor vehicle or a previous model year motor vehicle with an odometer reading of least one thousand (1,000) miles that has been used either by representatives of the manufacturer or by a licensed Kentucky dealer, franchised to sell the particular model and make, for demonstration;
- (4) "Historic motor vehicle" means a motor vehicle registered and licensed pursuant to KRS 186.043;
- (5) "Motor vehicle" means any vehicle that is propelled by other than muscular power and that is used for transportation of persons or property over the public highways of the state, except road rollers, mopeds, vehicles that travel exclusively on rails, and vehicles propelled by electric power obtained from overhead wires;
- (6) "Moped" means either a motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step through type frame which may or may not have pedals rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour;
- (7) "New motor vehicle" means a motor vehicle of the current model year which has not previously been registered in any state or country;
- (8) "Previous model year motor vehicle" means a motor vehicle not previously registered in any state or country which is neither of the current model year nor a dealer demonstrator;
- (9) "Total consideration given" means the amount given, valued in money, whether received in money or otherwise, at the time of purchase or at a later date, including consideration given for all equipment and accessories, standard and optional, as attested to in a notarized affidavit signed by both the buyer and the seller. The signatures of the buyer and seller shall be individually notarized. "Total consideration given" shall not include:
 - (a) Any amount allowed as a manufacturer or dealer rebate if the rebate is provided at the time of purchase and is applied to the purchase of the motor vehicle;

- (b) Any interest payments to be made over the life of a loan for the purchase of a motor vehicle; and
 - (c) The value of any items that are not equipment or accessories including but not limited to extended warranties, service contracts, and items that are given away as part of a promotional sales campaign;
- (10) "Trade-in allowance" means the value assigned by the seller of a motor vehicle to a motor vehicle offered in trade by the purchaser as part of the total consideration given by the purchaser and included in the notarized affidavit attesting to total consideration given;
- (11) "Used motor vehicle" means a motor vehicle which has been previously registered in any state or country;
- (12) "Retail price" of motor vehicles shall be determined as follows:
- (a) For new, dealer demonstrator, previous model year motor vehicles and U-Drive-It motor vehicles that have been transferred within one hundred eighty (180) days of being registered as a U-Drive-It and that have less than five thousand (5,000) miles, "retail price" shall be the total consideration given at the time of purchase or at a later date, including any trade-in allowance as attested to in a notarized affidavit. If a notarized affidavit signed by both the buyer and seller is not available to establish total consideration given, "retail price" shall be:
 - 1. Ninety percent (90%) of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges; or
 - 2. Eighty-one percent (81%) of the manufacturer's suggested retail price of the vehicle with all equipment and accessories, standard and optional, and transportation charges in the case of new trucks of gross weight in excess of ten thousand (10,000) pounds; and
 - 3. "Retail price" shall not include that portion of the price of the vehicle attributable to equipment or adaptive devices necessary to facilitate or accommodate an operator or passenger with physical disabilities;
 - (b) For historic motor vehicles, "retail price" shall be one hundred dollars (\$100);
 - (c) For used motor vehicles being registered by a new resident for the first time in Kentucky whose values appear in the automotive reference manual prescribed by the Revenue Cabinet, "retail price" shall be the average trade-in value given in the reference manual;
 - (d) For the older used motor vehicles being registered by a new resident for the first time in Kentucky whose values no longer appear in the automotive reference manual, "retail price" shall be one hundred dollars (\$100);
 - (e) For used motor vehicles previously registered in another state or country that were purchased out-of-state by a Kentucky resident who is registering the vehicle in Kentucky for the first time, "retail price" shall be the total consideration given at the time of purchase or at a later date, including the average trade-in value given in the automotive reference manual prescribed by the Revenue Cabinet for any vehicle given in trade;
 - (f) For used motor vehicles previously registered in Kentucky that are sold in Kentucky, and U-Drive-It motor vehicles that are not transferred within one hundred eighty (180) days of being registered as a U-Drive-It or that have more than five thousand (5,000) miles, "retail price" means the total consideration given, excluding any amount allowed as a trade-in allowance by the seller. The trade-in allowance shall be disclosed in the notarized affidavit signed by the buyer and the seller attesting to the total consideration given. If a notarized affidavit signed by both the buyer and the seller is not available to establish the total consideration given for a motor vehicle, "retail price" shall be established by the Revenue Cabinet through the use of the automotive reference manual prescribed by the Revenue Cabinet;
 - (g) Except as provided in KRS 138.470(6), if a motor vehicle is received by an individual as a gift and not purchased or leased by the individual, "retail price" shall be the average trade-in value given in the automotive reference manual prescribed by the Revenue Cabinet; and
 - (h) If a dealer transfers a motor vehicle which he has registered as a loaner *or rental* motor vehicle within one hundred eighty (180) days of the registration, and if less than five thousand (5,000) miles have been placed on the vehicle during the period of its registration as a loaner *or rental* motor vehicle, then the

"retail price" of the vehicle shall be the same as the retail price determined by paragraph (a)~~((c) or (d))~~ of this subsection computed as of the date on which the vehicle is transferred; and

- (13) "Loaner *or rental* motor vehicle" means a motor vehicle owned or registered by a dealer and which is *regularly loaned or rented* to customers of the service or repair component of the dealership.

Section 2. KRS 138.4605 is amended to read as follows:

- (1) A motor vehicle dealer who operates a service or repair component in his dealership may register a motor vehicle to be used exclusively as a loaner *or rental* motor vehicle to the customers of this service or repair department. The dealer may pay usage tax on the loaner *or rental* motor vehicle as provided in KRS 138.460, or, subject to the provisions of this section, may pay a usage tax of *twenty-five dollars (\$25) per month on the loaner or rental motor vehicle*~~[six percent (6%) levied upon the fair market lease value of the vehicle as established by the Transportation Cabinet in accordance with KRS 138.463(9)]~~.
- (2) A dealer shall pay the usage tax on a loaner *or rental* motor vehicle in the manner provided by KRS 138.460 unless the dealer shows to the satisfaction of the *Revenue* Cabinet that he is regularly engaged in the servicing or repair of motor vehicles and loans *or rents* the loaner *or rental* motor vehicle~~[, for no consideration or monetary value except as allowed in subsection (4) of this section,]~~ to a retail customer while the customer's motor vehicle is at the dealership for repair or service.
- (3) For a dealer to be eligible to pay the usage tax on a loaner *or rental* motor vehicle under this section, the dealer shall identify the motor vehicle as a loaner *or rental* motor vehicle to the *Revenue*~~[Transportation]~~ Cabinet and shall maintain records, as required by the *Revenue*~~[Transportation]~~ Cabinet, which show all uses of the loaner *or rental* motor vehicle.
- ~~(4) [The tax authorized by subsection (1) of this section shall be the direct obligation of the dealer. However, the customer shall not be required to pay any additional costs for the use of the loaner motor vehicle.]~~
- ~~(5) [The tax due under subsection (1) of this section shall be remitted to the Revenue Cabinet monthly on forms prescribed by and in accordance with administrative regulations promulgated by the cabinet.]~~
- ~~((6) (a) The cabinet shall audit each return as soon as practicable after it is received. If the amount of tax computed by the cabinet is greater than the amount returned by the taxpayer, the excess shall be assessed by the cabinet within four (4) years from the date the return was filed, except as provided in paragraph (b) of this subsection, and except that in the case of a failure to file a return or of a fraudulent return the excess may be assessed at any time. A notice of assessment shall be mailed to the taxpayer. The time provided in this paragraph may be extended by agreement between the taxpayer and the cabinet.~~
- ~~(b) Notwithstanding the four (4) year time limitation of paragraph (a) of this subsection, in the case of a return where the tax computed by the cabinet is greater by twenty five percent (25%) or more than the amount returned by the taxpayer, the excess shall be assessed by the cabinet within six (6) years from the date the return was filed.~~
- ~~(c) For the purposes of paragraphs (a) and (b) of this subsection, a return filed before the last day prescribed by law for filing the return shall be considered as filed on the last day.]~~
- ~~(5) [(7)]~~ Failure of a motor vehicle dealer to remit the taxes applicable to a loaner *or rental* motor vehicle under this *section*~~[subsection]~~ shall be sufficient cause for the *Revenue*~~[Transportation]~~ Cabinet to revoke the authority to use that motor vehicle as a loaner *or rental* motor vehicle and cause the usage tax on that motor vehicle to be due and payable in accordance with KRS 138.460 on the retail price of that motor vehicle when it was first *registered as a loaner or rental motor vehicle*~~[purchased by the dealer]~~.
- (6) *A motor vehicle no longer covered under the loaner permit program shall be taxed in the same manner as motor vehicles under KRS 138.450(12).*

Approved March 07, 2002

CHAPTER 27**(HCR 12)**

A CONCURRENT RESOLUTION in support of the issuance of a commemorative U.S. Postal Service stamp honoring America's coal miners.

WHEREAS, United States coal miners perform a unique and vital service for the nation because without a man or woman at the controls of a dragline or working in a darkened mine shaft coal would not tumble into the trucks and barges that crisscross the country to power the boilers that generate over 50 percent of the nation's electricity; and

WHEREAS, coal miners keep the nation supplied with an energy resource that produces electricity for the lowest cost, when compared to fuels other than nuclear, which makes possible the country's unmatched productivity and prosperity; and

WHEREAS, coal miners provide a vital pool of labor with the expertise to produce energy supplies from vast national coal reserves which serves to buffer the country from a dangerous dependence on foreign energy fuels; and

WHEREAS, because of Kentucky's long and proud tradition as a preeminent supplier of the nation's coal supplies, we wish to be counted alongside the U.S. Secretary of Labor, the United Mine Workers of America, schoolchildren from Wilkes-Barre, Pennsylvania, and the many others seeking the proper recognition of the role played by coal miners in the history of the country;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Citizens' Stamp Advisory Committee of the U.S. Postmaster General is urged to recommend for issuance as soon as practicable a U.S. Postal Service stamp commemorating the vital role of coal miners in the history and economic productivity of the country. The stamp would commemorate a class of American laborers who in their immigrant origins reflect the melting-pot ideals of the nation, who with their manual labor make possible the technological conveniences of modern American life, and whose contributions to the nation's welfare are generally unknown to the public. A stamp commemorating coal miners holds the promise of illustrating a colorful and historically rich segment of society for the benefit of schoolchildren, stamp collectors, educators, and the public.

Section 2. This Resolution shall be sent to the U.S. Postmaster General and to the Citizens' Stamp Advisory Committee, c/o Stamp Development, U.S. Postal Service, 475 L'Enfant SW, Room 5670, Washington, D.C. 20260-2437.

Approved March 07, 2002

CHAPTER 28**(HCR 10)**

A CONCURRENT RESOLUTION requesting the establishment of the Kentucky Farming Museum Task Force.

WHEREAS, Kentucky retains close links to its colonial origins through its rural communities where land is still farmed and Kentucky's traditions and heritage remain firmly rooted; and

WHEREAS, Kentucky's farming traditions are preserved through farm and service agencies such as Kentucky 4H, the Cooperative Extensive Service, Local Soil and Water Conservation Districts, and the Future Farmers of America; and

WHEREAS, Kentucky ranks fourth in the nation, tying Tennessee, in the number of farms in the state; and

WHEREAS, Kentucky's farm sector's annual contribution to the state's economy is approximately \$4,583,858,000 from the value of commodities and services produced in rural communities each year; and

WHEREAS, the long history of farming in the state is slowly eroded as, farm by farm, the land, the buildings, the tools, the farming techniques, and the people give way before urbanization across the state;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is requested to direct that a study be conducted to determine the feasibility of establishing a Museum of Kentucky Agriculture. The study shall consider, but not be limited to: potential sites for locating an agriculture museum in the state, potential sources of private and public funding for planning, construction, and operation of an agriculture museum, potential management structure of a museum, and the public mission of the museum.

Section 2. The study shall be conducted with the assistance of the Department of Agriculture; the Governor's Office of Agricultural Policy; the Tourism Development Cabinet; the Kentucky Historical Society; the colleges and departments of agriculture or agricultural extension programs at the Kentucky universities, including, but not limited to the University of Kentucky, Kentucky State University, Morehead State University, Eastern Kentucky University, Murray State University, and Western Kentucky University; and agricultural interest organizations that represent farmers, including, but not limited to, the Community Farm Alliance and the Kentucky Farm Bureau.

Section 3. The study findings and recommendations shall be reported to the Legislative Research Commission not later than October 30, 2002.

Section 4. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved March 07, 2002

CHAPTER 29

(HJR 9)

A JOINT RESOLUTION naming a bridge in memory of Peyton Hoge III.

WHEREAS, born in Pewee Valley on April 17, 1914, Peyton Harrison Hoge III rested from his journeys on September 14, 2001, at the young age of 87; and

WHEREAS, descended from a line of Virginia military men and 16 generations of Presbyterian ministers, Peyton Hoge III was a gifted college scholar and athlete, graduating from the University of Virginia with a Bachelor's degree in English and a Master's degree in Economics; and

WHEREAS, Peyton Hoge III married his cherished life companion Elizabeth Harris Hoge two weeks after the bombing of Pearl Harbor in 1941 before shipping off to proudly serve his country in the Pacific Theater of Operations during World War II; and

WHEREAS, upon returning from the war Peyton Hoge III became a successful advertising executive with Brown-Forman before entering the realm of politics; and

WHEREAS, Peyton Hoge III served as a member of the Anchorage City Council from 1963 until 1969 when he was elected Mayor of the small suburban city in eastern Jefferson County; and

WHEREAS, Peyton Hoge III was the longest-serving elected official in Jefferson County, having served as Mayor of the City of Anchorage continuously from 1969 until his death in September; and

WHEREAS, a champion of the rights of small cities, Peyton Hoge's legacy is one of a strong preservationist who fought to limit commercial development and protect open land and trees for future generations; and

WHEREAS, Peyton Hoge III was a former President of the Kentucky League of Cities, where he had served on the Board of Directors since 1963; and

WHEREAS, Peyton Hoge III helped found the City of Anchorage's Civic Club and Volunteer Fire Department; and

WHEREAS, Peyton Hoge III helped raise money to equip Anchorage's first ambulance and he started the city's newsletter the Anchor Age; and

WHEREAS, Peyton Hoge III was a dedicated public servant who served two terms as Chairman of the Kentucky-Indiana Regional Planning and Development Agency (KIPDA), and who also served as Chair of KIPDA's Metropolitan Transportation Policy Committee; and

WHEREAS, Peyton Hoge III began serving as a Director and President of the Kentucky Society to Prevent Blindness in 1962; and

WHEREAS, in addition to his other civic and community activities, Peyton Hoge III was a Director of the Kentucky Opera Association; and

WHEREAS, of all his professional and political accomplishments, the proudest and most important facet of Peyton Hoge's life was his family -- he devoted his life to his beloved wife Elizabeth, sons George and Peyton IV, daughters Elizabeth Hageman, Blanche Pedigo, and Margaret Gerhart, eleven grandchildren, and his sister Mrs. Kennedy Helm Jr.;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The members of the General Assembly, both individually and collectively, proclaim Peyton Hoge III to have been an outstanding citizen and exemplary representative of the Commonwealth.

Section 2. In honor and memory of Peyton Hoge's immeasurable contributions as a public servant, the Transportation Cabinet is directed to name Bridge Number B00444 on Kentucky Route 1747, Hurstbourne Parkway, in Jefferson County the "Peyton Hoge III Memorial Bridge."

Section 3. The Transportation Cabinet shall, within thirty days of the effective date of this resolution, erect signs to each approach of Bridge Number B00444 on Kentucky Route 1747, Hurstbourne Parkway, in Jefferson County that read "Peyton Hoge III Memorial Bridge."

Approved March 07, 2002

CHAPTER 30

(HJR 3)

A JOINT RESOLUTION honoring PGA Tour professional and Pikeville native Robert Damron.

WHEREAS, Robert Damron was born on October 27, 1972, in Pikeville, Kentucky; and

WHEREAS, Robert Damron spent much time during his formative years in Orlando, Florida at the legendary Arnold Palmer's Bay Hill Club, where a friendship with "the King" was formed and Damron gained a mentor to guide him with priceless advice on the game of golf; and

WHEREAS, Robert Damron dominated Kentucky's junior golf circuit and went on to a successful golf career at the University of Central Florida; and

WHEREAS, Robert Damron turned professional in 1994 and joined the PGA tour in 1997, finishing 53rd on the money list on the strength of four top-five finishes; and

WHEREAS, Robert Damron had his best season to date on the PGA Tour in 2000, earning over \$700,000 with a tie for third at the prestigious Players Championship; and

WHEREAS, Robert Damron recently tasted victory for the first time on the PGA tour, winning the Byron Nelson Classic over a star-studded field that included such golfing luminaries as Tiger Woods, David Duval, and Nick Price; and

WHEREAS, Robert Damron's victory makes him only the third Kentucky golfer since 1990 to win a PGA Tour event; and

WHEREAS, Robert Damron's greatest victory may have come a month before his triumph on the course, when in April he married his wife Molly; and

WHEREAS, Robert Damron should be publicly recognized as an outstanding citizen of the Commonwealth;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet shall erect signs on United States Route 23 at the city limits of Pikeville that read "Pikeville, Birthplace of PGA Tour Professional Robert Damron."

Section 2. The Transportation Cabinet shall erect the signs described in Section 1 of this Resolution within thirty (30) days of the effective date of this Resolution.

Approved March 07, 2002

CHAPTER 31

(HB 346)

AN ACT relating to milk marketing.

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

Section 1. KRS 355.9-408 is amended to read as follows:

- (1) Except as otherwise provided in subsection (2) of this section, a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license, or franchise, and which term prohibits, restricts, or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or perfection of a security interest in, the promissory note, health-care-insurance receivable, or general intangible, is ineffective to the extent that the term:
 - (a) Would impair the creation, attachment, or perfection of a security interest; or
 - (b) Provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.
- (2) Subsection (1) of this section applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note.
- (3) A rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance receivable, or general intangible, including a contract, permit, license, or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute, or regulation:
 - (a) Would impair the creation, attachment, or perfection of a security interest; or
 - (b) Provides that the assignment or transfer or the creation, attachment, or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the promissory note, health-care-insurance receivable, or general intangible.
- (4) To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection (3) of this section would be effective under law other than this article but is ineffective under subsection (1) or (3) of this section, the creation, attachment, or perfection of a security interest in the promissory note, health-care-insurance receivable, or general intangible:
 - (a) Is not enforceable against the person obligated on the promissory note or the account debtor;
 - (b) Does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;
 - (c) Does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party, or accept payment or performance from the secured party;
 - (d) Does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable, or general intangible, including any related information or materials furnished

to the debtor in the transaction giving rise to the promissory note, health-care-insurance receivable, or general intangible;

- (e) Does not entitle the secured party to use, assign, possess, or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and
 - (f) Does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable, or general intangible.
- (5) This section prevails over any inconsistent provisions of the following statutes and any administrative regulations based on those statutes: KRS 56.230(2), 138.320(3), 138.665(4), 138.720(5), 139.250, 154A.400(3), 190.047(1), 190.070(2)(c), 217B.535(2), 228.070(2), 230.300(9), 234.330(10), 243.630(2), ~~260.730(3)~~, 260.815, 288.460(2), 292.320(2)(b), 294.036(3), 304.3-410(2)(f), 304.3-520(5), 333.080, 350.135(1), 365.430(27), and 368.070(2).
- (6) Subsection (3) of this section does not apply to the following statutes and to administrative regulations promulgated under the authority of those statutes: KRS 304.2-260, KRS 304.24-420, Subtitle 33 of KRS Chapter 304, and Subtitle 37 of KRS Chapter 304.

Section 2. The following KRS section is repealed:

- 260.675 Title of KRS 260.675 to 260.760.
- 260.680 Definitions for KRS 260.675 to 260.760.
- 260.690 Administration of KRS 260.675 to 260.760.
- 260.705 Prohibited marketing practices.
- 260.710 Filing price schedules.
- 260.715 Powers and duties of department.
- 260.720 Copies of department record are admissible.
- 260.725 Powers of department with respect to other governmental agencies.
- 260.730 License for dealers and handlers.
- 260.735 Grounds for suspension, revocation, or refusal to issue license.
- 260.740 Hearing and notice on suspension, revocation, or refusal to issue license -- Judicial review.
- 260.750 Assessment of dairy products -- Confidential nature of information received by department.
- 260.755 Revolving fund.
- 260.760 Injunction.
- 260.991 Penalties for milk marketing violations.

Approved March 07, 2002

CHAPTER 32

(HB 254)

AN ACT relating to special license plates.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section:*

- (a) *"PTA" means an organized parent-teacher association or a parent-teacher organization that has been formally recognized by a school council in a public school where the PTA is located, or recognized by the principal of the public school if the school does not have a school council; and*

- (b) *"Public education foundation" means a corporation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and that is incorporated to support public education and PTAs in the county where the foundation is located.*
- (2) *The owner or lessee of a motor vehicle registered under the provisions of KRS 186.050(1) or (3)(a) may apply for a special PTA license plate in the office of the county clerk in the county where the person lives. At the time the owner or lessee applies for a special PTA license plate, the person shall include with the application the initial state fee of fifty dollars (\$50). The county clerk shall inform the owner or lessee that the person's application and state fee shall be sent to Frankfort to the Transportation Cabinet where it may be held for a period not to exceed one (1) year while the cabinet is waiting to receive sufficient applications subject to the provisions of subsection (3) of this section. The person shall designate on the application form the specific school and PTA where the proceeds from the person's purchase shall be credited for distribution under subsection (10) of this section.*
- (3) *The Transportation Cabinet shall be required to begin designing and printing special PTA license plates after the cabinet has received nine hundred (900) applications accompanied by a fifty dollar (\$50) state fee within a one (1) year period. The purpose of the fifty dollar (\$50) state fee is to offset computer programming costs incurred by the cabinet. Unless the cabinet is requested in writing to the contrary, if the cabinet has not received nine hundred (900) applications within one (1) year from the date the cabinet receives the first application for a special PTA license plate, the cabinet shall refund the fifty dollar (\$50) state fee to the appropriate applicants.*
- (4) *Subject to the provisions of subsection (3) of this section, the total initial application fee for the first nine hundred (900) special PTA license plates printed by the Transportation Cabinet shall be sixty-eight dollars (\$68). The sixty-eight dollar (\$68) fee shall be divided as follows:*
- (a) *The Transportation Cabinet shall receive a fee of fifty dollars (\$50) that includes the state fee to reflectorize the license plate under KRS 186.240;*
- (b) *The county clerk shall receive a fee of three dollars (\$3); and*
- (c) *The remaining fifteen dollar (\$15) fee collected from the applicant shall be remitted to the Transportation Cabinet to be used as provided in subsection (10) of this section.*
- (5) *The initial application fee for each special PTA license plate printed by the Transportation Cabinet in excess of nine hundred (900) shall be thirty dollars (\$30). The thirty dollar (\$30) fee shall be divided as follows:*
- (a) *The Transportation Cabinet shall receive a fee of twelve dollars (\$12) that includes the state fee to reflectorize the license plate under KRS 186.240;*
- (b) *The county clerk shall receive a fee of three dollars (\$3); and*
- (c) *The remaining fifteen dollar (\$15) fee collected from the applicant shall be remitted to the Transportation Cabinet to be used as provided in subsection (10) of this section.*
- (6) *A special PTA license plate shall annually be issued a renewal registration decal during the owner's or lessee's birth month. The annual renewal fee shall be twenty dollars (\$20) and shall be divided as follows:*
- (a) *The Transportation Cabinet shall receive a fee of twelve dollars (\$12) that includes the state fee to reflectorize the license plate under KRS 186.240;*
- (b) *The county clerk shall receive a fee of three dollars (\$3); and*
- (c) *The remaining five dollar (\$5) fee collected from an applicant renewing an annual registration shall be remitted to the Transportation Cabinet to be used as provided in subsection (10) of this section.*
- (7) *Except as provided in this subsection, the special PTA license plate shall be replaced on the same schedule that regular license plates are replaced by the Transportation Cabinet under KRS 186.240. A special PTA license plate shall be replaced free of charge if the metal plate is destroyed in an accident, the plate deteriorates to a point that the lettering, numbering, or images on the face of the plate are not legible, or the plate is stolen, if the owner or lessee has not transferred the vehicle issued the plate during the current licensing period.*
- (8) *A person seeking a special PTA license plate for a vehicle provided as part of the person's occupation shall conform to the requirements of KRS 186.050.*

- (9) *Upon the sale, transfer, or termination of a lease of a vehicle licensed under this section, the owner or lessee shall remove the special PTA license plate and return it and the certificate of registration to the county clerk. The county clerk shall reissue the owner or lessee a regular license plate and certificate of registration upon payment of a twelve dollar (\$12) state fee that includes the state fee to reflectorize the license plate under KRS 186.240 and a three dollar (\$3) county clerk fee. If the owner or lessee requests, the county clerk shall reissue the special PTA license plate free of charge for use on any other vehicle of the same classification and category owned by the person during the current licensing period. If the owner or lessee has the special PTA license plate reissued to another vehicle, the regular license plate that is being replaced shall be returned to the county clerk who shall forward the plate to Frankfort.*
- (10) *All funds received by the Transportation Cabinet under subsections (4)(c), (5)(c), and (6)(c) of this section shall be deposited into a PTA program fund that is established in the state road fund. Money in the PTA program fund shall be used as provided in this subsection. If at the end of a fiscal year money remains in the PTA program fund, it shall be retained in the fund and used as provided in this subsection and shall not revert to the road fund. All interest and income earned on money in the PTA program fund shall be retained by the Transportation Cabinet to help offset the costs associated with administering this subsection.*
- (a) *At the end of each fiscal year the cabinet shall, after deducting interest and income earned during the year, disburse all funds remaining in the PTA program fund to the public education foundation in a county containing a city of the first class. The public education foundation shall be responsible for distributing funds under this subsection among all schools and PTAs throughout the Commonwealth.*
- (b) *The amount of money each PTA shall receive under this subsection shall be proportionate to the amount of money contributed to the PTA program fund from sales of the special PTA license plates in the county where the PTA is located.*
- (c) *A person wishing to purchase a special PTA license plate who lives in a county that does not have a public education foundation shall be permitted on the application form to designate the specific school and PTA where the proceeds from the person's purchase shall be credited for purposes of distribution under this subsection. The plate issued under this paragraph shall designate the county where the person's motor vehicle is registered, not the county where the school and PTA designated on the application form is located.*
- (11) *Subject to limitations imposed by the cabinet, special PTA license plates shall be the color and design selected by the public education foundation located in a county containing a city of the first class. The public education foundation may select up to three (3) designs of three (3) colors each. The name "Kentucky" shall appear on the PTA license plate. The cabinet may use any combination of letters or numerals as needed in the design.*

Approved March 07, 2002

CHAPTER 33

(HB 43)

AN ACT relating to motor fuel taxes.

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

Section 1. KRS 138.344 is amended to read as follows:

- (1) Except as otherwise provided in KRS 138.220 to 138.500, any person who shall purchase gasoline or special fuel, on which the tax as imposed by KRS 138.220 has been paid, for the purpose of operating or propelling stationary engines or tractors for agricultural purposes, or who shall purchase special fuels, on which the tax as imposed by KRS 138.220 has been paid, for consumption in unlicensed vehicles or equipment for nonhighway purposes shall be reimbursed for the tax so paid on the gasoline or special fuel. No refund shall be authorized unless applications and all necessary information are filed with the cabinet on a calendar quarter or calendar year basis on forms and in the manner prescribed by it for refund of the tax paid on the fuel. In lieu of the tax refund procedure~~herein~~, the tax on special fuels **and the tax on gasoline used for the purpose of operating or propelling stationary engines or tractors for agricultural purposes** may be credited by the dealer to the

purchaser as provided in KRS 138.358. The dealer and the purchases shall be subject to the same rules, conditions, and responsibilities as provided in KRS 138.344 to 138.355. The tax shall be refunded with interest at the tax interest rate as defined in KRS 131.010(6).

- (2) The information to be required from the permit holder, by the cabinet, in order that the refund may be allowed, shall be as follows:
 - (a) Name and address of permit holder permit number
 - (b) Total number of gallons purchased and total purchase price (Invoices to be attached to refund application.)
 - (c) Total number of gallons used on highways
 - (d) Total number of gallons on which refund is claimed (Line b minus line c.)
 - (e) Other information as the cabinet may require to reasonably protect the revenues of the Commonwealth.

Section 2. KRS 138.358 is amended to read as follows:

- (1) Any special fuels dealer who delivers special fuels, on which the tax imposed by KRS 138.220 has been paid, into a tank having no dispensing outlet and used exclusively to heat a personal residence, shall be entitled to claim a credit against the tax due pursuant to KRS 138.220 equal to the tax paid on the fuel if the dealer obtains from the purchaser and retains in his files a signed and dated statement from the purchaser certifying that the fuel will be used exclusively to heat the personal residence to which it is delivered. No person so certifying shall use the special fuel for any other purpose. The Revenue Cabinet may require dealers claiming the credit authorized herein to submit information required by the cabinet to reasonably protect the revenues of the Commonwealth.
- (2) Any special fuels dealer who sells *gasoline or* special fuels, on which the tax imposed by KRS 138.220 has been paid, exclusively for the purpose of operating or propelling stationary engines or tractors for agricultural purposes, shall be entitled to claim a credit against the tax due pursuant to KRS 138.220 equal to the tax paid on the fuel if the dealer obtains from the purchaser and retains in his files a signed and dated statement from the purchaser certifying that the fuel will be used exclusively for the purpose of operating or propelling stationary engines or tractors for agricultural purposes. No person so certifying shall use *gasoline or* the special fuels for any other purpose. Sales made from a retail filling station do not qualify for the credit. The Revenue Cabinet may require dealers claiming the credit authorized herein to submit information required by the cabinet to reasonably protect the revenues of the Commonwealth.
- (3) Any special fuels dealer who delivers special fuels, on which the tax imposed by KRS 138.220 has been paid, into a nonhighway use storage tank of a resident nonprofit religious, charitable, or educational organization or state or local governmental agency which has qualified for exemption from Kentucky sales and use tax pursuant to KRS 139.470(7) or 139.495 shall be entitled to claim a credit against the tax due pursuant to KRS 138.220 equal to the tax paid on the fuel if the dealer obtains from the purchaser and retains in his files a signed and dated statement certifying the purchaser's sales and use tax purchase exemption authorization issued pursuant to KRS Chapter 139. No organization or agency so certifying shall use or allow the use of any nonhighway special fuel so acquired for any purpose other than fueling unlicensed vehicles or equipment for nonhighway purposes. The Revenue Cabinet may require dealers claiming the credit authorized herein to submit information required by the cabinet to reasonably protect the revenues of the Commonwealth.
- (4) Any special fuels dealer who sells special fuels, on which the tax imposed by KRS 138.220 has been paid, which shall be used exclusively for consumption in unlicensed vehicles or equipment for nonhighway purposes, shall be entitled to claim a credit against the tax due pursuant to KRS 138.220 equal to the tax paid on the fuel if the dealer obtains from the purchaser and retains in his files a signed and dated statement from the purchaser certifying that the fuel will be used exclusively for nonhighway purposes. No person making the certification shall use the special fuels for any other purpose. Sales made from a retail filling station do not qualify for the credit. The Revenue Cabinet may require dealers claiming the credit authorized in this subsection to submit information required by the cabinet to reasonably protect the revenues of the Commonwealth. This credit shall not apply to special fuels taxes subject to a refund under KRS 138.445.

Approved March 07, 2002

CHAPTER 34**(HB 36)**

AN ACT relating to write-in voting.

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

Section 1. KRS 117.265 is amended to read as follows:

- (1) A voter may, at any regular or special election, cast a write-in vote for any person qualified as provided in subsection (2) or (3) of this section, whose name does not appear upon the ballot label as a candidate, by writing the name of his choice upon the appropriate device for the office being voted on provided on the voting machine as required by KRS 117.125. Any candidate for city office who is defeated in a partisan or nonpartisan primary election shall be ineligible as a candidate for the same office in the regular election. Any voter utilizing an absentee ballot for a regular or special election may write in a vote for any eligible person whose name does not appear upon the ballot, by writing the name of his choice under the office.
- (2) Write-in votes shall be counted only for candidates for election to office who have filed a declaration of intent to be a write-in candidate with the Secretary of State or county clerk, depending on the office being sought, not less than ten (10) days preceding the date of the regular or special election. The declaration of intent shall be on a form prescribed by the Secretary of State.
- (3) A person shall be ineligible as a write-in candidate for more than one (1) office in a regular or special election.
- (4) Persons who wish to run for President and Vice-President shall file a declaration of intent to be a write-in candidate, along with a list of presidential electors pledged to those candidates, with the Secretary of State not less than ten (10) days preceding the date of the regular election for those offices. Write-in votes cast for the candidates whose names appear on the ballot shall apply to the slate of pledged presidential electors, whose names shall not appear on the ballot.
- (5) The county clerk shall provide to the precinct election officers certified lists of those persons who have filed declarations of intent as provided in subsections (2) and (3) of this section. Only write-in votes cast for qualified candidates shall be counted.
- (6) Two (2) election officers of opposing parties shall upon the request of any voter instruct the voter on how to cast a write-in vote.
- ~~{(7) The provisions of this section requiring the filing of a declaration of intent shall not apply to elections for municipal office in cities of the fifth or sixth class, and all write in votes shall be counted, regardless of whether a declaration was filed.}~~

Section 2. KRS 118.255 is amended to read as follows:

- (1) The Secretary of State shall receive a fee of five hundred dollars (\$500) for a candidate for statewide elected state office or the Congress, two hundred dollars (\$200) for a candidate for Commonwealth's attorney, the General Assembly, or the District Court, Circuit Court, Court of Appeals, or Supreme Court, twenty dollars (\$20) for candidates for office in cities of the fifth or sixth class, fifty dollars (\$50) for other candidates who file with the Secretary of State for each notification and declaration and petition filed with him, *and* fifty dollars (\$50) for a write-in candidate for office other than municipal office in cities of the fifth or sixth class ~~and twenty dollars (\$20) for a write in candidate for municipal office in a city of the fifth or sixth class for each declaration of intent to be a write in candidate~~, to be paid by the candidate, or the candidate's representative, when the notification and declaration and petition or declaration of intent is filed.
- (2) The county clerk shall receive a fee pursuant to KRS 64.012 for each notification and declaration and petition filed with him to be paid by the candidate at the time of the filing. The county clerk shall receive a fee pursuant to KRS 64.012 for each name published as provided in KRS 118.235, to be paid by the county.
- (3) The amount of fees received by the Secretary of State and county clerk for notifications and declarations and petitions filed with them, minus twenty dollars (\$20) for each notification and declaration or petition filed, shall be forwarded to the State Treasurer for deposit in the election campaign fund established by KRS 121A.020.

- (4) The county clerk and/or Secretary of State shall pay the cost of mailing the certification of nomination and declaration petition from the fee collected from the candidate.

Section 3. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

Recording deed of trust or assignment for the benefit of creditors, provided the entire thereof does not exceed three (3) pages	\$8.00
Exceeding three (3) pages, for each page	2.00
Copy and certification of same when ordered	5.00
Each bond required to be taken or prepared by the clerk	3.00
Copy of any bond when ordered	2.00
Recording a bond, each bond	8.00
Receiving the acknowledgment or proof of any deed, mortgage, or agreement, power of attorney, or other written instrument required by law to be done and certifying same	2.00
Taking the acknowledgment or proof of a deed of real estate, certifying and recording the same and recording his own certificate, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Certified copy of deed	5.00
Recording a mortgage of real estate, certificates, and all services connected with the same, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Certified copy of real estate mortgage	5.00
Recording deed of assignment of real estate mortgage	8.00
Noting release of any lien, mortgage, or redemption other than a deed of release	3.00
Receiving the acknowledgment, recording, and certifying each deed of release of a mortgage or lien under KRS 382.360	8.00
Each additional marginal notation relating to same instrument	3.00
Making a record for the establishment of a city, recording the plan or plat thereof, and all other services incident	8.00
Recording survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city	8.00
Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed, or discontinued, and by the applicant when it is not	2.00
Administering an oath and certificate thereof	2.00

Issuing license for which no other fee is fixed by law	5.00
Marriage license, bond, certificate and recording	24.00
For filing and indexing an original or continuation financing statement	8.00
For noting a security interest on a certificate of title under KRS Chapter 186A	12.00
For filing and indexing an assignment of a financing statement	8.00
For filing and noting a statement of release of collateral under a financing statement	5.00
Recording real estate options, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Recording power of attorney or revocation of power of attorney, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Recording plats, maps and surveys, not exceeding 24 inches by 36 inches, per page	15.00
Recording all leases which are recordable by law, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Marginal notation to same instrument	3.00
Filing or recording of certification of intention to operate a business under an assumed name	8.00
Filing a lien on a delinquent motor vehicle or trailer bill	8.00
Releasing a lien on a delinquent motor vehicle or trailer bill	2.00
Filing or recording of mechanic's and artisan's liens under KRS Chapter 376	8.00
Filing or recording of notice of lien issued by the Internal Revenue Service	8.00
Filing or recording of notice of lien discharges issued by the Internal Revenue Service	8.00
Filing or recording of lis pendens notice concerning proceedings in bankruptcy and other lis pendens notices, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Filing or recording United States liens, provided the entire record per lien does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00

Filing or recording release of a United States lien, provided the entire record per lien does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Filing or recording state tax or other state liens, other than liens on delinquent motor vehicles or trailers	5.00
Filing release of a state tax or other state lien, other than a lien on a delinquent motor vehicle or trailer	5.00
Filing notification and declaration and petition of candidates for Commonwealth's attorney, District Court, and Circuit Court	200.00
Filing notification and declaration and petition of candidates for office in cities of the fifth or sixth class and candidates for county and independent boards of education	20.00
Filing notification and declaration and petition of candidates for boards of soil and water conservation districts	20.00
Filing notification and declaration and petition of candidates for other offices	50.00
Filing declaration of intent to be a write-in candidate for office other than municipal office in a city of the fifth or sixth class	50.00
Filing declaration of intent to be a write-in candidate for municipal office in a city of the fifth or sixth class	20.00
Recording wills or other probate documents under KRS 394.300	8.00
Registration of licenses for professional persons required to register with the county clerk	8.00
Recording and issuing articles, statements, or reports of corporations pursuant to KRS Chapters 271B, 272 and 273, including articles of incorporation, amendment, restatement of incorporation, merger, consolidation, or dissolution and statements of establishment of a series of shares, cancellation of a series of shares, reduction of capital, intent to dissolve, revocation of voluntary dissolution, or any other statement or report of a foreign or domestic corporation, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, for each page	2.00
Miscellaneous recordings for which no specific fee is set, provided the entire record thereof does not exceed three (3) pages (except military discharges)	8.00
Exceeding three (3) pages, each additional page	2.00

Filing miscellaneous documents for which no specific fee is set, provided the entire record thereof does not exceed three (3) pages	8.00
Exceeding three (3) pages, each additional page	2.00
Filing petitions other than nominating petitions, provided the petition does not exceed three (3) pages	8.00
Exceeding three (3) pages, each additional page, except that the total fee for filing a petition other than a nominating petition shall not exceed \$50.00.....	2.00
Filing certification required by KRS 65.070(1)(a)	5.00
Certification of franchise tax assessment	5.00

Approved March 07, 2002

CHAPTER 35

(SB 61)

AN ACT relating to energy savings in state government buildings.

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

Section 1. KRS 56.770 is amended to read as follows:

As used in KRS 56.770 to 56.784, unless the context requires otherwise:

- (1) "Aggregate simple payback period" means the simple payback period of a set of energy efficiency measures taken together for a building;
- (2) "Building" means all contiguous land, structures, appurtenances, and improvements that use energy;
- (3) "Energy audit" means examination of a building's energy-using systems, energy consumption and costs, occupancy patterns, and operation and maintenance procedures;
- (4) "Energy efficiency measure" means any construction, improvement, repair, alteration, or betterment of a building that is intended to reduce energy costs; or any equipment, fixture, or furnishing to be added to or used in a building that will be a cost-effective energy-related project that is intended to reduce energy costs;
- (5) "***Guaranteed energy savings***~~[Energy]~~ performance contract" means an agreement for the provision of energy services or equipment, including energy ***efficiency measures, energy conservation measures***~~[enhancing projects]~~ and alternate energy technologies for state government buildings, in which a person agrees to design, construct, install, maintain, operate, or manage energy systems or equipment to improve energy efficiency of, or produce energy in connection with, a state government building. ***Payments for a guaranteed energy savings performance contract shall be made from measured and verified savings generated from implementation of the energy efficiency measures financed by the contract. The term of a guaranteed energy savings performance contract shall not exceed the life of the energy savings generated from implementation of the energy efficiency measures financed by the contract. If the measured and verified savings are not sufficient to pay the financial obligations under the contract, the contractor is liable for the contract payments in exchange for a portion of the energy cost savings or specified revenues based on estimated or measured energy cost savings***;
- (6) "Engineering analysis" means a detailed cost-benefit analysis of energy efficiency investments including a review of potential cost savings through operation and maintenance changes;
- ~~(7) "Guaranteed energy savings contract" means an energy performance contract;~~
- ~~(8)~~ "Life-cycle cost analysis" means a method for estimating the total cost of an energy-using component or building over its useful life, including cost factors such as purchase price or construction, renovation, or leasing costs, energy use, maintenance, interest, and inflation;

- (8)(9) "Low cost/no cost energy **conservation**~~[efficiency]~~ measures" means those energy **saving practices and energy** efficiency measures, usually involving operation and maintenance practices, that can be accomplished by existing personnel within existing operating budgets;~~and~~
- (9)(10) "Simple payback period" means the number of years it takes to pay back, from estimated~~[energy]~~ savings, the initial cost of an energy efficiency **measure**~~[investment]~~, with the simple payback period equal to the initial cost divided by the **estimated** annual ~~[energy]~~ savings;
- (10) "**Savings**" means the reduction in expenditures, excluding any state government and post-secondary education personnel expenditures, that are measured and verified, including but not limited to energy usage, operating costs, and capital cost avoidance that occur as a result of the implementation of energy efficiency measures;
- (11) "**Capital cost avoidance**" means savings generated when expenditures of appropriated capital construction or appropriated capital outlay funds are avoided because the budgeted capital improvements or items of equipment are contained within the energy efficiency measures provided by a guaranteed energy savings performance contract; and
- (12) "**Operating costs**" means expenditures associated with operating and maintaining a properly functioning building and its systems including, but not limited to, the heating, ventilation, cooling, lighting, plumbing, water heating, electrical, and laundry systems and their controls.

Section 2. KRS 56.774 is amended to read as follows:

- (1) The Energy Efficiency Program for State Government Buildings shall provide for implementation of low cost/no cost energy conservation measures, engineering analyses, energy **efficiency**~~[conservation]~~ measures, building improvements, and monitoring of results for state-owned **or state-leased** buildings.
- (2) Any engineering analysis conducted on a state-owned building shall assess the energy efficiency of the building and make recommendations for improving the efficient use of energy within the building. The analyses shall be performed by qualified engineers, architects, or other persons trained in energy efficiency who may be employees of the Finance and Administration Cabinet or employed pursuant to KRS Chapter 45A, except that any engineers, architects or other persons trained in energy efficiency and retained under a guaranteed energy savings **performance** contract, shall not be subject to the provisions of KRS 45A.800 to 45A.835.
- (3) Except as provided in subsection (5) of this section, measures to improve the energy efficiency of a state-owned building, which have an aggregate simple payback period of five (5) years or less, shall be implemented as general fund appropriations become available. No more than five percent (5%) of the cost of energy efficiency measures for a building may be utilized for monitoring the results.
- (4) If general fund appropriations are available for energy efficiency improvements, the Finance and Administration Cabinet shall prioritize projects among the various state-owned buildings to determine which projects shall be implemented to best utilize the available funding.
- (5) If general fund appropriations are unavailable, energy **efficiency**~~[conservation]~~ measures for a state-owned building may be financed by other means. These other means include, but are not limited to, **guaranteed energy savings performance contracts as defined under Section 1 of this Act**~~[energy performance contracts and guaranteed energy savings contracts]~~ entered into pursuant to KRS 45A.085 and KRS 45A.045(10). **Guaranteed energy savings**~~[Energy]~~ performance contracts~~[and guaranteed energy savings contracts]~~ shall not be subject to the provisions of KRS 45A.800 to 45A.835. These energy **efficiency**~~[conservation]~~ measures shall not be limited to those ~~that~~**which** have an aggregate simple payback period of five (5) years or less, but shall result in reasonable economic benefit to the Commonwealth. Ownership of the energy **efficiency**~~[conservation]~~ measures shall ~~be transferred to~~**remain with** the Commonwealth **upon completion of the guaranteed energy savings performance contract or as otherwise agreed upon in the contract. Savings from the implementation of the energy efficiency measures under the guaranteed energy savings performance contract shall**~~[Energy cost savings may]~~ be used to **satisfy the obligations under the guaranteed energy savings performance contract and to** repay the cost of the other means used to finance the energy **efficiency**~~[conservation]~~ measures, **and may be used to repay expenses incurred by**~~[with any remaining savings paid to]~~ the Finance and Administration Cabinet to reimburse the cabinet for~~[all its]~~ expenses related to the **guaranteed energy savings performance contract**~~[energy conservation measure]~~, including but not limited to, staff time for monitoring, overseeing, and managing the project. **Notwithstanding KRS 45.229**, remaining savings shall ~~remain~~**be deposited** in the state agency account **and shall not lapse**.

All ~~energy cost~~ savings **projected** ~~[estimated]~~ under a ~~an energy performance contract or~~ guaranteed energy savings **performance** contract shall be guaranteed to the Commonwealth.

- (6) *The savings in reduced expenditures that are specified as payment sources shall be documented in the guaranteed energy savings performance contract. Savings shall be determined by using one (1) of the measurement and verification methodologies listed in the United States Department of Energy's "International Performance Measurement and Verification Protocol." If specific data limitations or documented unique characteristics of the project prevent use of the "International Performance Measurement and Verification Protocol," an alternative method that is compatible shall be adopted upon documentation and approval of the secretary of the Finance and Administration Cabinet.*

Section 3. KRS 56.784 is amended to read as follows:

- (1) The Finance and Administration Cabinet may implement the provisions of KRS 56.770 to 56.784 through the promulgation of administrative regulations pursuant to KRS Chapter 13A.
- (2) *By July 15, 2002, the secretary of the Finance and Administration Cabinet shall promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A establishing a process for procurement of energy savings performance contracts, including required contract language. The following entities shall adhere to these regulations when procuring services under a guaranteed energy savings performance contract:*
- (a) *Any governing body of a postsecondary institution that manages its capital construction program under KRS 164A.580; or*
- (b) *Any public corporation as defined by KRS 45.750(2)(c) or as created under the Kentucky Revised Statutes as a governmental agency and instrumentality of the Commonwealth that manages its capital construction program.*
- (3) *All state agencies, including those identified in subsection (2) of this section, shall submit proposed guaranteed energy savings performance contracts to the Office of Financial Management for review and approval prior to contract execution.*
- (4) *The secretary shall report all authorized guaranteed energy savings performance contracts to the Capital Projects and Bond Oversight Committee for its review.*

SECTION 4. A NEW SECTION OF KRS 56.770 to 56.784 IS CREATED TO READ AS FOLLOWS:

- (1) *A special fund in the State Treasury is hereby created which shall be known as the energy efficiency in state government buildings revolving loan fund. The fund shall be used to provide financial assistance to state government agencies for the purposes of KRS 56.770 to 56.784.*
- (2) *The fund may receive state appropriations, gifts, grants, and federal funds and shall include earnings from the investment of moneys in the fund. Any fund balance at the close of the fiscal year shall not lapse but shall carry forward to the next fiscal year and shall remain available solely for the purposes of this section.*
- (3) *Administration of this fund shall be the responsibility of the Finance and Administration Cabinet. The cabinet shall establish terms and conditions for loans from the fund including the application and repayment process. The cabinet shall establish and implement fiscal controls and accounting periods for payments received and disbursements made by the fund and for fund balances at the beginning and end of each accounting period.*
- (4) *All repayments of loans made under this section shall be paid into the fund. Balances, or portions thereof, in the fund shall not revert to the general fund.*

Section 5. The goal of the Commonwealth shall be to achieve a ten percent (10%) reduction in energy usage in state government buildings over the next four (4) years. The report required to be filed in accordance with KRS 56.782 shall document the State's success in accomplishing that goal.

Approved March 12, 2002

CHAPTER 36**(HB 416)**

AN ACT relating to Telecommunications Devices for the Deaf.

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

Section 1. KRS 278.5499 is amended to read as follows:

- (1) The Public Service Commission shall determine the appropriate funding mechanism for the TDD distribution program established pursuant to KRS 163.525. The funding mechanism shall be designed to collect ***reasonably necessary funds, not to exceed one cent (\$.01) per access line per month***, ~~no more than two hundred thousand dollars (\$200,000) per year~~ from subscribers of telecommunication utilities. The telecommunications industry shall not be required to absorb the cost of funding the TDD distribution program.
- (2) The Public Service Commission shall distribute the funds collected from this funding mechanism to the Commission on the Deaf and Hard of Hearing for the purpose of implementing and operating the TDD distribution program. The secretary of the cabinet to which the Commission on the Deaf and Hard of Hearing is attached by statute or executive order shall establish oversight conditions with the Commission on the Deaf and Hard of Hearing to ensure the funds are being used solely for the purposes consistent with this section and KRS 163.525.
- (3) The Public Service Commission, with the advice of the Commission on the Deaf and Hard of Hearing, shall initiate an investigation, conduct public hearings, and determine the appropriate funding mechanism for the TDD distribution program no later than January 1, 1995. As part of this determination, the commission may review the funding mechanism for the telecommunications relay service pursuant to KRS 278.549. The commission shall consider whether a telecommunications utility experiences a competitive disadvantage resulting from the funding mechanism when compared to other telecommunication utilities.

Approved March 12, 2002

CHAPTER 37**(HB 191)**

AN ACT relating to independent institutions of postsecondary education.

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

Section 1. KRS 164.001 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Administrator" means the chief executive officer of the institution;
- (2) "Adult basic education" means instruction in mathematics, science, social studies, reading, language arts, and related areas to enable individuals to better function in society;
- (3) "Benchmarks" means objective measures developed where applicable or practical by the Council on Postsecondary Education to judge the performance of the postsecondary education system and progress toward the goals as stated in KRS 164.003(2);
- (4) "Board" or "governing board" means the board of trustees for the University of Kentucky or the University of Louisville, the board of regents for a regional university, or the board of regents for the Kentucky Community and Technical College System;
- (5) "Board of regents" means the governing board of each regional university and the Kentucky Community and Technical College System;
- (6) "Committee" means the Strategic Committee on Postsecondary Education created in KRS 164.004;
- (7) "Council" means the Council on Postsecondary Education created in KRS 164.011;
- (8) "Customized training" means training in specific academic areas, work processes, or technical skills that are designed to serve a specific industry or industries to upgrade worker skills;

- (9) "Goals" means the six (6) goals specified in KRS 164.003(2);
- (10) *"Independent institution" means a nonpublic postsecondary education institution in Kentucky whose instruction is not solely sectarian in nature, is accredited by a regional accrediting association recognized by the United States Department of Education, and is licensed by the Council on Postsecondary Education;*
- (11) "Institution" means a university, college, community college, health technology center, vocational-technical school, technical institute, technical college, technology center, or the Kentucky Community and Technical College System;
- (12)~~((11))~~ "Kentucky Community and Technical College System" means the system composed of two (2) branches, which are:
- (a) The Technical Institutions' Branch. This branch includes the postsecondary vocational-technical schools, state technical institutes, health technology centers, and technology centers, formerly known as Kentucky Tech and operated by the Cabinet for Workforce Development; and
 - (b) The University of Kentucky Community College System, with the exception of the Lexington Community College.
- The system also includes institutions created by the board of regents for the Kentucky Community and Technical College System and approved by the General Assembly;
- (13)~~((12))~~ "Literacy" means an individual's ability to read, write, and speak in English and compute and solve problems at levels of proficiency necessary to function on the job and in society to achieve one's goals and develop one's knowledge and potential;
- (14)~~((13))~~ "Lower division academic course" means any academic course offered for college or university credit that is designated as a freshman or sophomore level academic course;
- (15)~~((14))~~ "Nonteaching personnel" means any employee who is a full-time staff member, excluding a president, chancellor, vice president, academic dean, academic department chair, or administrator;
- (16)~~((15))~~ "Postsecondary education system" means the following public institutions: University of Kentucky, University of Louisville, Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, Western Kentucky University, and the Kentucky Community and Technical College System;
- (17)~~((16))~~ "P-16 council" or "council of partners" means a local or state council that is composed of educators from public and private preschools, elementary, secondary, and postsecondary education institutions, local board of education members, and may include community and business representatives that have voluntarily organized themselves for the purpose of improving the alignment and quality of the education continuum from preschool through postsecondary education as well as student achievement at all levels;
- (18)~~((17))~~ "Public" means operated with state support;
- (19)~~((18))~~ "Relative" means a person's father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, or daughter-in-law;
- (20)~~((19))~~ "Remedial education" means any program, course, or activity that is designed specifically for students who have basic deficiencies in reading, written or oral communication, mathematics, study skills, or other skills necessary to do beginning postsecondary work as defined by the institution;
- (21)~~((20))~~ "Standardized degree program" means a program, approved by the Council on Postsecondary Education, that consists of specific competencies, curriculum, and performance requirements regardless of the providing institution;
- (22)~~((21))~~ "Strategic agenda" means the state strategic postsecondary education agenda described in KRS 164.0203; and
- (23)~~((22))~~ "Technical institution" means an educational institution that offers certificates, diplomas, or technical degrees in technical or occupational-related programs, including a facility called a vocational-technical school, technical institute, health technology center, technology center, technical college, or similar designation.

Section 2. KRS 164.003 is amended to read as follows:

- (1) The General Assembly hereby finds that:
 - (a) The general welfare and material well-being of citizens of the Commonwealth depend in large measure upon the development of a well-educated and highly-trained workforce;
 - (b) The education and training of the current and future workforce of the Commonwealth can provide its businesses and industries with the competitive edge critical to their success in the global economy and must be improved to provide its citizens the opportunity to achieve a standard of living in excess of the national average; and
 - (c) The positive advancement of the welfare of the citizens of the Commonwealth through the transmission of knowledge can only be achieved by the incorporation of ethical standards, the historic American moral principles promoted by the nation's Founding Fathers, into Kentucky public instruction, state educational training, and personal development of its teachers, students, and people, and affirms President George Washington's statement in his September 19, 1796, farewell address: "Of all the dispositions and habits which lead to political prosperity, Religion and morality are indispensable."
- (2) The General Assembly declares on behalf of the people of the Commonwealth the following goals to be achieved by the year 2020:
 - (a) A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life;
 - (b) A major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky;
 - (c) A premier, nationally recognized metropolitan research university at the University of Louisville;
 - (d) Regional universities, with at least one (1) nationally recognized program of distinction or one (1) nationally recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average;
 - (e) A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two (2) year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens; and
 - (f) An efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.
- (3) The achievement of these goals will lead to the development of a society with a standard of living and quality of life that meets or exceeds the national average.
- (4) The achievement of these goals will only be accomplished through increased educational attainment at all levels, and contributions to the quality of elementary and secondary education shall be a central responsibility of Kentucky's postsecondary institutions.
- (5) The furtherance of these goals is a lawful public purpose that can best be accomplished by a comprehensive system of postsecondary education with single points of accountability that ensure the coordination of programs and efficient use of resources.
- (6) ***The Commonwealth further recognizes that Kentucky's independent institutions offer rich and diverse postsecondary education choices throughout the state. Kentucky's people are best served by a broad array of postsecondary education providers. This vital component of the system will be a full partner in the greater system of postsecondary education.***

Section 3. KRS 164.020 is amended to read as follows:

The Council on Postsecondary Education in Kentucky shall:

- (1) Develop and implement the strategic agenda with the advice and counsel of the Strategic Committee on Postsecondary Education. The council shall provide for and direct the planning process and subsequent strategic implementation plans based on the strategic agenda as provided in KRS 164.0203;

- (2) Revise the strategic agenda and strategic implementation plan with the advice and counsel of the committee as set forth in KRS 164.004;
- (3) Develop a system of public accountability related to the strategic agenda by evaluating the performance and effectiveness of the state's postsecondary system. The council shall prepare a report in conjunction with the accountability reporting described in KRS 164.095, which shall be submitted to the committee, the Governor, and the General Assembly by December 1 annually. This report shall include a description of contributions by postsecondary institutions to the quality of elementary and secondary education in the Commonwealth;
- (4) Review, revise, and approve the missions of the state's universities and the Kentucky Community and Technical College System. The Council on Postsecondary Education shall have the final authority to determine the compliance of postsecondary institutions with their academic, service, and research missions;
- (5) Establish and ensure that all postsecondary institutions in Kentucky cooperatively provide for an integrated system of postsecondary education. The council shall guard against inappropriate and unnecessary conflict and duplication by promoting transferability of credits and easy access of information among institutions;
- (6) Engage in analyses and research to determine the overall needs of postsecondary education and adult education in the Commonwealth;
- (7) Develop plans that may be required by federal legislation. The council shall for all purposes of federal legislation relating to planning be considered the "single state agency" as that term may be used in federal legislation. When federal legislation requires additional representation on any "single state agency," the Council on Postsecondary Education shall establish advisory groups necessary to satisfy federal legislative or regulatory guidelines;
- (8) Determine tuition and approve the minimum qualifications for admission to the state postsecondary educational system. In determining the tuition for non-Kentucky residents, the council shall consider the fees required of Kentucky students by institutions in adjoining states, the resident fees charged by other states, the total actual per student cost of training in the institutions for which the fees are being determined, and the ratios of Kentucky students to non-Kentucky students comprising the enrollments of the respective institutions, and other factors the council may in its sole discretion deem pertinent;
- (9) Devise, establish, and periodically review and revise policies to be used in making recommendations to the Governor for consideration in developing recommendations to the General Assembly for appropriations to the universities, the Kentucky Community and Technical College System, and to support strategies for persons to maintain necessary levels of literacy throughout their lifetimes including, but not limited to, appropriations to the Department for Adult Education and Literacy. The council has sole discretion, with advice of the Strategic Committee on Postsecondary Education and the executive officers of the postsecondary education system, to devise policies that provide for allocation of funds among the universities and the Kentucky Community and Technical College System;
- (10) Lead and provide staff support for the biennial budget process as provided under KRS Chapter 48, in cooperation with the committee;
- (11)
 - (a) Except as provided in paragraph (b) of this subsection, review and approve all capital construction projects covered by KRS 45.750(1)(f), including real property acquisitions, and regardless of the source of funding for projects or acquisitions. Approval of capital projects and real property acquisitions shall be on a basis consistent with the strategic agenda and the mission of the respective universities and the Kentucky Community and Technical College System.
 - (b) The organized groups that are establishing community college satellites as branches of existing community colleges in the counties of Laurel, Leslie, and Muhlenberg, and that have substantially obtained cash, pledges, real property, or other commitments to build the satellite at no cost to the Commonwealth, other than operating costs that shall be paid as part of the operating budget of the main community college of which the satellite is a branch, are authorized to begin construction of the satellite on or after January 1, 1998;
- (12) Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties;
- (13) ***Ensure that the state postsecondary system does not unnecessarily duplicate services and programs provided by private postsecondary institutions and shall promote maximum cooperation between the state***

postsecondary system and private postsecondary institutions. Receive and consider an annual report prepared by the Association of Independent Kentucky Colleges and Universities stating the condition of independent institutions, listing opportunities for more collaboration between the state and independent institutions and other information as appropriate;

- (14) Develop a university track program within the Kentucky Community and Technical College System consisting of sixty (60) hours of instruction that can be transferred and applied toward the requirements for a bachelor's degree at the public universities. The track shall consist of general education courses and pre-major courses as prescribed by the council. Courses in the university track program shall transfer and apply toward the requirements for graduation with a bachelor's degree at all public universities. Successful completion of the university track program shall meet the academic requirement for transfer to a public university as a junior. By fall semester of 1997, requirements for track programs shall be established for all majors and baccalaureate degree programs;
- ~~(15)(14)~~ Define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions. The council shall expedite wherever possible the approval of requests from the Kentucky Community and Technical College System board of regents relating to new certificate, diploma, technical, or associate degree programs of a vocational-technical and occupational nature. Without the consent of the General Assembly, the council shall not abolish or limit the total enrollment of the general program offered at any community college to meet the goal of reasonable access throughout the Commonwealth to a two (2) year course of general studies designed for transfer to a baccalaureate program. This does not restrict or limit the authority of the council, as set forth in this section, to eliminate or make changes in individual programs within that general program;
- ~~(16)(15)~~ Eliminate, in its discretion, existing programs or make any changes in existing academic programs at the state's postsecondary educational institutions, taking into consideration these criteria:
 - (a) Consistency with the institution's mission and the strategic agenda;
 - (b) Alignment with the priorities in the strategic implementation plan for achieving the strategic agenda;
 - (c) Elimination of unnecessary duplication of programs within and among institutions; and
 - (d) Efforts to create cooperative programs with other institutions through traditional means, or by use of distance learning technology and electronic resources, to achieve effective and efficient program delivery;
- ~~(17)(16)~~ Ensure the governing board and faculty of all postsecondary education institutions are committed to providing instruction free of discrimination against students who hold political views and opinions contrary to those of the governing board and faculty;
- ~~(18)(17)~~ Review proposals and make recommendations to the Governor regarding the establishment of new public community colleges, technical institutions, and new four (4) year colleges;
- ~~(19)(18)~~ Postpone the approval of any new program at a state postsecondary educational institution, unless the institution has met its equal educational opportunity goals, as established by the council. In accordance with administrative regulations promulgated by the council, those institutions not meeting the goals shall be able to obtain a temporary waiver, if the institution has made substantial progress toward meeting its equal educational opportunity goals;
- ~~(20)(19)~~ Ensure the coordination, transferability, and connectivity of technology among postsecondary institutions in the Commonwealth including the development and implementation of a technology plan as a component of the strategic agenda;
- ~~(21)(20)~~ Approve the teacher education programs in the public institutions that comply with standards established by the Education Professional Standards Board pursuant to KRS 161.028;
- ~~(22)(21)~~ Constitute the representative agency of the Commonwealth in all matters of postsecondary education of a general and statewide nature which are not otherwise delegated to one (1) or more institutions of postsecondary learning. The responsibility may be exercised through appropriate contractual relationships with individuals or agencies located within or without the Commonwealth. The authority includes, but is not limited to, contractual arrangements for programs of research, specialized training, and cultural enrichment;

- (23)~~((22))~~ Maintain procedures for the approval of a designated receiver to provide for the maintenance of student records of the public institutions of higher education and the colleges as defined in KRS 164.945, and institutions operating pursuant to KRS 165A.310 which offer collegiate level courses for academic credit, which cease to operate. Procedures shall include assurances that, upon proper request, subject to federal and state laws and regulations, copies of student records shall be made available within a reasonable length of time for a minimum fee;
- (24)~~((23))~~ Monitor and transmit a report on compliance with KRS 164.351 to the director of the Legislative Research Commission for distribution to the Health and Welfare Committee;
- (25)~~((24))~~ Develop in cooperation with each state postsecondary educational institution a comprehensive orientation program for new members of the council and the governing boards. The orientation program shall include, but not be limited to, the information concerning the roles of the council, the strategic agenda and the strategic implementation plan, and the respective institution's mission, budget, plans, policies, strengths, and weaknesses;
- (26)~~((25))~~ Develop a financial reporting procedure to be used by all state postsecondary education institutions to ensure uniformity of financial information available to state agencies and the public;
- (27)~~((26))~~ Select and appoint a president of the council under KRS 164.013;
- (28)~~((27))~~ Employ consultants and other persons and employees as may be required for the council's operations, functions, and responsibilities;
- (29)~~((28))~~ Promulgate administrative regulations, in accordance with KRS Chapter 13A, governing its powers, duties, and responsibilities as described in this section;
- (30)~~((29))~~ Prepare and present by January 31 of each year an annual status report on postsecondary education in the Commonwealth to the Governor, the Strategic Committee on Postsecondary Education, and the Legislative Research Commission;
- (31) *Consider the role, function, and capacity of independent institutions of postsecondary education in developing policies to meet the immediate and future needs of the state. When it is found that independent institutions can meet state needs effectively, state resources may be used to contract with or otherwise assist independent institutions in meeting these needs;*
- ~~((30)) Ensure that the state postsecondary system does not unnecessarily duplicate services and programs provided by private postsecondary institutions and shall promote maximum cooperation between the state postsecondary system and private postsecondary institutions;~~
- (32)~~((31))~~ Create advisory groups representing the presidents, faculty, nonteaching staff, and students of the public postsecondary education system and the independent colleges and universities;
- (33)~~((32))~~ Develop a statewide policy to promote employee and faculty development in all postsecondary institutions and in state and locally operated secondary area technology centers through the waiver of tuition for college credit coursework in the public postsecondary education system. Any regular full-time employee of a postsecondary public institution or a state or locally operated secondary area technology center may, with prior administrative approval of the course offering institution, take a maximum of six (6) credit hours per term at any public postsecondary institution. The institution shall waive the tuition up to a maximum of six (6) credit hours per term;
- (34)~~((33))~~ Establish a statewide mission for adult education and develop a twenty (20) year strategy, in partnership with the Department for Adult Education and Literacy, under the provisions of KRS 164.0203 for raising the knowledge and skills of the state's adult population. The council shall:
- (a) Promote coordination of programs and responsibilities linked to the issue of adult education with the Department for Adult Education and Literacy and with other agencies and institutions;
 - (b) Facilitate the development of strategies to increase the knowledge and skills of adults in all counties by promoting the efficient and effective coordination of all available education and training resources;
 - (c) Lead a statewide public information and marketing campaign to convey the critical nature of Kentucky's adult literacy challenge and to reach adults and employers with practical information about available education and training opportunities;

- (d) Establish standards for adult literacy and monitor progress in achieving the state's adult literacy goals, including existing standards that may have been developed to meet requirements of federal law in conjunction with the Collaborative Center for Literacy Development: Early Childhood through Adulthood; and
- (e) Administer the adult education and literacy initiative fund created under KRS 164.041; and
- (35)(34) Exercise any other powers, duties, and responsibilities necessary to carry out the purposes of this chapter. Nothing in this chapter shall be construed to grant the Council on Postsecondary Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.

Section 4. KRS 164.021 is amended to read as follows:

The president or chief executive officer of each four (4) year state institution of higher learning, ~~and~~ the president of the Kentucky Community and Technical College System, **and the president of the Association of Independent Kentucky Colleges and Universities** shall serve on an advisory conference for the Council on Postsecondary Education. The Advisory Conference of Presidents will receive the full agenda for each meeting of the council a reasonable time prior to the council meeting and, in the event of viewpoints differing from the Council on Postsecondary Education, an elected spokesperson for the conference may meet with the council and the executive committee to present before the council the institutional positions on such issues. At least once each year the Council on Postsecondary Education will meet with the Advisory Conference of Presidents.

Section 5. KRS 164.746 is amended to read as follows:

- (1) The authority shall be governed, all of its powers shall be exercised, and its duties and functions shall be performed by a board of directors. The board shall consist of seven (7) voting members who shall be appointed by the Governor. In addition, the president of the Council on Postsecondary Education, **the president of the Association of Independent Kentucky Colleges and Universities**, the State Treasurer, and the secretary of the Department of Finance shall serve as ~~voting~~~~(nonvoting)~~ ex officio members. The term of office of appointed members shall be four (4) years. Each member shall serve for the term for which he is appointed and until his successor is appointed.
- (2) Appointments to fill vacancies on the board shall be made in the same manner as regular appointments. The person appointed shall hold the position for the unexpired portion of the term only.
- (3) The board shall elect from its voting membership a chairman and chairman-elect who shall each serve for a term of one (1) year. At the conclusion of the chairman's term of office, the chairman-elect shall become chairman for the succeeding year and the board shall elect from its voting membership a new chairman-elect.
- (4) Board members shall receive compensation for their services, in the amount of sixty-five dollars (\$65) per day, and may be reimbursed for actual and necessary expenses incurred in the performance of their duties under KRS 164.740 to 164.785.
- (5) The board shall provide for the holding of regular meetings and special meetings.
 - (a) A majority of the voting members shall constitute a quorum for the transaction of any business, special meetings shall be called by the chairman in accordance with KRS 61.823, and either the chairman or the chairman-elect shall be present for the transaction of any business.
 - (b) In lieu of personal attendance by members of the board of directors at the same location, the board of directors may conduct meetings by teleconference or other available technological means suitable for conducting its business. Meetings of the board shall be open and accessible to the public in accordance with KRS 61.805 to 61.850, and any alternate method of conducting a meeting in lieu of personal attendance shall ensure public access.
- (6) The board shall adopt bylaws and policies governing its internal affairs and the conduct of its business, and shall adopt administrative regulations pursuant to KRS Chapter 13A, not inconsistent with law, in connection with the administration of the authority's programs and the performance of its functions and duties.
- (7) The board may:
 - (a) Appoint such officers and employees as necessary and may fix their compensation, and shall prescribe their duties notwithstanding personnel limits established by KRS 18A.010 or the biennial budget and its related documents; and

(b) Adopt the provisions of KRS 45A.345 to 45A.460, pursuant to KRS 45A.343.

- (8) The Office of the Treasurer and the board of the Kentucky Higher Education Assistance Authority shall work together to jointly market, as appropriate, the Commonwealth Prepaid Tuition Plan and the Savings Plan established in KRS 164A.300.

Section 6. KRS 164.751 is amended to read as follows:

- (1) The Kentucky Higher Education Assistance Authority may expend such funds as appropriated and exercise the powers otherwise granted to administer the Kentucky Distinguished Student Recognition and Scholarship Award Program to reward academic excellence among the state's talented students by providing financial assistance to encourage attendance at the state's public universities, nonprofit degree granting colleges, and community colleges. Awards and scholarships shall be offered to students who demonstrate the highest potential for successful college study. Recognition awards shall be awarded only once to an individual and shall come solely from the authority. Scholarships shall be an equal match of funds between the authority and the university and may be offered annually to eligible students.
- (2)
 - (a) The Governor shall appoint a nine (9) member selection committee whose members are representative of the geographic regions of the state and have varied university affiliations. Members shall be appointed for a term of four (4) years though the initial appointments may be less than four (4) years to establish staggered terms. The selection committee shall elect a chairman at its first meeting and annually thereafter. The executive director of the authority, or his designee, shall serve as secretary to the committee. The committee shall meet at least semiannually and more often as necessary. Members shall serve without salary but shall be reimbursed for actual and necessary expenses in the same manner as state employees. Members may be reappointed to the committee;
 - (b) The authority shall promulgate regulations for the administration of the recognition award and scholarship programs. The regulations shall include but not be limited to the following:
 1. Eligibility requirements which shall include requirements that students must be Kentucky citizens who have declared an intention to attend a participating institution;
 2. Award selection criteria including, but not limited to, the student's rank in his class, grade-point average, leadership and service potential, and the submission of a written essay;
 3. Award amounts;
 4. Selection committee, qualifications and duties;
 5. Fund distribution formula;
 6. Application deadlines; and
 7. Administrative procedures.
- (3) The applicant pool for the recognition and scholarship awards shall be made up of the following Kentucky students:
 - (a) High school students who take one (1) of the tests required for admission to the state's public institutions of higher education in the spring or summer as a junior or in the fall as a senior shall automatically become part of the applicant pool for awards. Students scoring in the ninety-eighth or ninety-ninth percentile on these tests shall receive invitations to submit applications for a recognition award and a scholarship award;
 - (b) High school students nominated by the principal of an accredited high school which is not represented by a student described in paragraph (a) of this subsection. The nominees shall receive an invitation to apply for the awards; and
 - (c) High school graduates who have scores in the ninety-eighth or ninety-ninth percentile on prior years' tests and who have not attended college may apply for the awards.
- (4) The authority shall present recognition awards to the highest ranking students in accordance with the award selection criteria. The amount and number of awards shall be determined by the authority and shall depend on the amount of funds available. No more than twenty percent (20%) of the awards shall be awarded to students who choose to attend *an independent* ~~nonpublic~~ institution; and

- (5) The scholarships shall be an equal match between authority funds and institutional funds which may include any form of gift aid except state grant funds.

Section 7. KRS 164.947 is amended to read as follows:

- (1) The Council on Postsecondary Education by regulation shall adopt standards and procedures for the licensing of colleges to ensure that the programs of preparation are comparable to the generally accepted standards of collegiate instruction with respect to faculty, curriculum, facilities, and student cost and that there is full disclosure with respect to the philosophy and purposes of the institutions and their capacity to fulfill these objectives.
- (2) Nothing contained in KRS 164.945 to 164.947 is intended in any way nor shall be construed to regulate the stated purpose of *an independent institution*~~[a nonpublic college]~~ or to restrict religious instruction or training in *an independent institution*~~[a nonpublic college]~~.
- (3) All colleges as defined in KRS 164.945 shall be required to hold a license issued by the executive director of the Council on Higher Education or his successor, under the provisions of KRS 164.945 to 164.947 and under the regulations of the Council on Higher Education, or its successor. Within ninety (90) days of July 13, 1990, all colleges shall be required to hold licenses.
- (4) The designated use of the title "college" or "university" in combination with any series of letters, numbers, or words shall be restricted to the institutions licensed under KRS 164.945 to 164.947 except that new branches, divisions, or additions to existing institutions shall be licensed.

Approved March 12, 2002

CHAPTER 38

(HB 120)

AN ACT relating to training of property valuation administrators.

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

Section 1. KRS 132.590 is amended to read as follows:

- (1) The compensation of the property valuation administrator shall be based on the schedule contained in subsection (2) of this section as modified by subsection (3) of this section. The compensation of the property valuation administrator shall be calculated by the Revenue Cabinet annually. Should a property valuation administrator for any reason vacate the office in any year during his term of office, he shall be paid only for the calendar days actually served during the year.
- (2) The salary schedule for property valuation administrators provides for nine (9) levels of salary based upon the population of the county in the prior year as determined by the United States Department of Commerce, Bureau of the Census annual estimates. To implement the salary schedule, the cabinet shall, by November 1 of each year, certify for each county the population group applicable to each county based on the most recent estimates of the United States Department of Commerce, Bureau of the Census. The salary schedule provides four (4) steps for yearly increments within each population group. Property valuation administrators shall be paid according to the first step within their population group for the first year or portion thereof they serve in office. Thereafter, each property valuation administrator, on January 1 of each subsequent year, shall be advanced automatically to the next step in the salary schedule until the maximum salary figure for the population group is reached. If the county population as certified by the cabinet increases to a new group level, the property valuation administrator's salary shall be computed from the new group level at the beginning of the next year. A change in group level shall have no effect on the annual change in step. Prior to assuming office, any person who has previously served as a property valuation administrator must certify to the Revenue Cabinet the total number of years, not to exceed four (4) years, that the person has previously served in the office. The cabinet shall place the person in the proper step based upon a formula of one (1) incremental step per full calendar year of service:

SALARY SCHEDULE

County Population
by Group

Steps and Salary
for Property Valuation Administrators

Group I	Step 1	Step 2	Step 3	Step 4
0-4,999	\$45,387	\$46,762	\$48,137	\$49,513
Group II				
5,000-9,999	49,513	50,888	52,263	53,639
Group III				
10,000-19,999	53,639	55,014	56,389	57,765
Group IV				
20,000-29,999	55,702	57,765	59,828	61,891
Group V				
30,000-44,999	59,828	61,891	63,954	66,017
Group VI				
45,000-59,999	61,891	64,641	67,392	70,143
Group VII				
60,000-89,999	66,017	68,768	71,518	74,269
Group VIII				
90,000-499,999	68,080	71,518	74,957	78,395
Group IX				
500,000 and up	72,206	75,644	79,083	82,521

- (3) (a) For calendar year 2000, the salary schedule in subsection (2) of this section shall be increased by the amount of increase in the annual consumer price index as published by the United States Department of Commerce for the year ended December 31, 1999. This salary adjustment shall take effect on July 14, 2000, and shall not be retroactive to the preceding January 1.
- (b) For each calendar year beginning after December 31, 2000, upon publication of the annual consumer price index by the United States Department of Commerce, the annual rate of salary for the property valuation administrator shall be determined by applying the increase in the consumer price index to the salary in effect for the previous year. This salary determination shall be retroactive to the preceding January 1.
- (c) In addition to the step increases based on service in office, each property valuation administrator shall be paid an ~~annual incentive increase~~ of six hundred eighty-seven dollars and sixty-seven cents (\$687.67) *per calendar year* for each forty (40) hour training unit successfully completed ***based on continuing service in that office and, except as provided in this subsection, completion of at least forty (40) hours of approved training in each subsequent calendar year. If a property valuation administrator fails without good cause, as determined by the secretary of the Kentucky Revenue Cabinet, to obtain the minimum amount of approved training in any year, the officer shall lose all training incentives previously accumulated. No property valuation administrator shall receive more than one (1) training unit per calendar year nor more than four (4) incentive payments per calendar year. Each property valuation administrator shall be allowed to carry forward up to forty (40) hours of training credit into the following calendar year for the purpose of satisfying the minimum amount of training for that year.*** This amount shall be increased by the consumer price index adjustments prescribed in paragraphs (a) and (b) of this subsection. Each training unit shall be approved and certified by the Kentucky Revenue Cabinet. Each unit shall be available to property valuation administrators in each office based on continuing service in that office. ***The Kentucky Revenue Cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish guidelines for the approval and certification of training units.***

- (4) Notwithstanding any provision contained in this section, no property valuation administrator holding office on July 14, 2000, shall receive any reduction in salary or reduction in adjustment to salary otherwise allowable by the statutes in force on July 14, 2000.
- (5) Deputy property valuation administrators and other authorized personnel may be advanced one (1) step in grade upon completion of twelve (12) months' continuous service. The Revenue Cabinet may make grade classification changes corresponding to any approved for cabinet employees in comparable positions, so long as the changes do not violate the integrity of the classification system. Subject to availability of funds, the cabinet may extend cost-of-living increases approved for cabinet employees to deputy property valuation administrators and other authorized personnel, by advancement in grade.
- (6) Beginning with the 1990-1992 biennium, the Revenue Cabinet shall prepare a biennial budget request for the staffing of property valuation administrators' offices. An equitable allocation of employee positions to each property valuation administrator's office in the state shall be made on the basis of comparative assessment work units. Assessment work units shall be determined from the most current objective information available from the United States Bureau of the Census and other similar sources of unbiased information. Beginning with the 1996-1998 biennium, assessment work units shall be based on parcel count per employee. The total sum allowed by the state to any property valuation administrator's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed the amount fixed by the Revenue Cabinet. However, each property valuation administrator's office shall be allowed as a minimum such funds that are required to meet the federal minimum wage requirements for two (2) full-time deputies.
- (7) Beginning with the 1990-1992 biennium each property valuation administrator shall submit by June 1 of each year for the following fiscal year to the Revenue Cabinet a budget request for his office which shall be based upon the number of employee positions allocated to his office under subsection (6) of this section and upon the county and city funds available to his office and show the amount to be expended for deputy and other authorized personnel including employer's share of FICA and state retirement, and other authorized expenses of the office. The Revenue Cabinet shall return to each property valuation administrator, no later than July 1, an approved budget for the fiscal year.
- (8) Each property valuation administrator may appoint any persons approved by the Revenue Cabinet to assist him in the discharge of his duties. Each deputy shall be more than twenty-one (21) years of age and may be removed at the pleasure of the property valuation administrator. The salaries of deputies and other authorized personnel shall be fixed by the property valuation administrator in accordance with the grade classification system established by the Revenue Cabinet and shall be subject to the approval of the Revenue Cabinet. The Personnel Cabinet shall provide advice and technical assistance to the Revenue Cabinet in the revision and updating of the personnel classification system, which shall be equitable in all respects to the personnel classification systems maintained for other state employees. Any deputy property valuation administrator employed or promoted to a higher position may be examined by the Revenue Cabinet in accordance with standards of the Personnel Cabinet, for the position to which he is being appointed or promoted. No state funds available to any property valuation administrator's office as compensation for deputies and other authorized personnel or for other authorized expenditures shall be paid without authorization of the Revenue Cabinet prior to the employment by the property valuation administrator of deputies or other authorized personnel or the incurring of other authorized expenditures.
- (9) Each county fiscal court shall annually appropriate and pay each fiscal year to the office of the property valuation administrator as its cost for use of the assessment, as required by KRS 132.280, an amount determined as follows:

Assessment Subject to

County Tax of:

At Least	But Less Than	Amount
----	\$100,000,000	\$0.005 for each \$100 of the first \$50,000,000 and \$0.002 for each \$100 over \$50,000,000.
\$100,000,000	150,000,000	\$0.004 for each \$100 of the first \$100,000,000 and \$0.002 for

		each \$100 over \$100,000,000.
150,000,000	300,000,000	\$0.004 for each \$100 of the first \$150,000,000 and \$0.003 for each \$100 over \$150,000,000.
300,000,000	----	\$0.004 for each \$100.

- (10) The total sum to be paid by the fiscal court to any property valuation administrator's office under the provisions of subsection (9) of this section shall not exceed the limits set forth in the following table:

Assessed Value of Property Subject to

County Tax of:

At Least	But Less Than	Limit
----	\$700,000,000	\$25,000
\$700,000,000	1,000,000,000	35,000
1,000,000,000	2,000,000,000	50,000
2,000,000,000	2,500,000,000	75,000
2,500,000,000	5,000,000,000	100,000
5,000,000,000	-----	175,000

This allowance shall be based on the assessment as of the previous January 1 and shall be used for deputy and other personnel allowance, supplies, maps and equipment, travel allowance for the property valuation administrator and his deputies and other authorized personnel, and other authorized expenses of the office.

- (11) Annually, after appropriation by the county of funds required of it by subsection (9) of this section, and no later than August 1, the property valuation administrator shall file a claim with the county for that amount of the appropriation specified in his approved budget for compensation of deputies and assistants, including employer's shares of FICA and state retirement, for the fiscal year. The amount so requested shall be paid by the county into the State Treasury by September 1, or paid to the property valuation administrator and be submitted to the State Treasury by September 1. These funds shall be expended by the Revenue Cabinet only for compensation of approved deputies and assistants and the employer's share of FICA and state retirement in the appropriating county. Any funds paid into the State Treasury in accordance with this provision but unexpended by the close of the fiscal year for which they were appropriated shall be returned to the county from which they were received.
- (12) After submission to the State Treasury or to the property valuation administrator of the county funds budgeted for personnel compensation under subsection (11) of this section, the fiscal court shall pay the remainder of the county appropriation to the office of the property valuation administrator on a quarterly basis. Four (4) equal payments shall be made on or before September 1, December 1, March 1, and June 1 respectively. Any unexpended county funds at the close of each fiscal year shall be retained by the property valuation administrator, except as provided in KRS 132.601(2). During county election years the property valuation administrator shall not expend in excess of forty percent (40%) of the allowances available to his office from county funds during the first five (5) months of the fiscal year in which the general election is held.
- (13) The provisions of this section shall apply to urban-county governments. In an urban-county government, all the rights and obligations conferred on fiscal courts by the provisions of this section shall be exercised by the urban-county government.
- (14) When an urban-county form of government is established through merger of existing city and county governments as provided in KRS Chapter 67A, the annual county assessment shall be presumed to have been adopted as if the city had exercised the option to adopt as provided in KRS 132.285, and the annual amount to be appropriated to the property valuation administrator's office shall be the combined amount that is required of the county under this section and that required of the city under KRS 132.285, except that the total shall not exceed one hundred thousand dollars (\$100,000) for any urban-county government with an assessment subject to countywide tax of less than three billion dollars (\$3,000,000,000), one hundred twenty-five thousand dollars

(\$125,000) for an urban-county government with an assessment subject to countywide tax between three billion dollars (\$3,000,000,000) and five billion dollars (\$5,000,000,000), and two hundred thousand dollars (\$200,000) for an urban-county government with an assessment subject to countywide tax in excess of five billion dollars (\$5,000,000,000). For purposes of this subsection, the amount to be considered as the assessment for purposes of KRS 132.285 shall be the amount subject to taxation for full urban services.

- (15) Notwithstanding the provisions of subsection (9) of this section, the amount appropriated and paid by each county fiscal court to the office of the property valuation administrator for 1996 and subsequent years shall be equal to the amount paid to the office of the property valuation administrator for 1995, or the amount required by the provisions of subsections (9) and (10) of this section, whichever is greater.

Approved March 12, 2002

CHAPTER 39

(HB 110)

AN ACT relating to education.

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

Section 1. KRS 160.725 is amended to read as follows:

- (1) An educational institution may publish and release to the general public directory information relating to a student. An educational institution shall give public notice of the categories of directory information that it has designated as directory information with respect to each student in attendance and shall allow a reasonable time after the notice has been given for a parent or eligible student to inform the institution that any or all of the information designated should not be released without prior consent.
- (2) (a) If an educational institution provides access to its campus or its student directory information to persons or groups which make students aware of occupational or educational options, the board shall provide access on the same basis to official recruiting representatives of:
 1. *The Armed Forces of the United States;*
 2. *The Kentucky Air National Guard;*
 3. *The Kentucky Army National Guard; and*
 4. *The service academies of the Armed Forces of the United States.*
- (b) *Local secondary schools shall provide the student directory information to official recruiting representatives by September 30 of each year.*
- (c) *Student directory information given to official recruiting representatives may be used~~[the military forces of the state and the United States]~~ for the purpose of informing students of educational and career opportunities available in the **Armed Forces of the United States, the Kentucky Air National Guard, the Kentucky Army National Guard and the service academies of the Armed Forces of the United States**~~[military]~~.*

Approved March 12, 2002

CHAPTER 40

(HB 62)

AN ACT relating to the Kentucky Military Heritage Act.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 5 of this Act, unless the context otherwise requires:

- (1) *"Commission" means the Kentucky Military Heritage Commission.*

- (2) *"Military heritage" means any peacetime, wartime, or other military activity engaged in by any or all of the thirteen (13) original colonies prior to the creation of the United States, activities engaged in by the United States, activities engaged in by the Confederate States of America, and activities of the Kentucky Militia, the Kentucky National Guard, the Kentucky Air National Guard, and any other military, quasi-military, or partisan unit operating under the jurisdiction of the Commonwealth, or which operated within the Commonwealth. It includes, but is not limited to, the activities of any person who was born in Kentucky, who was a resident of Kentucky, or whose remains are interred in Kentucky as well as the activities of formal or informal military units, paid or volunteer.*
- (3) *"Military heritage site" means any historic geographic site of military heritage significance declared as such by the commission, pursuant to Sections 2, 3, and 4 of this Act.*
- (4) *"Military heritage object" means any building, fortification, statue, monument, marker, work of art, flag, aircraft, field piece, item of military equipment, weapon, or other physical object of military heritage significance declared as such by the commission, pursuant to Sections 2, 3, and 4 of this Act, including but not limited to buildings, sites, and other landmarks.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky Military Heritage Commission is hereby established as an independent agency of the Commonwealth of Kentucky which is attached to the Kentucky Heritage Council for administrative and support purposes. The Heritage Council may request and receive additional administrative aid and support from the Kentucky Historical Society, the Department of Military Affairs, the Commission on Military Affairs, and the Department of Veterans' Affairs.*
- (2) *The Kentucky Military Heritage Commission shall consist of the adjutant general, the Director of the Kentucky Historical Society, the state historic preservation officer, the executive director of the commission on Military Affairs, and the commissioner of the Department of Veterans' Affairs.*
- (3) *The commission shall receive requests for designation of a geographic site as a military heritage site and for designation of an object as a military heritage object in accordance with Sections 1 to 5 of this Act and the administrative regulations promulgated thereunder.*
- (4) *The commission shall promulgate administrative regulations necessary to carry out Sections 1 to 5 of this Act and to protect military heritage sites and military heritage objects.*
- (5) *The commission may seek funding from any source, public or private, and may expend funds for the operation of the commission and for the protection of military heritage sites and military heritage objects.*
- (6) *The commission may employ such persons as it deems necessary, consistent with available funding, to carry out the duties of the commission.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

- (1) *Any person or organization may nominate a geographic location for designation as a military heritage site or to rescind a designation as a military heritage site.*
- (2) *Any person or organization may nominate an object for designation as a military heritage object or to rescind a designation as a military heritage object.*
- (3) *Private property shall not be designated as a military heritage site or as a military heritage object unless:*
 - (a) *The nomination is made by the owner of the property if held by a single owner or by all owners of the property if the property is held jointly; or*
 - (b) *The nomination is approved, in writing, by the owner of the property if held by a single owner or by all owners of the property if the property is held jointly.*
- (4) *The commission shall promulgate administrative regulations with regard to the process of designation of a military heritage site and a military heritage object and the characteristics of a qualifying site and qualifying object.*
- (5) *The commission shall meet not less than two (2) times per year to act upon nominations of geographic locations proposed as military heritage sites and nominations of objects as military heritage objects. The*

commission at any meeting may also act on requests to rescind any designation of a military heritage site or military heritage object.

- (6) *To designate a site as a military heritage site or to designate an object as a military heritage object requires a majority vote of the members of the commission.*
- (7) *To rescind the designation of a site as a military heritage site or to rescind the designation of an object as a military heritage object requires a unanimous vote of the members of the commission.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

- (1) *Designation of an historic geographic site as a military heritage site means that the site cannot be destroyed, removed, or significantly altered, other than for repair or renovation without the written consent of the commission.*
- (2) *Designation of an object as a military heritage object means that the object cannot be destroyed, removed, sold, or significantly altered, other than for repair or renovation or temporary loan not exceeding one (1) year without the written consent of the commission.*
- (3) *The commission shall promulgate administrative regulations defining permitted and forbidden activities relating to military heritage sites and military heritage objects and which activity requires either written permission of the commission or action by the commission to rescind the designation of the site as a military heritage site or rescind the designation of the object as a military heritage object.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 171 IS CREATED TO READ AS FOLLOWS:

- (1) *Destruction, removal, sale, gift, loan, or significant alteration of a site designated as a military heritage site without the written approval of the commission or the commission's rescinding the designation of the site as a military heritage site is a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.*
- (2) *Destruction, removal, sale, gift, loan, or significant alteration of an object designated as a military heritage object without the written approval of the commission or the commission's rescinding the designation of the object as a military heritage object is a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.*
- (3) *The provision of this section shall not apply to repair, restoration, and temporary loan activities which are permitted by Section 4 of this Act.*

Section 6. This Act shall be known as the Kentucky Military Heritage Act.

Approved March 12, 2002

CHAPTER 41

(HB 112)

AN ACT relating to waiver of postsecondary tuition for dependents of veterans.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section and KRS 164.480 to 164.515, unless the context requires otherwise, "resident" means a legal resident as determined by generally established principles of law, as may be defined, and subject to proof, according to such administrative regulations as the Kentucky Department of Veterans' Affairs may promulgate.*
- (2) *The Kentucky Department of Veterans' Affairs, pursuant to KRS Chapter 13A, shall promulgate administrative regulations concerning the eligibility of applicants to participate in the tuition waiver programs established in this section and KRS 164.480 to 164.515.*

Section 2. KRS 164.507 is amended to read as follows:

- (1) The nonremarried spouse, regardless of age, and any child, stepchild, or orphan, between the ages of seventeen (17) and twenty-three (23), of a deceased veteran shall not be required to pay any matriculation or tuition fees upon admission to any state-supported university, junior college, or vocational training institute for a period

not in excess of ~~the~~ thirty-six (36) months in order to obtain a diploma, nor in excess of the lesser number of months required for a certificate of completion, if the deceased parent or spouse:

- (a)
 - 1. Served in the Armed Forces of the United States during a national emergency, wars declared by Congress, or actions of the United Nations; or
 - 2. Died while on active duty in the Armed Forces of the United States regardless of wartime service; or
 - 3. Died as a result of a service-connected disability acquired while on active duty with the Armed Forces of the United States regardless of wartime service; and
- (b)
 - 1. Was a resident of the Commonwealth of Kentucky at the time of death; *or*
 - 2. ***Was married to a resident of Kentucky at the time of death;*** and
 - 3. ~~If discharged,~~ If discharged, was under honorable conditions.
- (2) In order to obtain the benefits conferred by subsection (1), the parent-child relationship must be shown by birth certificate, adoption papers, marriage certificate, or other documentary evidence. A stepchild must have been a member of the veteran's household at the time of the veteran's death. The spousal relationship must be shown by a marriage certificate or other documentary evidence. The parent's or spouse's service and the cause of death must be evidenced by certification from the records of the Kentucky Department of Military Affairs, the Veterans Administration Records, or the Department of Defense of the United States. In the event one so admitted to a state-supported university, junior college, or vocational training institution under this section shall have obtained a cash scholarship paid or payable to the institution, from whatever source, the amount of the scholarship shall be applied to the credit of the applicant in the payment of incidental expenses of attendance at the institution, and any balance, if the terms of the scholarship permit, shall be returned to the applicant.

Approved March 12, 2002

CHAPTER 42

(HB 115)

AN ACT relating to waiver of tuition for dependents of veterans.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) ***The child of a veteran, regardless of age, who has acquired a disability as a direct result of the veteran's service shall be eligible to receive a waiver of tuition upon admission to any state-supported university, college, or vocational training institute.***
- (2) ***To be entitled to benefits under this section, the child claiming benefits must have acquired a disability determined by the United States Veterans Administration as compensable.***
- (3) ***The parent-child relationship must be shown by birth certificate, marriage certificate, or other documentary evidence.***
- (4) ***To entitle a child to benefit under this section the member of the National Guard or Reserve Component veteran living or deceased must have served on state active duty, active duty for training, or inactive duty training or the veteran must have served on active duty with the Armed Forces of the United States, and the discharge must have been under honorable conditions. The veteran must be a resident or, if deceased, must have been a resident of the Commonwealth of Kentucky.***

Section 2. KRS 164.515 is amended to read as follows:

- (1) The spouse, regardless of age, and any child, stepchild, or orphan of a permanently and totally disabled member of the Kentucky National Guard or Reserve Component injured while on state active duty, active duty for training, or inactive duty training, or a permanently and totally disabled war veteran, or a one hundred percent (100%) service-connected disabled veteran regardless of wartime service, or prisoner of war or member of the Armed Services declared missing in action, who is over the age of seventeen (17) and under the

age of twenty-three (23) shall not be required to pay any matriculation or tuition fees upon his admission to any state-supported institution of higher education or to any state-supported vocational training school for a period not in excess of thirty-six (36) months in order to obtain a diploma, nor in excess of the lesser number of months required for a certificate of completion.

- (2) To be entitled to benefits under this section the parent or stepparent of the child claiming benefits if living must be rated permanently and totally disabled for pension purposes or one hundred percent (100%) disabled for compensation purposes by the United States Veterans Administration or the Department of Defense. ***If the veteran is*** ~~or if~~ deceased, the claim to benefits is to be based on the rating held by the veteran at the time of death or if a prisoner of war or missing in action, must have been declared as such by the Department of Defense. Members of the Kentucky National Guard must be rated permanently and totally disabled as provided in KRS Chapter 342. The parent's, stepparent's, or spouse's service and rating must be evidenced by certification from the records of the Kentucky Department of Military Affairs, Veterans Administration Records, or the Department of Defense of the United States.
- (3) The parent-child relationship must be shown by birth certificate, legal adoption papers, marriage certificate, or other documentary evidence. A stepchild must be a member of the veteran's household. The spousal relationship must be shown by a marriage certificate or other documentary evidence.
- (4) To entitle a spouse, child, stepchild, or orphan to benefit under this section the disabled member of the National Guard or Reserve Component veteran living or deceased must have served on state active duty, active duty for training, or inactive duty training or active duty with the Armed Forces of the United States, and his discharge must have been under honorable conditions. He must be a resident or, if deceased, ***have been***~~was~~ a resident of the Commonwealth of Kentucky.
- (5) No provision of this section shall serve to deny these benefits to an eligible spouse, child, stepchild, or orphan, who enlists, or who fulfills a military obligation, in the Armed Forces of the United States and is discharged under honorable conditions; the period of time spent in the military service to be compensated by like time, beyond the age of twenty-three (23) years if required, but not in excess of the period of enrollment as set forth in subsection (1) of this section.
- (6) The marriage of an eligible child, stepchild, or orphan, shall not serve to deny full entitlement to the benefits provided in this section.

Approved March 12, 2002

CHAPTER 43

(HB 231)

AN ACT relating to military burial honors and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

- (1) ***The Commonwealth of Kentucky recognizes the vast majority of honorable burials for Kentuckians who have served their state and nation in the Armed Forces are conducted by the veterans' service organizations. The active military units in Kentucky, the Kentucky National Guard, and the military reserves are providing burial honors details as available manpower permits. Year 2000 data from the Department of Defense shows over 497,000 veterans died, but only 91,074 military funeral honors were performed. Although the veterans' service organizations provide untold thousands of unofficial services, many Kentucky veterans are still being buried without honors, including firing details, color guard, and pallbearers.***
- (2) ***To correct this situation, the Department of Veterans' Affairs shall oversee a Veterans' Service Organization Burial Honor Guard Program.***
- (3) ***The Department of Veterans' Affairs shall implement and administer the provisions of this section through the promulgation of administrative regulations. These regulations shall be in accordance with the provisions of KRS Chapter 13A.***

SECTION 2. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

- (1) *There is established and created in the State Treasury a fund entitled the "veterans' service organization burial honor guard trust fund" to provide funds to offset the costs of the Veterans' Service Organization Burial Honor Guard Program. The fund may receive state appropriations, gifts, grants, federal funds, and any other funds both public and private. Moneys deposited in the fund shall be disbursed by the State Treasurer upon the warrant of the commissioner of the Department of Veterans' Affairs or his or her representative. Any unallocated or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9), and any income earned from the investments along with the unallotted or unencumbered balances in the fund shall not lapse and shall be deemed a trust and agency account and made available solely for the purposes and benefits of the Veterans' Service Organization Burial Honor Guard Program.*
- (2) *The fund shall be used to support the costs which veterans' service organizations incur in providing and supporting a well-equipped, properly trained, and certified burial honor guard.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Veterans' Affairs shall promulgate administrative regulations to implement the Veterans' Service Organization Burial Honor Guard Program.*
- (2) *The Department of Veterans' Affairs shall coordinate with the veterans' service organizations to determine the eligibility of the organization under administrative regulations to be promulgated by the Department of Veterans' Affairs.*
- (3) *The Department of Veterans' Affairs shall coordinate the Veterans' Service Organization Burial Honor Guard Program with veterans' service organizations, Kentucky veterans and their dependents, the Kentucky Funeral Directors' Association, the Department of Military Affairs, the United States Army Reserve, and the Casualty Assistance Commands of Fort Campbell and Fort Knox.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 40 IS CREATED TO READ AS FOLLOWS:

- (1) *Recognizing the participation of secondary school students in the Veterans' Service Organization Burial Honor Guard Program, excused absences may be granted by local school boards to students of secondary school JROTC programs or other students who participate in the Veterans' Service Organization Burial Honor Guard Program. This includes time spent training, traveling, and participating in the Veterans' Service Organization Burial Honor Guard Program.*
- (2) *Local school boards may also adopt a policy to allow students to participate in the Veterans' Service Organization Burial Honor Guard Program as a part of the instructional program.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

- (1) *An excused absence may be granted, subject to approval by the local school board, to all students of Kentucky secondary schools who participate in the Veterans' Service Organization Burial Honor Guard Program. Most likely these would be students already participating in JROTC, drum corps, or other military programs; however, the Veterans' Service Organization Burial Honor Guard Program is not limited to these students. This excused absence should include time spent training, traveling, and participating in the Veterans' Service Organization Burial Honor Guard Program.*
- (2) *The local school board may also adopt a policy to allow students to participate in the Veterans' Service Organization Burial Honor Guard Program as a part of the instructional program.*
- (3) *This policy of either excused absences or including Veterans' Service Organization Burial Honor Guard Program participation as a part of the instructional program shall not in any way penalize the local school district.*

Section 6. Whereas the Commonwealth's next fiscal year begins on July 1 and the General Assembly finds that it is critical that the provisions of this Act take effect at the beginning of the fiscal year, an emergency is declared to exist and this Act takes effect July 1, 2002.

Approved March 12, 2002

CHAPTER 44**(HB 273)**

AN ACT relating to the submission of documents regarding Kentucky permits and taxes.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 325 IS CREATED TO READ AS FOLLOWS:

A certified public accountant licensed in the Commonwealth under the provisions of this chapter, or an attorney licensed to practice law in the Commonwealth of Kentucky, with express authorization of a client may act as an agent of that client to:

- (1) Complete, sign, and file an application for a seller's permit to do business as provided in Section 2 of this Act;***
- (2) Complete, sign, and file an application for a seller's permit for any out-of-state retailer who is not required to file for the collection of use tax under KRS 139.340 but is seeking to do so on a voluntary basis as provided by KRS 139.700;***
- (3) Complete, sign, and file an application for a general business license as provided for in KRS 154.12-219. A certified public accountant acting under this subsection shall remit the license fee required under KRS 154.12-219 with the application and may seek reimbursement from the applicant for that fee;***
- (4) Complete, sign, and file an application for a certificate of registration to sever or process coal in this state as required by KRS 143.030; and***
- (5) Complete, sign, and file an application for an employer's withholding, corporation income, and corporation license tax registration numbers as may be required by KRS 131.130.***

Section 2. KRS 139.240 is amended to read as follows:

- (1) Every person presently engaged or desiring to engage in or conduct business as a seller within this state shall file with the cabinet an application for a permit for each place of business.***
- (2) Every application for a permit shall:***
 - (a) Be made upon a form prescribed by the cabinet;***
 - (b) Set forth the name under which the applicant transacts or intends to transact business and the location of his place or places of business;***
 - (c) Set forth such other information as the cabinet may require.***
- (3) The application shall be signed by:***
 - (a) The owner, if he or she is a natural person;***
 - (b) A member or partner, if the entity is an association, limited liability company, limited liability partnership, or partnership;***
 - (c) An executive officer, if the entity is a corporation, or some person specifically authorized by the corporation to sign the application, to which shall be attached written evidence of his or her authority; or***
 - (d) A licensed certified public accountant, or an attorney licensed to practice law in the Commonwealth of Kentucky, specifically authorized by and acting on behalf of an owner, an association, a partnership, a limited liability company, a limited liability partnership, a corporation, or other business entity.***

~~[The application shall be signed by the owner if he is a natural person; in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application, to which shall be attached the written evidence of his authority.]~~

Section 3. KRS 143.030 is amended to read as follows:

- (1) Every individual, partnership, joint venture, association, ***limited liability company, limited liability partnership,***~~[-or]~~ corporation, ***or other business entity*** engaged in severing ~~or~~~~and/or~~ processing coal shall, prior to July 1, 1978, or prior to severing ~~or~~~~and/or~~ processing coal in this Commonwealth, file an application for a certificate of registration in such form as the cabinet may prescribe. Every application shall be signed by:
 - (a) The owner if a natural person;~~[in the case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the application]~~
 - (b) ***A member or partner if the entity is an association, limited liability company, limited liability partnership, or partnership;***
 - (c) ***An executive officer, if the entity is a corporation, or some person specifically authorized by the corporation to sign the application, to which shall be attached written evidence of his or her authority; or***
 - (d) ***A licensed certified public accountant, or an attorney licensed to practice law in the Commonwealth of Kentucky, acting on behalf of the owner, association, partnership, limited liability company, limited liability partnership, corporation, or other business entity.***
- (2) On or before the twentieth day of the month following the reporting period in which any coal is severed ~~or~~~~and/or~~ processed, the taxpayer severing ~~or~~~~and/or~~ processing such coal shall file with the cabinet a tax return in such form as the cabinet may require and remit the amount of the tax due. A tax return is required for each reporting period even though there may be no tax liability.
- (3) Whenever any taxpayer fails to comply with any provisions of this chapter, or any rule or regulation of the cabinet relating thereto, the cabinet may order the suspension or revocation of the certificate of registration held by such taxpayer.
- (4) Any taxpayer, including any officer of a corporation, who conducts a coal severing ~~or~~~~and/or~~ processing operation in this state without obtaining a certificate of registration or after a certificate of registration has been suspended or revoked, shall be guilty of a misdemeanor and upon conviction therefor, shall be fined an amount not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) or imprisoned for a period not to exceed six (6) months or both such fine and imprisonment.

Approved March 12, 2002

CHAPTER 45

(HB 320)

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 36 IS CREATED TO READ AS FOLLOWS:

- (1) ***The Office for Security Coordination is hereby created in the Department of Military Affairs. The Office for Security Coordination shall be headed by an executive director who shall be appointed by the Governor upon the recommendation of the adjutant general.***
- (2) ***The Office for Security Coordination shall coordinate a comprehensive statewide security strategy. The Office for Security Coordination shall coordinate the executive branch's efforts to secure and protect personnel, assets, and facilities within the Commonwealth of Kentucky.***

Section 2. KRS 36.010 is amended to read as follows:

The Department of Military Affairs shall be attached to the Office of the Governor, have charge of and be responsible to the Governor for the proper functioning of the Kentucky National Guard, militia, and all other military or naval matters of the state, and shall consist of the following offices and divisions:

- (1) Office of Management and Administration, containing the:
 - (a) Division of Administrative Services;

- (b) Division of Facilities;
- (c) Bluegrass Station Division;
- (d) Division of Air Transport; and
- (e) Logistics Operations Division;
- (2) Division of Emergency Management;
- (3) Office of the Chief of Staff for Federal Army Guard;
- (4) Office of the Chief of Staff for Federal Air Guard;
- (5) ***Office for Security Coordination;***
- (6) Kentucky Guard Youth Challenge Division; and
- (7)~~((6))~~ Kentucky Civil Air Patrol.

In order to promote greater efficiency, economy, and improved administration, the divisional structure of the Department of Military Affairs may be changed, redesignated, or reorganized in accordance with KRS Chapter 12. Notwithstanding KRS Chapter 12, the department's attachment to the Office of Governor as a separate organizational unit not attached to any cabinet shall not be changed except by action of the General Assembly.

Section 3. The General Assembly confirms Executive Order 2001-1411, dated November 15, 2001, relating to the reorganization of the Department of Military Affairs, to the extent it is not otherwise confirmed by this Act.

Approved March 12, 2002

CHAPTER 46

(HB 422)

AN ACT relating to waste tires.

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

Section 1. KRS 224.50-868 is amended to read as follows:

- (1) Until July 31, ~~2006~~~~[2002]~~, a person purchasing a new motor vehicle tire in Kentucky shall pay to the retailer a one dollar (\$1) fee at the time of the purchase of that tire. A new tire is a tire that has never been placed on a motor vehicle wheel rim, but it is not a tire placed on a motor vehicle prior to its original retail sale or a recapped tire. The term "motor vehicle" as used in this section shall mean "motor vehicle" as defined in KRS 138.450. The fee shall not be subject to the Kentucky sales tax.
- (2) When a person purchases a new motor vehicle tire in Kentucky to replace another tire, the tire that is replaced becomes a waste tire subject to the waste tire program. The person purchasing the new motor vehicle tire shall either offer the retailer that waste tire or meet the following requirements:
 - (a) Dispose of the waste tire in accordance with KRS 224.50-856(1);
 - (b) Deliver the waste tire to a person registered in accordance with the waste tire program; or
 - (c) Reuse the waste tire for its original intended purpose or an agricultural purpose.
- (3) A retailer shall report to the Revenue Cabinet on or before the twentieth day of each month the number of new motor vehicle tires sold during the preceding month and the number of waste tires received from customers that month. The report shall be filed on forms and contain information as the Revenue Cabinet may require. The retailer shall remit with the report ninety-five percent (95%) of the fees collected for the preceding month and may retain a five percent (5%) handling fee.
- (4) A retailer shall:
 - (a) Accept from the purchaser of a new tire, if offered, for each new motor vehicle tire sold, a waste tire of similar size and type; and
 - (b) Post notice at the place where retail sales are made that state law requires the retailer to accept, if offered, a waste tire for each new motor vehicle tire sold and that a person purchasing a new motor

vehicle tire to replace another tire shall comply with subsection (2) of this section. The notice shall also include the following wording: "State law requires a new tire buyer to pay one dollar (\$1) for each new tire purchased. The money is collected and used by the state to oversee the management of waste tires, including cleaning up abandoned waste tire piles and preventing illegal dumping of waste tires."

- (5) A retailer shall comply with the requirements of the recordkeeping system for waste tires established by KRS 224.50-874.
- (6) A retailer shall transfer waste tires only to a person who presents a letter from the cabinet approving the registration issued under KRS 224.50-858 or a copy of a solid waste disposal facility permit issued by the cabinet, unless the retailer is delivering the waste tires to a destination outside Kentucky and the waste tires will remain in the retailer's possession until they reach that destination.

Section 2. KRS 224.50-872 is amended to read as follows:

The cabinet shall report to the General Assembly no later than January 15, ~~2006~~~~{2002}~~, on the effectiveness of the waste tire program in developing markets for waste tires, the effectiveness of the fee established in KRS 224.50-868 in funding the cabinet's implementation of the waste tire program, ***to include any waste tire amnesty program established by the cabinet as provided for in subsection (1)(b) of Section 3 of this Act***, and whether the fee should be extended beyond July 31, ~~2006~~~~{2002}~~.

Section 3. KRS 224.50-880 is amended to read as follows:

- (1) A waste tire trust fund is established in the state treasury. The fund shall be used by the cabinet for the following purposes:
 - (a) Properly managing waste tires;
 - (b) Paying the cabinet's costs in implementing the waste tire program ***to include costs associated with any waste tire amnesty program established by the cabinet that permits waste tires to be turned in without incurring fees, charges, or penalties***;
 - (c) Paying the Revenue Cabinet's costs of assessing and collecting the fee established by KRS 224.50-868;
 - (d) Entering into the agreements described in KRS 224.50-876; and
 - (e) Awarding the grants described in KRS 224.50-878.
- (2) All interest earned on money in the fund shall be credited to the fund.
- (3) Money unexpended at the end of a fiscal year shall not lapse to the general fund.
- (4) Any money remaining in the waste tire trust fund established by KRS 224.50-820 shall be transferred to the fund established by this section.

Approved March 12, 2002

CHAPTER 47

(HB 549)

AN ACT relating to local industrial development authorities.

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

Section 1. KRS 154.50-320 is amended to read as follows:

- (1) The purpose, duties, and powers of the authority shall be to:
 - (a) Acquire, retain, and develop land for industrial and commercial purposes in Kentucky; aid in the development and promotion of industrial sites, parks, and subdivisions to meet industrial and commercial needs in Kentucky.
 - (b) Encourage the acquisition, retention, and development of land for industrial and commercial needs in Kentucky by other local development organizations, both public and private.

- (c) Cooperate with the United States Army Corps of Engineers and other federal agencies in formulating development plans and in acquiring and developing land for industrial and commercial purposes in accordance with these plans.
 - (d) Acquire by contract, lease, purchase, gift, condemnation, or otherwise any real or personal property, or rights therein, necessary or suitable for establishing industrial sites, parks, or subdivisions. The authority may dispose of any real or personal property, or rights therein, which in the opinion of the authority are no longer needed to carry out the purposes of KRS 154.50-301 to 154.50-346. The authority may lease, sell, or convey any or all industrial sites, parks, and subdivisions owned or optioned by it to any public or private organization, governmental unit, or industry for the purpose of constructing and/or operating any manufacturing, industrial, or commercial facility. Provided, however, that no sale or conveyance of any land shall be made to a private organization or industry without such organization or industry first having executed a written contract with the authority providing that if no actual construction of *a manufacturing, ~~an~~ industrial, or commercial* facility, *as set forth in the executed contract*, is commenced within ten (10) years, the organization or industry shall *offer to* reconvey the land, free and clear of liens and encumbrances, to the authority, and *should* the authority *accept the offer of reconveyance*, *it* shall return to the organization or industry ninety-five percent (95%) of the purchase price paid therefor.
- (2) Upon the adoption by the authority of a resolution reciting that property is needed for industrial sites, parks, and subdivisions and cannot be acquired by negotiation and purchase at its fair market value, the governmental units in which such land is located may direct and institute condemnation proceedings in the name of such governmental units, for the use and benefit of the authority. The procedure for condemnation shall conform to the procedure set out in the Eminent Domain Act of Kentucky. Upon acquisition of the property, the governmental unit shall convey the property to the authority upon payment by the authority to the governmental unit of an amount of money equal to the judgment and costs paid by the governmental unit.

Approved March 12, 2002

CHAPTER 48

(HCR 72)

A CONCURRENT RESOLUTION consenting to the appointment of William R. Whitledge as a member of the Mine Safety Review Commission.

WHEREAS, KRS 351.1041 requires the Governor to appoint the three members of the Mine Safety Review Commission, subject to the consent of the Senate and House of Representatives in accordance with KRS 11.160; and

WHEREAS, on May 23, 2001, the Governor appointed William R. Whitledge as a member of the Mine Safety Review Commission by Executive Order 2001-633, to serve a term expiring on May 23, 2002; and

WHEREAS, the House of Representatives and the Senate find that William R. Whitledge meets the requirements of KRS 351.1041, having the qualifications of a Judge of the Court of Appeals, except for residence in a district;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate consent to the appointment of William R. Whitledge as a member of the Mine Safety Review Commission, for a term expiring on May 23, 2002.

Section 2. The Clerk of the House of Representatives shall notify the Governor and the appointee of the General Assembly's action, by forwarding a copy of this Resolution and written notification of its adoption to Mr. William R. Whitledge, 141 Yorkwood Place, Madisonville, Kentucky 42431 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved March 12, 2002

CHAPTER 49**(HB 399)**

AN ACT relating to the Department of Agriculture.

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

Section 1. KRS 246.030 is amended to read as follows:

The department shall consist of:

- (1) The Office of the Commissioner.
- (2) The chief executive officer.
- (3) The Office for Agricultural Marketing and Product Promotion, which shall include the following:
 - (a) The Division of Market Research;
 - (b) The Division of ~~Show[Shows]~~ and ~~Fair[Fairs]~~ Promotion; and
 - (c) The Division of Value-Added Development.
- (4) The Office for Consumer and Public Service, which shall include the following:
 - (a) The Division of Regulation and Inspection; and
 - (b) The Division of Food Distribution.
- (5) The Office of State Veterinarian, which shall include the Division of Animal Health.
- (6) The Office for Environmental Outreach, which shall include the following:
 - (a) The Division of Pests and Weeds;
 - (b) The Division of Pesticides; and
 - (c) The Division of Agriculture and Environmental Education.
- (7) The Office for Strategic Planning and Administration, which shall include the following:
 - (a) The Division of Fiscal and Intergovernmental Management;
 - (b) The Division of Information Technology;
 - (c) The Division of Personnel and Staff Development; and
 - (d) The Division of Public Relations and Communications.
- (8) The State Board of Agriculture.

Section 2. KRS 247.220 is amended to read as follows:

- (1) The Commissioner of Agriculture shall make grants of state funds to qualified local agricultural fairs on a matching basis, to be used by them to pay premium awards for exhibits and displays of domestic livestock, poultry, harness horse racing, other horse events, and agricultural products. The premiums actually awarded shall conform to those appearing on the premium list issued by the fair.
- (2) The state may provide funds for use in the establishment of new facilities and improvement of existing facilities for use in conducting events at local agricultural fairs as provided by this section. No grant for ~~such~~ buildings shall be made until the local fair board has complied with the local fair program and qualified for the state grant as provided in subsection (5) of this section. ~~Such~~ Grants for facilities shall be made under regulations promulgated by the Fair Council and the Commissioner of Agriculture. In no event shall the allocation for facilities result in a decrease in the number of approved agricultural classes or premiums.
- (3) There shall be a Fair Council in the Department of Agriculture. The council shall act in an advisory capacity to the Commissioner in all matters pertaining to the administration of the department's fair program. It shall be

called into session ~~when~~~~[at such times as]~~ there are matters for its consideration. It shall meet at least twice each calendar year at Frankfort or at ~~any~~~~[such]~~ other place that may be determined.

(4) (a) *The council shall be composed of the:*

1. *Commissioner as chairman ex officio;*
2. *Presidents or their designated representatives of the following state groups:*
 - a. *Kentucky Livestock Improvement Association;*
 - b. *Kentucky Farm Bureau Federation;*
 - c. *Kentucky Association of Fairs and Horse Shows, Inc.;*
 - d. *Kentucky Harness Horse Association;*
 - e. *American Saddlebred Horse Association; and*
 - f. *Kentucky Walking Horse Association;*
3. *Director of Vocational Agriculture Education;*
4. *Dean of the College of Agriculture of the University of Kentucky; and*
5. *Chairmen of the Senate and House Interim Joint Committee on Agriculture and Natural Resources.*

(b) ~~{The council shall be composed of the Commissioner as chairman ex officio and the presidents or their designated representatives of the following state groups: Kentucky Livestock Improvement Association, Kentucky Farm Bureau Federation, Kentucky Association of Fairs and Horse Shows, Inc., the director of Vocational Agriculture Education, the dean of the College of Agriculture of the University of Kentucky, and the Kentucky Harness Horse Association; and the chairmen of the Senate and House Agriculture and Natural Resources Committees or their designees.}~~The Commissioner may, with the concurrence of a majority of the members of the council, appoint additional members to the council.

(5) To qualify for a grant of state funds, a fair shall meet standards set by the Commissioner and his advisory council whose approval may be given only if the fair:

- (a) Provides in its bylaws for holding an annual fair running for at least three (3) days;
- (b) Presents, through the medium of youth organizations such as 4-H clubs, Future Farmers of America, and other similar organizations, an educational program concerning the production and marketing of the livestock, poultry, and horse industries;
- (c) Complies with all ~~administrative~~~~[other rules and]~~ regulations which the Department of Agriculture is hereby authorized to promulgate; **and**
- (d) Appoints one (1) or more members to its fair board from local livestock associations, horsemen's associations, and county farm bureaus, and selects one (1) or more county extension agents and vocational agriculture teachers for counties served by the fair as members of the board. Wherever local livestock associations, horsemen's associations, and farm bureaus are in existence, appointees are to be nominated to the fair board by these organizations. Where fairs serve an area, appointments may be made from all counties within the particular area. It shall be the responsibility of the appointees to aid in establishing premium lists and planning agricultural exhibits.

(6) Any fair receiving a grant of state funds shall file with the director of *the Division of Show and Fair Promotion*~~[livestock shows and fairs]~~ in the Department of Agriculture, by December 1 of the year in which the grant is received, satisfactory proof that all state premium awards have been paid and a certified notarized financial report submitted by the treasurer of the local fair association.

Section 3. KRS 248.450 is amended to read as follows:

- (1) In each tobacco warehouse, redryer, prize room, or company, all pieces of each type of equipment used for transporting baskets of tobacco during a weighing operation in which the quantity value of the tobacco in the basket is determined shall be of uniform weight. In any case where the equipment being used for ~~that~~~~[such]~~ purpose is not the property of the warehouse, redryer, prize room, or company in which the weighing operation is taking place, the weighman shall use the same tare as that set by the Division of *Regulation and*

Inspection~~[Weights and Measures]~~. In every weighing operation involving the same basket, the basket tare shall be the same as that originally determined by the Division of **Regulation and Inspection**~~[Weights and Measures]~~.

- (2) Every tobacco warehouse, redryer, prize room, or company weighing tobacco for commercial purposes shall post a copy of this law in a conspicuous place in the scale office.

Section 4. KRS 249.400 is amended to read as follows:

As used in KRS 249.400 to 249.430 unless the context otherwise requires:

- (1) "Department" means the Department of Agriculture;
- (2) "Commissioner" means the Commissioner of Agriculture;
- (3) "Division" means the Division of **Pests and Weeds**~~[Pest and Noxious Weed Control]~~.

Section 5. KRS 249.410 is amended to read as follows:

The Division of **Pests and Weeds**~~[Pest and Noxious Weed Control]~~ in the Department of Agriculture shall be under the supervision of the Commissioner and shall consist of personnel determined and appointed by him.

Section 6. KRS 251.015 is amended to read as follows:

The~~[Grain and Hay]~~ Division of **Regulation and Inspection** is established within the Office **for Consumer and Public Service**~~[of Agri-Business Standards]~~ of the Department of Agriculture. The division shall be headed by a director appointed by the Commissioner who shall be responsible for administering the provisions of this chapter and **any administrative**~~[the]~~ regulations **promulgated in accordance with this chapter**~~[and standards enacted pursuant thereto]~~.

Section 7. KRS 257.330 is amended to read as follows:

- (1) Before any baby chicks or baby poulters are offered for sale at any auction or auctions, sale barn, or community sale, except public sales conducted by farmers selling baby chicks or baby poulters reared on their own premises, a permit shall be secured from the **Division of Animal Health**~~[Livestock Sanitary Division]~~ of the Department of Agriculture, or the state veterinarian.
- (2) Any person who desires to offer baby chicks or baby poulters for sale at any auction or auctions, sale barn, or community sale, shall apply to the **division**~~[Livestock Sanitary Division of the Department of Agriculture,]~~ or the state veterinarian~~[,]~~ for a permit to hold **the**~~[such]~~ sale. A form shall be prescribed and furnished by the **division**~~[Livestock Sanitary Division of the Department of Agriculture]~~. This application shall be submitted at least three (3) days before the sale to allow time for inspection of the chicks or poulters offered, by a representative of the **division**~~[Livestock Sanitary Division of the Department of Agriculture,]~~ or the state veterinarian~~[,]~~ before any chicks or poulters are sold. This application shall be signed by the person who proposes to conduct **the**~~[such]~~ sale, together with the person who owns the property in or on which **the**~~[such]~~ sale is to be conducted, if the person who proposes to conduct **the**~~[such]~~ sale does not own **the**~~[such]~~ property. The application shall designate the date of the proposed sale, the number and breed of the chicks or poulters to be offered for sale, and the person or firm by whom they were produced, and shall be accompanied by a fee in the sum of one dollar (\$1) per hundred (100) chicks or poulters to be offered for sale. The **division**~~[Livestock Sanitary Division of the Department of Agriculture,]~~ or the state veterinarian~~[,]~~ shall be authorized in their discretion to grant or to deny the permit requested in **the**~~[such]~~ application, and if deemed necessary or advisable to require the applicant to submit a certificate in **a**~~[such]~~ form as the **division**~~[Livestock Sanitary Division of the Department of Agriculture,]~~ or the state veterinarian~~[,]~~ may prescribe, certifying that the baby chicks or baby poulters which may be offered for sale are in healthy condition.
- (3) On inspection by the representative of the **division**~~[Livestock Sanitary Division of the Department of Agriculture,]~~ or state veterinarian, if the chicks or poulters offered for sale are found to be diseased, the representative may confiscate all chicks or poulters found to be diseased and may destroy **the**~~[said]~~ chicks and poulters.

Section 8. KRS 257.350 is amended to read as follows:

Within three (3) days after the sale~~[shall have been held]~~, the person who conducted the sale shall submit a statement to the **Division of Animal Health**~~[Livestock Sanitary Division]~~ of the Department of Agriculture~~[,]~~ or the state

veterinarian, giving a complete list of the number and kind of baby chicks or poults sold, name and address of each purchaser, together with a copy of representation and guarantee made in relation ~~to the sale~~^{thereto}, if any were made by the person who conducted ~~the~~^{such} sale, and the person conducting ~~the~~^{such} sale shall be held to have had full knowledge of the representations and guarantees made at the time of ~~the~~^{such} sale and shall be as fully responsible and liable for any ~~such~~ representation and guarantee as is the person who set forth ~~the~~^{such} representation and guarantee on the containers as provided in KRS 257.340.

Section 9. KRS 257.370 is amended to read as follows:

In order to promote the poultry industry of this state, the ***Division of Animal Health***~~Livestock Sanitary Division~~ of the Department of Agriculture is hereby authorized to cooperate with the United States Department of Agriculture in the promulgation and enforcement of regulations for the control and eradication of pullorum disease.

Section 10. KRS 257.380 is amended to read as follows:

The ***Division of Animal Health***~~Livestock Sanitary Division~~ is hereby authorized to ***promulgate administrative***~~make such~~ regulations as may be necessary, after public hearing following due public notice, to carry out the provisions of KRS 257.370 to 257.460.

Section 11. KRS 257.390 is amended to read as follows:

Chickens, turkeys, or other poultry over five (5) months of age intended for breeding purposes shall not be imported into the state unless they have passed a negative agglutination test for pullorum disease under the supervision of a ***Division of Animal Health***~~Livestock Sanitary~~ authority within thirty (30) days preceding date of importation, or have originated from flocks authoritatively participating in ~~a~~^{such} pullorum control and eradication phase of the national poultry improvement plan or national turkey improvement plan as may be adopted in this state.

Section 12. KRS 257.400 is amended to read as follows:

All poultry under five (5) months of age including baby chicks, started chicks, turkey poults, and other newly hatched domestic poultry except those intended for immediate slaughter which may be admitted under permit issued by the ***Division of Animal Health***~~Livestock Sanitary Division~~, and hatching eggs sold or offered for sale in this state shall have originated from flocks that meet the pullorum requirements of the Kentucky Poultry Improvement Plan or the Kentucky Turkey Improvement Plan, and the regulations ***promulgated***~~issued~~ by authority of KRS 257.370 to 257.460 for the control and eradication of pullorum disease. Nothing in KRS 257.370 to 257.460, however, shall require any hatchery, dealer, or flock owner to participate in the National Poultry Improvement Plan.

Section 13. KRS 257.410 is amended to read as follows:

All poultry under five (5) months of age, including baby chicks, started chicks, turkey poults, other newly hatched domestic poultry, except those intended for immediate slaughter, and hatching eggs shipped or otherwise brought into this state shall have originated in flocks that meet the pullorum requirements of the national poultry improvement plan, the national turkey improvement plan, the Kentucky Poultry Improvement Association, and the ***administrative*** regulations ***promulgated***~~issued~~ by authority of KRS 257.370 to 257.460. Every container of poultry under five (5) months of age, including baby chicks, started chicks, turkey poults, and any other newly hatched domestic poultry, except those intended for immediate slaughter, and hatching eggs shipped or otherwise brought into this state shall bear an official label or certificate showing the name and address of the shipper, the authority under which the testing for pullorum disease was done, and the pullorum control and eradication class of the product, the use of ~~the~~^{said} certificate or label to be approved by the official state agency or the ***Division of Animal Health***~~Livestock Sanitary~~ official of the state of origin.

Section 14. KRS 257.420 is amended to read as follows:

No person, firm, or corporation shall operate a public hatchery, and no person, dealer, jobber, peddler, or huckster in baby chicks, started chicks, turkey poults, other newly hatched domestic poultry, and hatching eggs shall operate as ***a public hatchery***~~such~~ within this state without obtaining an annual permit from the ***Division of Animal Health***~~Livestock Sanitary Division~~ to so operate, and paying a permit fee of ten dollars (\$10) per annum. This is not intended to require a permit of hatcheries, chick dealers, chick salesmen, or corporations selling less than one thousand (1,000) chicks per year, or egg dealers selling less than thirty-five hundred (3,500) eggs per year.

Section 15. KRS 257.440 is amended to read as follows:

Any permit may be suspended or canceled by the ***Division of Animal Health***~~Livestock Sanitary Division~~, after opportunity for a hearing to be conducted in accordance with KRS Chapter 13B, for any violation of KRS 257.370 to

257.460 or the regulations promulgated *under KRS 257.370 to 257.460* ~~[thereunder]~~. Any person who is refused a permit or whose permit is revoked after a hearing may appeal the final order to the Circuit Court of Franklin County in accordance with KRS Chapter 13B.

Section 16. KRS 257.450 is amended to read as follows:

All poultry of whatever age or species and all hatching eggs that are sold or offered for sale within this state or enter into this state not in compliance with the provisions of KRS 257.370 to 257.460 shall be quarantined by the ***Division of Animal Health*** ~~[Livestock Sanitary Division]~~. Where possible, the division shall make the tests necessary to determine whether or not pullorum disease is present in any of the quarantined poultry. With respect to all other poultry where tests are not possible, and to hatching eggs, sufficient proof must be presented that they have originated from approved flocks. The poultry or flocks found to be infected with pullorum disease, and the poultry and hatching eggs lacking the required proof of origin from approved flocks, shall be destroyed.

Section 17. KRS 257.470 is amended to read as follows:

For the purpose of enforcing the provisions of KRS 257.330 to 257.440 the inspectors of the ***Division of Animal Health*** ~~[Livestock Sanitary Division]~~ shall have free access to any premises or vehicles for the purpose of inspection.

Section 18. KRS 257.490 is amended to read as follows:

The state veterinarian shall have the power to designate certain employees of the Division of ***Animal Health*** ~~[Livestock Sanitation]~~ as peace officers for the purpose of enforcing the provisions of this chapter.

Section 19. KRS 257.510 is amended to read as follows:

As used in KRS 257.520 and 257.530, unless the context otherwise requires:

- (1) "Division" means the Division of ***Animal Health*** ~~[Livestock Sanitation]~~, Department of Agriculture; ~~[;]~~
- (2) "Livestock" means cattle, sheep, swine, goats, horses, or any other animals of the bovine, ovine, porcine, caprine, or equine species; ~~[;]~~
- (3) "Person" means any individual, firm, partnership, or corporation; ~~[;]~~
- (4) "Livestock dealer" means any person who buys, sells, or offers to buy, sell, exchange, barter, or negotiate the sale of livestock in this state whether the livestock were raised in this state or imported into this state from another state; *and* ~~[;]~~
- (5) "Farmer" means a person who buys or sells livestock in connection with the operation of a business of breeding, growing, and feeding livestock as a part of an established farming enterprise and who does not follow a definite pattern in disposing of livestock.

Section 20. KRS 260.165 is amended to read as follows:

- (1) The Grape Industry Advisory Committee is hereby created within the Department of Agriculture. The purpose of the committee shall be to promote and facilitate the development of a grape industry in the Commonwealth of Kentucky.
- (2) The committee shall be composed of the Commissioner of Agriculture, or his designee, and six (6) members appointed by the Governor. Of the six (6) gubernatorial appointments, the Governor is encouraged to appoint one (1) from list of three (3) candidates submitted by the director of the University of Kentucky Agriculture Experiment Station, one (1) from a list of three (3) candidates submitted by the secretary of the Tourism Development Cabinet, and two (2) from a list of three (3) candidates submitted by the Kentucky Vineyard Society.
- (3) The appointed members shall serve for terms of four (4) years and until their successors are appointed and qualify. The committee shall select a chairman and shall meet at the times and places that he designates. Four (4) members present at any meeting shall constitute a quorum. Upon the written request of any three (3) members, the chairman shall call a meeting of the committee at the time and place requested.
- (4) Members shall receive no compensation but shall be reimbursed, payable from the Division of ***Value-Added Development*** ~~[Markets]~~, for any actual expense incurred in performing their duties.

Section 21. KRS 363.330 is amended to read as follows:

- (1) As used in this section, unless the context requires otherwise:
 - (a) "Commercial weighing and measuring device" includes any weight or measure or weighing or measuring device commercially used or employed in establishing the size, quantity, extent, area, or measurement of quantities, things, produce, or articles for distribution or consumption, purchased, offered, or submitted for sale, hire, or award, or in computing any basis of weight, or measure, and also includes any accessory attached to or used in connection with a commercial weighing or measuring device when the accessory is so designed or installed that its operation affects, or may affect, the accuracy of the device.
 - (b) "Registered serviceman" means any individual who for hire, award, commission, or any other payment of any kind, installs, services, repairs, or reconditions a commercial weighing or measuring device, and who registers with the director of *the Division of Regulation and Inspection*~~[weights and measures]~~.
 - (c) "Registered service agency" means any agency, firm, company, or corporation which, for hire, award, commission, or any other payment of any kind, installs, services, repairs, or reconditions a commercial weighing or measuring device, and which registers with the director of *the Division of Regulation and Inspection*~~[weights and measures]~~. Under agency registration, identification of individual servicemen shall be required.
- (2) It shall be the policy of the director of *the Division of Regulation and Inspection*~~[weights and measures]~~, referred to as "director" in this section, to accept registration of an individual or agency that provides acceptable evidence that he or it is fully qualified to install, service, repair, or recondition a commercial weighing or measuring device; has a thorough working knowledge of all appropriate weights and measures laws, orders, and administrative regulations; and has possession of, or available for use, weights and measures standards and testing equipment appropriate in design and adequate in amount. An employee of government shall not be eligible for registration. This policy shall in no way preclude or limit the right and privilege of any qualified individual or agency registered with the director to install, service, repair, or recondition a commercial weighing or measuring device.
- (3) The director may enter into an informal reciprocal agreement with any other state that has similar registration policies. Under a reciprocal agreement, registered servicemen and registered service agencies of the states party to the reciprocal agreement shall be granted full reciprocal authority, including reciprocal recognition of certification of standards and testing equipment, in all states party to the agreement.
- (4) There shall be charged by the director an annual fee of ten dollars (\$10) per registered serviceman and twenty-five dollars (\$25) per registered service agency to be applied toward the costs of administering the plan. The fee shall be paid to the director at the time application for registration is made, and annually, during the month of January, thereafter.
- (5) An individual or agency shall apply for registration to service weighing devices or measuring devices on an application form supplied by the director. The form, duly signed and witnessed, shall include certification by the applicant that the individual or agency is fully qualified to install, service, repair, or recondition whatever devices for the service of which competence is being registered; has in possession, or available for use, all necessary testing equipment and standards; and has full knowledge of all appropriate weights and measures laws, orders, and administrative regulations. An applicant also shall submit appropriate evidence or references as to qualifications.
- (6) Upon receipt and acceptance of a properly executed application form, the director shall issue to the applicant a "certificate of registration," including an assigned registration number, which shall remain effective until either returned by the applicant or withdrawn by the director.
- (7) A bearer of a certificate of registration shall have the authority to remove an official rejection tag or mark placed on a weighing or measuring device by the authority of the director; place in service, until an official examination can be made, a weighing or measuring device that has been officially rejected; and place in service, until an official examination can be made, a new or used weighing or measuring device.
- (8) The director shall furnish each registered serviceman and registered service agency with a supply of report forms to be known as "Placed in Service Reports." This form shall be executed in triplicate, shall include the assigned registration number, and shall be signed by a registered serviceman or by a serviceman representing a registered agency for each rejected device restored to service and for each newly installed device placed in service. Within twenty-four (24) hours after a device is restored to service, or placed in service, the original of the properly executed "Placed in Service Report," together with any official rejection tag removed from the

device, shall be mailed to the director at Frankfort, Kentucky. The duplicate copy of the report shall be handed to the owner or operator of the device, and the triplicate copy of the report shall be retained by the registered ~~serviceman~~~~[servicemen]~~ or agency.

- (9) A registered serviceman and a registered service agency shall submit, at least biennially to the director, for his examination and certification, any standards and testing equipment that are used, or are to be used, in the performance of the service and testing functions with respect to weighing and measuring devices for which competence is registered. A registered serviceman or agency shall not use in servicing commercial weighing or measuring devices any standards of testing equipment that have not been certified by the director.
- (10) The director may, for good cause, after careful investigation and consideration, and after the registrant has been afforded the opportunity for an administrative hearing conducted in accordance with KRS Chapter 13B, suspend or revoke a "certificate of registration."
- (11) The director shall publish from time to time as he deems appropriate, and may supply upon request, lists of registered servicemen and registered service agencies.

Section 22. KRS 363.510 is amended to read as follows:

When used in KRS 363.520 to 363.850:

- (1) "Department" means the Kentucky Department of Agriculture.
- (2) "Commissioner" means the Commissioner of Agriculture.
- (3) "Division" means the Division of **Regulation and Inspection**~~[Weights and Measures]~~.
- (4) ~~["Person" shall be construed to mean both the plural and singular, as the case demands, and shall include individuals, partnerships, corporations, companies, societies, and associations.]~~
- ~~(5) ["Weights and measures" means~~~~[shall be construed to mean]~~ all weights and measures of every kind, instruments and devices for weighing and measuring, and any appliances and accessories associated with any ~~or all~~ such instruments and devices, except that the term shall not ~~be construed to~~ include meters for the measurement of electricity, gas (natural or manufactured), or water when ~~they~~~~[the same]~~ are operated in a public utility system.~~Such~~ Electricity, gas, and water meters are ~~hereby~~ specifically excluded from the purview of KRS 363.510 to 363.850, and none of the provisions of KRS 363.510 to 363.850 shall ~~be construed to~~ apply to **those**~~[such]~~ meters or to any appliances or accessories associated **with those meters**~~[therewith]~~.
- ~~(5)(6)~~ "Sell" and "sale"~~[shall be construed to]~~ mean barter and exchange.
- ~~(6)(7)~~ "Director" **means**~~[shall be construed to mean]~~ the state director of **the Division of Regulation and Inspection**~~[weights and measures]~~.
- ~~(7)(8)~~ "Inspector" **means**~~[shall be construed to mean]~~ a state inspector of weights and measures.
- ~~(8)(9)~~ "Sealer" and "deputy sealer"~~[shall be construed to]~~ mean, respectively, a sealer of weights and measures and a deputy sealer of weights and measures of a city of the first, second, or third class.
- ~~(9)(10)~~ "Intrastate commerce" **means**~~[shall be construed to mean any and]~~ all commerce or trade that is begun, carried on, and completed wholly within the limits of the State of Kentucky, and the phrase "introduced into intrastate commerce" **defines**~~[shall be construed to define]~~ the time and place at which the first sale and delivery of a commodity is made within the state, the delivery being made either directly to the purchaser or to a common carrier for shipment to the purchaser.
- ~~(10)(11)~~ "Commodity in package form" **means a**~~[shall be construed to mean]~~ commodity put up or packaged in any manner in advance of sale in units suitable for either wholesale or retail sale, exclusive~~[, however,]~~ of any auxiliary shipping container enclosing packages that individually conform to the requirements of KRS 363.510 to 363.850. An individual item or lot of any commodity not in package form as defined in this section, but on which there is marked a selling price based on an established price per unit of weight or of measure, shall be **considered a**~~[construed to be]~~ commodity in package form.
- ~~(11)(12)~~ "Consumer package" or "package of consumer commodity" **means**~~[shall be construed to mean]~~ a commodity in package form that is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption by individuals or use by individuals for the purposes of personal care or in

the performance of services ordinarily rendered in or about the household or in connection with personal possessions.

(12)~~(13)~~ "Nonconsumer package" or "package of nonconsumer commodity" **means**~~[shall be construed to mean]~~ any commodity in package form other than a consumer package, and particularly a package designed solely for industrial or institutional use or for wholesale distribution only.

(13)~~(14)~~ (a) "Barrel," when used in connection with fermented liquor, **means**~~[shall mean]~~ a unit of thirty-one (31) gallons.

(b) ~~[The term]~~ "Ton" **means**~~[shall mean]~~ a unit of *two thousand (2,000)*~~[2,000]~~ pounds avoirdupois weight.

(c) ~~[The term]~~ "Cord", when used in connection with wood intended for fuel purposes, **means**~~[shall mean]~~ the amount of wood that is contained in a space of *one hundred twenty-eight (128)*~~[128]~~ cubic feet when the wood is ranked and well stowed.

~~(14)~~~~(15)~~ ~~The word~~ "Weight", as used in~~[KRS 363.510 to 363.850 in]~~ connection with any commodity, **means**~~[shall mean]~~ net weight. ~~If~~~~Whenever~~ any commodity is sold on the basis of weight, the net weight of the commodity shall be **used**~~[employed]~~, and all contracts concerning commodities shall **use net weight as their basis of weight**~~[be so construed]~~.

Section 23. KRS 363.530 is amended to read as follows:

Fractional parts of any unit of weight or measure shall mean like fractional parts of the value of ~~the~~~~[such]~~ unit as prescribed or defined in KRS 363.520 and subsection (13)~~(14)~~ of KRS 363.510, and all contracts concerning the sale of commodities and services shall be construed in accordance with this requirement.

Section 24. KRS 363.540 is amended to read as follows:

The state shall have weights and measures that conform with the standards of the United States and that have been approved as being satisfactory for use by the National Institute of Standards and Technology. These weights and measures shall~~[Such weights and measures in conformity with the standards of the United States as have been supplied to the state by the federal government or otherwise obtained by the state for use as state standards shall, when the same shall have been approved as being satisfactory for use as such by the National Bureau of Standards,]~~ be the state standards of weight and measure. The state standards shall be kept in a safe and suitable place in the laboratory of the State Division of **Regulation and Inspection**~~[Weights and Measures]~~, and shall not be removed from the~~[said]~~ laboratory except for repairs or for calibration and approval.

Section 25. KRS 363.560 is amended to read as follows:

The power and duty to administer and enforce KRS 363.510 to 363.850 is vested in the Department of Agriculture, and shall be exercised under the supervision of the Office **for Consumer and Public Service**~~[of Agri Business Standards]~~ through the Division of **Regulation and Inspection**~~[Weights and Measures]~~. The division shall be headed by a director appointed by the Commissioner of Agriculture~~;~~ and shall have~~[such]~~ personnel as~~[may be]~~ determined and appointed by the Commissioner.

Section 26. KRS 363.900 is amended to read as follows:

As used in KRS 363.900 to 363.908, unless the context clearly requires otherwise:

- (1) "ASTM standard" means the latest standards and specifications as set forth by the American Society for Testing and Materials in accordance with the most recent version of ASTM specifications for automotive gasoline, or ASTM specifications for diesel fuel oils;
- (2) "Commissioner" means the Commissioner of Agriculture or a departmental employee designated by the Commissioner to act on his behalf for the purposes of KRS 363.900 to 363.908;
- (3) "Department" means the Kentucky Department of Agriculture;
- (4) "Diesel fuel" means refined oil commonly used in internal combustion engines and defined as diesel fuel under the ASTM standard classification of diesel fuel oils;
- (5) "Division" means the Division of **Regulation and Inspection**~~[Weights and Measures]~~ in the Kentucky Department of Agriculture;
- (6) "Gasoline" means gasoline as defined in KRS 138.210;

- (7) "Motor fuel" means any product used for the generation of power in an internal combustion or turbine engine and includes, gasoline, diesel fuel, or gasoline-alcohol blend fuels; and
- (8) "Retail facility" means a facility that sells motor fuels to the general public.

Section 27. The following KRS section is repealed:

260.690 Administration of KRS 260.675 to 260.760.

Approved March 15, 2002

CHAPTER 50

(HB 353)

AN ACT relating to access to asthma medications in schools.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

The General Assembly of the Commonwealth of Kentucky finds that:

- (1) *Asthma is the seventh-most prevalent chronic health condition in the United States and is the leading serious chronic illness of children;*
- (2) *Asthma is the third-ranking cause of hospitalization among children under age fifteen (15) and accounts for almost one (1) in six (6) of all pediatric emergency room visits;*
- (3) *Approximately two hundred fifty thousand (250,000) Kentuckians suffer from asthma, including over sixty thousand (60,000) children;*
- (4) *Nationally more than five thousand four hundred (5,400) individuals die from asthma each year;*
- (5) *Asthma is the number-one cause of school absences attributed to chronic conditions;*
- (6) *Asthma is manageable with treatment and medications;*
- (7) *Physicians and other health care practitioners instruct children with asthma in the proper use of asthma medications; and*
- (8) *Sections 1 to 4 of this Act shall be construed to provide unobstructed access to asthma medications for elementary and secondary school students with asthma.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 4 of this Act:

- (1) *"Medications" means all medicines individually prescribed by a health care practitioner for the student that pertain to his or her asthma;*
- (2) *"Health care practitioner" means a physician or other health care provider who has prescriptive authority; and*
- (3) *"Self-administration" means the student's use of his or her prescribed asthma medications, pursuant to prescription or written direction from the health care practitioner.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

- (1) *The board of each local public school district and the governing body of each private and parochial school or school district shall permit the self-administration of medications by a student with asthma if the student's parent or guardian:*
 - (a) *Provides written authorization for self-administration to the school; and*
 - (b) *Provides a written statement from the student's health care practitioner that the student has asthma and has been instructed in self-administration of asthma medications. The statement shall also contain the following information:*

1. *The name and purpose of the medications;*
 2. *The prescribed dosage;*
 3. *The time or times the medications are to be regularly administered and under what additional special circumstances the medications are to be administered; and*
 4. *The length of time for which the medications are prescribed.*
- (2) *The statements required in subsection (1) of this section shall be kept on file in the office of the school nurse or school administrator.*
- (3) *The school district or the governing body of each private and parochial school or school district shall inform the parent or guardian of the student that the school and its employees and agents shall incur no liability as a result of any injury sustained by the student from the self-administration of asthma medications. The parent or guardian of the student shall sign a statement acknowledging that the school shall incur no liability and the parent or guardian shall indemnify and hold harmless the school and its employees against any claims relating to the self-administration of asthma medications. Nothing in this subsection shall be construed to relieve liability of the school or its employees for negligence.*
- (4) *The permission for self-administration of medications shall be effective for the school year in which it is granted and shall be renewed each following school year upon fulfilling the requirements of subsections (1) to (3) of this section.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

Upon fulfilling the requirements of Section 3 of this Act, a student with asthma may possess and use asthma medications when at school, at a school-sponsored activity, under the supervision of school personnel, or before and after normal school activities while on school properties including school-sponsored child care or after-school programs.

Approved March 15, 2002

CHAPTER 51

(HB 330)

AN ACT relating to the Kentucky Education Excellence Scholarship Program.

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

Section 1. KRS 164.7874 is amended to read as follows:

As used in KRS 164.7871 to 164.7885:

- (1) "Academic term" means a semester or other time period specified in an administrative regulation promulgated by the council;
- (2) "Academic year" means a period consisting of at least the minimum school term, as defined in KRS 158.070;
- (3) "ACT score" means the composite score achieved on the American College Test at a national test site on a national test date or an equivalent score, as determined by the council, on the Scholastic Assessment Test;
- (4) "Authority" means the Kentucky Higher Education Assistance Authority;
- (5) "Award period" means two (2) consecutive academic terms;
- (6) *"Base scholarship amount" means that amount earned by an eligible high school student pursuant to KRS 164.7879 in each academic year as determined by the grade point average earned and reported by the high school at the end of the academic year;*
- (7) "Council" means the Council on Postsecondary Education created under KRS 164.011;
- (8) ~~(7)~~ "Eligible high school student" means any person who:
 - (a) Is a citizen, national, or permanent resident of the United States and Kentucky resident;
 - (b) *Was enrolled after July 1, 1998*~~[enrolling]~~

1. In a Kentucky high school, *at least one hundred forty (140) days of the minimum school term unless exempted by the authority's executive director upon documentation of extreme hardship*~~[after July 1, 1998, who]~~, while meeting the Kentucky educational excellence scholarship curriculum requirements, *and was enrolled in a Kentucky high school at the end of the academic year;*
 2. *In a Kentucky high school for the fall academic term of the senior year and who:*
 - a. *Was enrolled during the entire academic term;*
 - b. *Completed the high school's graduation requirements during the fall academic term; and*
 - c. *Was not enrolled in a secondary school during any other academic term of that academic year;*
 3. Has a grade point average of 2.5 or above at the end of any academic year beginning after July 1, 1998, *or at the end of the fall academic term for a student eligible under subparagraph 2. of this paragraph;* and
- (c) ~~[who]~~Is not a convicted felon;
- ~~(9)~~~~(8)~~ "Eligible postsecondary student" means a citizen, national, or permanent resident of the United States and Kentucky resident, as determined by the participating institution in accordance with criteria established by the council for the purposes of admission and tuition assessment, who:
- (a) Earned a Kentucky educational excellence scholarship base, supplemental, or base and supplemental final award;
 - (b) Has the required postsecondary G.P.A. required under KRS 164.7881;
 - (c) Has remaining semesters of eligibility under KRS 164.7881;
 - (d) Is enrolled in a participating institution as a part-time or full-time student; and
 - (e) Is not a convicted felon;
- ~~(10)~~~~(9)~~ "Full-time student" means a student enrolled in a postsecondary program of study that meets the full-time student requirements of the participating institution in which the student is enrolled;
- ~~(11)~~~~(10)~~ "Grade point average" means the grade point average earned by an eligible student *and reported by the high school or participating institution in which the student was enrolled* based on a scale of 4.0 or its equivalent if the high school or participating institution that the student attends does not use the 4.0 grade scale;
- ~~(12)~~~~(11)~~ "High school" means any Kentucky public high school, and any private, parochial, or church school *located in Kentucky* that has been certified by the Kentucky Board of Education as voluntarily complying with curriculum, certification, and textbook standards established by the Kentucky Board of Education under KRS 156.160;
- ~~(13)~~~~(12)~~ "KEES" means Kentucky educational excellence scholarship;
- ~~(14)~~~~(13)~~ "KEES curriculum" means five (5) courses of study in an academic year as determined by administrative regulation promulgated by the council;
- ~~(15)~~~~(14)~~ "Kentucky educational excellence scholarship" means a scholarship provided under KRS 164.7871 to 164.7885;
- ~~(16)~~~~(15)~~ "Kentucky educational excellence scholarship trust fund" means the Wallace G. Wilkinson Kentucky educational excellence scholarship trust fund;
- ~~(17)~~~~(16)~~ "Maximum award amount" means the sum of the base scholarship amount earned by an eligible high school student in each academic year of high school study plus any supplemental award earned by an eligible high school student or earned pursuant to KRS 164.7879(3)(c). The amount so determined shall be the maximum amount available to the eligible postsecondary student for any award period;

~~(18)~~~~(17)~~ "Participating institution" means an "institution" as defined in KRS 164.001 that actively participates in the federal Pell Grant program, executes a contract with the authority on terms the authority deems necessary or appropriate for the administration of its programs, and:

- (a) 1. Is publicly operated; or
- 2. Is licensed by the Commonwealth of Kentucky and has operated for at least ten (10) years, offers an associate or baccalaureate degree program of study not comprised solely of sectarian instruction, and admits as regular students only high school graduates or recipients of a general equivalency diploma or students transferring from another accredited degree granting institution; or
- 3. Is designated by the Council on Postsecondary Education as an approved out-of-state institution that offers a degree program in a field of study that is not offered at any institution in the Commonwealth; and
- (b) Continues to commit financial resources to student financial assistance programs and provides annual documentation to the authority of compliance;

~~(19)~~~~(18)~~ "Part-time student" means a student enrolled in a postsecondary program of study who does not meet the full-time student requirements of the participating institution in which the student is enrolled and who is enrolled for at least six (6) credit hours or the equivalent for an institution that does not use credit hours; and

~~(20)~~~~(19)~~ "Supplemental award" means commitment of scholarship funds under KRS 164.7879(3).

Section 2. KRS 164.7885 is amended to read as follows:

- (1) Not later than August 1, 1999, and each June 30 thereafter, each Kentucky high school shall submit to the Kentucky Department of Education, which shall transmit to the authority, a compiled list of all high school students during the academic year. ***A high school shall report the grade point average of an eligible high school student pursuant to Section 1 of this Act by January 15 following the end of the fall academic term in which the student completed the high school graduation requirements.*** The list shall identify the high school and shall contain each high school student's name, social security number, address, grade point average for the academic year, expected or actual graduation date, and highest ACT score. The list need not contain the ACT score if the authority receives the ACT score directly from the testing services. The authority shall notify each eligible high school student of his or her Kentucky educational excellence scholarship award earned each academic year. The authority shall determine the final Kentucky educational excellence scholarship and supplemental award based upon the actual final grade point average and highest ACT score and shall notify each eligible high school student of the final determination. The authority shall make available a list of eligible high school and postsecondary students to participating institutions.
- (2) The authority shall provide data access only to participating institutions that have either received an admission application from an eligible high school or postsecondary student or have been listed by the eligible high school or postsecondary student on the Free Application For Federal Student Aid.
- (3) For each eligible postsecondary student enrolling in a participating institution after July 1, 1999, the participating institution shall verify to the authority:
 - (a) The student's initial eligibility for a Kentucky educational excellence scholarship, Kentucky educational excellence scholarship and supplemental award, or supplemental award only pursuant to KRS 164.7879(3)(c) through the comprehensive list compiled by the authority or an alternative source satisfactory to the authority;
 - (b) The student's highest ACT score attained by the date of graduation from high school, provided that the participating institution need not report the ACT score if the authority receives the ACT score directly from the testing services;
 - (c) The eligible postsecondary student's full-time or part-time enrollment status at the beginning of each academic term; and
 - (d) The eligible postsecondary student's cumulative grade point average after the completion of each award period.
- (4) Each participating institution shall submit to the authority a report, in a form satisfactory to the authority, of all eligible postsecondary students enrolled for that academic term. Kentucky educational excellence scholarships

and supplemental awards shall be disbursed by the authority to each eligible postsecondary student attending a participating institution during the academic term within thirty (30) days after receiving a satisfactory report.

- (5) The Kentucky educational excellence scholarship and the supplemental award shall not be reduced, except as provided in KRS 164.7881(4).
- (6) Kentucky educational excellence scholarships and supplemental awards shall not be awarded or disbursed to any eligible postsecondary students who are in default on any obligation to the authority under any programs administered by the authority until financial obligations to the authority are satisfied, except that ineligibility may be waived by the authority for cause.
- (7) Notwithstanding the provisions of KRS 164.753, the authority may promulgate administrative regulations for the administration of Kentucky educational excellence scholarships and supplemental awards under the provisions of KRS 164.7871 to 164.7885 and KRS 164.7889.

Approved March 15, 2002

CHAPTER 52

(HB 309)

AN ACT relating to retirement.

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

Section 1. KRS 16.505 is amended to read as follows:

As used in KRS 16.510 to 16.652, unless the context otherwise requires:

- (1) "System" means the State Police Retirement System created by KRS 16.510 to 16.652;
- (2) "Board" means the board of trustees of the Kentucky Retirement Systems;
- (3) "Employer" or "State Police" means the Department of State Police, or its successor;
- (4) "Current service" means the number of years and completed months of employment as an employee subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employee contributions deducted except as otherwise provided;
- (5) "Prior service" means the number of years and completed months of employment as an employee prior to July 1, 1958, for which creditable compensation was paid to the employee by the Commonwealth. Twelve (12) months of current service in the system are required to validate prior service;
- (6) "Service" means the total of current service and prior service;
- (7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, including employee contributions picked up after August 1, 1982, pursuant to KRS 16.545(4), together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed, including interest credited;
- (8) "Creditable compensation" means all salary and wages, including payments for compensatory time, paid to the employee as a result of services performed for the employer or for time during which the member is on paid leave, which are includable on the member's federal form W-2 wage and tax statement under the heading "wages, tips, other compensation," including employee contributions picked up after August 1, 1982, pursuant to KRS 16.545(4). A lump-sum bonus, severance pay, or employer-provided payment for purchase of service credit shall be included as creditable compensation but shall be averaged over the employee's service with the employer. Living allowances, expense reimbursements, ***lump-sum*** payments ~~received after the date of termination of employment~~ for accrued vacation leave, and other items determined by the board shall be excluded. Creditable compensation shall also include amounts which are not includable in the member's gross income by virtue of the member having taken a voluntary salary reduction provided for under applicable provisions of the Internal Revenue Code;
- (9) "Final compensation" at any time means the creditable compensation of a member during the three (3) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during

the three (3) year period, multiplied by twelve (12); the three (3) years may be fractional and need not be consecutive. If the number of months of service credit during the three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used;

- (10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date, including employee contributions picked up after August 1, 1982, pursuant to KRS 16.545(4). The rate shall be certified to the system by the employer and the following equivalents shall be used to convert the rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour workdays, one thousand nine hundred fifty (1,950) hours for seven and one-half (7-1/2) hour workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;
- (11) "Retired member" means any former member receiving a retirement allowance or any former member who has filed the necessary documents for retirement benefits and is no longer contributing to the retirement system;
- (12) "Retirement allowance" means the retirement payments to which a retired member is entitled;
- (13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of actuarial tables adopted by the board, except that, in case of disability retirement, the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member. No disability retirement option shall be less than the same option computed under early retirement;
- (14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employee in accordance with the personnel policy of the Department of State Police;
- (15) "Normal retirement date" means the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959;
- (16) "Disability retirement date" means the first day of the month following total and permanent disability or hazardous disability;
- (17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student who has not attained age twenty-two (22);
- (18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;
- (19) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of the duties specified in KRS 16.060. For employees in hazardous positions under KRS 61.592, an "act in line of duty" shall mean an act occurring which was required in the performance of the principal duties of the position as defined by the job description;
- (20) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has fifteen (15) years of service;
- (21) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535;
- (22) "Regular full-time officers" means the occupants of positions as set forth in KRS 16.010;
- (23) "Hazardous disability" as used in KRS 16.510 to 16.652 means a disability which results in an employee's total incapacity to continue as an employee in a hazardous position, but the employee is not necessarily deemed to be totally and permanently disabled to engage in other occupations for remuneration or profit;
- (24) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly, monthly, or yearly rate of pay converted to an annual rate as defined in final rate of pay. The rate shall be certified by the employer;
- (25) "Beneficiary" means the person, persons, estate, trust, or trustee designated by the member in accordance with KRS 61.542 or 61.705 to receive any available benefits in the event of the member's death. As used in KRS 61.702, "beneficiary" does not mean an estate, trust, or trustee;
- (26) "Recipient" means the retired member, the person or persons designated as beneficiary by the member and drawing a retirement allowance as a result of the member's death, or a dependent child drawing a retirement allowance. An alternate payee of a qualified domestic relations order shall be considered a recipient only for purposes of KRS 61.691;

- (27) "Person" means a natural person;
- (28) "Retirement office" means the Kentucky Retirement Systems office building in Frankfort;
- (29) "Delayed contribution payment" means an amount paid by an employee for *purchase of* current service ~~obtained under KRS 61.552~~. The amount shall be determined using the same formula *in Section 24 of this Act* ~~adopted by the board for purchase of service under KRS 61.552(9), except the employee shall pay a single payment of fifty percent (50%) of the total cost of the service with no cost to the employer~~, and the payment shall not be picked up by the employer. A delayed contribution payment shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member;
- (30) "Last day of paid employment" means the last date employer and employee contributions are required to be reported in accordance with KRS 16.543, 61.543, or 78.615 to the retirement office in order for the employee to receive current service credit for the month. Last day of paid employment does not mean a date the employee receives payment for accrued leave, whether by lump sum or otherwise, if that date occurs twenty-four (24) or more months after previous contributions;
- (31) "Objective medical evidence" means reports of examinations or treatments; medical signs which are anatomical, physiological, or psychological abnormalities that can be observed; psychiatric signs which are medically demonstrable phenomena indicating specific abnormalities of behavior, affect, thought, memory, orientation, or contact with reality; or laboratory findings which are anatomical, physiological, or psychological phenomena that can be shown by medically acceptable laboratory diagnostic techniques, including, but not limited to, chemical tests, electrocardiograms, electroencephalograms, x-rays, and psychological tests;
- (32) "Fiscal year" of the system means the twelve (12) months from July 1 through the following June 30, which shall also be the plan year;
- (33) "Participating" means an employee is currently earning service credit in the system as provided in KRS 16.543; and
- (34) "Month" means a calendar month.

Section 2. KRS 16.645 is amended to read as follows:

The following subjects shall be administered in the same manner subject to the same limitations and requirements as provided for the Kentucky Employees Retirement System as follows:

- (1) Cessation of membership, as provided for by KRS 61.535;
- (2) Medical examiners and hearing procedures, as provided for by KRS 61.665;
- (3) Actuarial bases, as provided for by KRS 61.670;
- (4) Duties of the employer, as provided for by KRS 61.675;
- (5) Exemption of benefits of the system for taxation, as provided for by KRS 61.690;
- (6) Retirement allowance increase, as provided for by KRS 61.691;
- (7) Calculation of retirement allowance, as provided for by KRS 61.595(3) and (4);
- (8) Beneficiaries to be designated by member, change, rights, as provided for by KRS 61.542;
- (9) Year of service credit, as provided for by KRS 61.545;
- (10) Refund of contributions, death after retirement, as provided by KRS 61.630;
- (11) Custodian of fund, payments made, when, as provided for by KRS 61.660;
- (12) Credit for service prior to membership date, as provided for by KRS 61.526;
- (13) Transfer of dormant accounts, as provided for by KRS 61.626;
- (14) Member's account, confidential, as provided for by KRS 61.661;
- (15) Cessation of membership, loss of benefits, as provided for by KRS 61.550;
- (16) Correction of errors in records, as provided for by KRS 61.685;

- (17) Maximum disability benefit, as provided for by KRS 61.607;
- (18) Retirement application procedure, effective retirement date, as provided for by KRS 61.590;
- (19) Employer contributions, as provided for by KRS 61.565;
- (20) Reinstatement of lost service credit, purchase of service credit, interest paid, delayed contribution and installment payments, as provided for by KRS 61.552;
- (21) Reciprocal arrangement between systems, as provided by KRS 61.680;
- (22) Refund of contributions, conditions, as provided by KRS 61.625;
- (23) Hospital and medical insurance plan, as provided by KRS 61.702;
- (24) Death benefit, as provided by KRS 61.705;
- (25) Disability retirement allowance, reduction, discontinuance, as provided by KRS 61.615;
- (26) Service credit, Armed Forces, as provided by KRS 61.555;
- (27) Reinstated employee, contributions on creditable compensation, as provided for by KRS 61.569;
- (28) Statement to be made under oath, good faith reliance, as provided for in KRS 61.699;
- (29) Retirement of persons in hazardous positions, as provided for by KRS 61.592;
- (30) Direct deposit of recipient's retirement allowance as provided in KRS 61.623;~~and~~
- (31) Purchase of service credit effective July 1, 2001, as provided in KRS 61.5525; *and*
- (32) ***Payment of small amounts upon death of member, retiree, or recipient without formal administration of the estate as provided in Section 17 of this Act.***

Section 3. KRS 61.510 is amended to read as follows:

As used in KRS 61.515 to 61.705, unless the context otherwise requires:

- (1) "System" means the Kentucky Employees Retirement System created by KRS 61.515 to 61.705;
- (2) "Board" means the board of trustees of the system as provided in KRS 61.645;
- (3) "Department" means any state department or board or agency participating in the system in accordance with appropriate executive order, as provided in KRS 61.520. For purposes of KRS 61.515 to 61.705, the members, officers, and employees of the General Assembly and any other body, entity, or instrumentality designated by executive order by the Governor, shall be deemed to be a department, notwithstanding whether said body, entity, or instrumentality is an integral part of state government;
- (4) "Examiner" means the medical examiners as provided in KRS 61.665;
- (5) "Employee" means the members, officers, and employees of the General Assembly and every regular full-time, appointed or elective officer or employee of a participating department, including the Department of Military Affairs. The term does not include persons engaged as independent contractors, seasonal, emergency, temporary, and part-time workers. In case of any doubt, the board shall determine if a person is an employee within the meaning of KRS 61.515 to 61.705;
- (6) "Employer" means a department or any authority of a department having the power to appoint or select an employee in the department, including the Senate and the House of Representatives, or any other entity, the employees of which are eligible for membership in the system pursuant to KRS 61.525;
- (7) "State" means the Commonwealth of Kentucky;
- (8) "Member" means any employee who is included in the membership of the system or any former employee whose membership has not been terminated under KRS 61.535;
- (9) "Service" means the total of current service and prior service as defined in this section;
- (10) "Current service" means the number of years and months of employment as an employee, on and after July 1, 1956, except that for members, officers, and employees of the General Assembly this date shall be January 1, 1960, for which creditable compensation is paid and employee contributions deducted, except as otherwise

provided, and each member, officer, and employee of the General Assembly shall be credited with a month of current service for each month he serves in the position;

- (11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employee, prior to July 1, 1956, for which creditable compensation was paid; except that for members, officers, and employees of the General Assembly, this date shall be January 1, 1960. An employee shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work; provided, however, that each member, officer, and employee of the General Assembly shall be credited with a month of prior service for each month he served in the position prior to January 1, 1960. Twelve (12) months of current service in the system are required to validate prior service;
- (12) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, including employee contributions picked up after August 1, 1982, pursuant to KRS 61.560(4), together with interest credited on such amounts and any other amounts the member shall have contributed thereto, including interest credited thereon;
- (13) "Creditable compensation" means all salary, wages, tips to the extent the tips are reported for income tax purposes, and fees, including payments for compensatory time, paid to the employee as a result of services performed for the employer or for time during which the member is on paid leave, which are includable on the member's federal form W-2 wage and tax statement under the heading "wages, tips, other compensation," including employee contributions picked up after August 1, 1982, pursuant to KRS 61.560(4), except that for members of the General Assembly, it shall mean an assumed salary of twenty-seven thousand five hundred dollars (\$27,500) per annum which shall include per diem and expense payments authorized by KRS Chapter 6. The creditable compensation of members, officers, and employees of the General Assembly shall be calculated as having been received in equal amounts for each month of the year. A lump-sum bonus, severance pay, or employer-provided payment for purchase of service credit shall be included as creditable compensation but shall be averaged over the employee's service with the employer. In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money. Living allowances, expense reimbursements, ***lump-sum*** payments~~[received after the date of termination of employment]~~ for accrued vacation leave, and other items determined by the board shall be excluded. Creditable compensation shall also include amounts which are not includable in the member's gross income by virtue of the member having taken a voluntary salary reduction provided for under applicable provisions of the Internal Revenue Code;
- (14) "Final compensation" of a member means:
 - (a) For a member who is not employed in a hazardous position, as provided in KRS 61.592, the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12), except that for members of the General Assembly who retire pursuant to KRS 61.600, or who die in office, "final compensation" shall be twenty-seven thousand five hundred dollars (\$27,500). The five (5) years may be fractional and need not be consecutive. If the number of months of service credit during the five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used; or
 - (b) For a member who is not employed in a hazardous position, as provided in KRS 61.592, whose effective retirement date is between August 1, 2001, and January 1, 2009, and whose total service credit is at least twenty-seven (27) years and whose age and years of service total at least seventy-five (75), final compensation means the creditable compensation of the member during the three (3) fiscal years the member was paid at the highest average monthly rate divided by the number of months of service credit during that three (3) years period multiplied by twelve (12). The three (3) years may be fractional and need not be consecutive. If the number of months of service credit during the three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used. Notwithstanding the provision of KRS 61.565, the funding for this paragraph shall be provided from existing funds of the retirement allowance; or
 - (c) For a member who is employed in a hazardous position, as provided in KRS 61.592, the creditable compensation of the member during the three (3) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that three (3) year period multiplied by

twelve (12). The three (3) years may be fractional and need not be consecutive. If the number of months of service credit during the three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used;

- (15) "Final rate of pay" means the actual rate upon which earnings of an employee were calculated during the twelve (12) month period immediately preceding the member's effective retirement date, including employee contributions picked up after August 1, 1982, pursuant to KRS 61.560(4). In the case of members of the General Assembly, the "final rate of pay" shall be the creditable compensation. The rate shall be certified to the system by the employer and the following equivalents shall be used to convert the rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour workdays, nineteen hundred fifty (1,950) hours for seven and one-half (7-1/2) hour workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, one (1) year;
- (16) "Retirement allowance" means the retirement payments to which a member is entitled;
- (17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables that are from time to time adopted by the board, except in cases of disability retirement, the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member. No disability retirement option shall be less than the same option computed under early retirement;
- (18) "Normal retirement date" means the sixty-fifth birthday of a member, unless otherwise provided in KRS 61.515 to 61.705;
- (19) "Fiscal year" of the system means the twelve (12) months from July 1 through the following June 30, which shall also be the plan year;
- (20) "Officers and employees of the General Assembly" means the occupants of those positions enumerated in KRS 6.150 and the assistants if employed by the General Assembly for at least six (6) regular legislative sessions;
- (21) "Regular full-time positions," as used in subsection (5) of this section, shall mean all positions that average one hundred (100) or more hours per month determined by using the number of months actually worked within a calendar or fiscal year, including all positions except:
 - (a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year, the period of time shall not exceed nine (9) months;
 - (b) Emergency positions which are positions which do not exceed thirty (30) working days and are nonrenewable;
 - (c) Temporary positions which are positions of employment with a participating department for a period of time not to exceed nine (9) months;
 - (d) Part-time positions which are positions which may be permanent in duration, but which require less than a calendar or fiscal year average of one hundred (100) hours of work per month, determined by using the number of months actually worked within a calendar or fiscal year, in the performance of duty; and
 - (e) Interim positions which are positions established for a one-time or recurring need not to exceed nine (9) months;
- (22) "Delayed contribution payment" means an amount paid by an employee for *purchase of* current service ~~obtained under KRS 61.552~~. The amount shall be determined using the same formula *in Section 24 of this Act* ~~adopted by the board for purchase of service under KRS 61.552(9), except the employee shall pay a single payment of fifty percent (50%) of the total cost of the service with no cost to the employer~~, and the payment shall not be picked up by the employer. A delayed contribution payment shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. In determining payments under this subsection, the formula found in this subsection shall prevail over the one found in KRS 212.434;
- (23) "Parted employer" means a department, portion of a department, board, or agency, such as Outwood Hospital and School, which previously participated in the system, but due to lease or other contractual arrangement is now operated by a publicly held corporation or other similar organization, and therefore is no longer participating in the system;

- (24) "Retired member" means any former member receiving a retirement allowance or any former member who has filed the necessary documents for retirement benefits and is no longer contributing to the retirement system;
- (25) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly, monthly, or yearly rate of pay converted to an annual rate as defined in final rate of pay. The rate shall be certified by the employer;
- (26) "Beneficiary" means the person or persons or estate or trust or trustee designated by the member in accordance with KRS 61.542 or 61.705 to receive any available benefits in the event of the member's death. As used in KRS 61.702, "beneficiary" does not mean an estate, trust, or trustee;
- (27) "Recipient" means the retired member or the person or persons designated as beneficiary by the member and drawing a retirement allowance as a result of the member's death or a dependent child drawing a retirement allowance. An alternate payee of a qualified domestic relations order shall be considered a recipient only for purposes of KRS 61.691;
- (28) "Level-percentage-of-payroll amortization method" means a method of determining the annual amortization payment on the unfunded past service liability as expressed as a percentage of payroll over a set period of years. Under this method, the percentage of payroll shall be projected to remain constant for all years remaining in the set period and the unfunded past service liability shall be projected to be fully amortized at the conclusion of the set period;
- (29) "Increment" means twelve (12) months of service credit which are purchased. The twelve (12) months need not be consecutive. The final increment may be less than twelve (12) months;
- (30) "Person" means a natural person;
- (31) "Retirement office" means the Kentucky Retirement Systems office building in Frankfort;
- (32) "Last day of paid employment" means the last date employer and employee contributions are required to be reported in accordance with KRS 16.543, 61.543, or 78.615 to the retirement office in order for the employee to receive current service credit for the month. Last day of paid employment does not mean a date the employee receives payment for accrued leave, whether by lump sum or otherwise, if that date occurs twenty-four (24) or more months after previous contributions;
- (33) "Objective medical evidence" means reports of examinations or treatments; medical signs which are anatomical, physiological, or psychological abnormalities that can be observed; psychiatric signs which are medically demonstrable phenomena indicating specific abnormalities of behavior, affect, thought, memory, orientation, or contact with reality; or laboratory findings which are anatomical, physiological, or psychological phenomena that can be shown by medically acceptable laboratory diagnostic techniques, including, but not limited to, chemical tests, electrocardiograms, electroencephalograms, X-rays, and psychological tests;
- (34) "Participating" means an employee is currently earning service credit in the system as provided in KRS 61.543; and
- (35) "Month" means a calendar month.

Section 4. KRS 61.545 is amended to read as follows:

- (1) The board shall determine by appropriate administrative regulations how much service in any year is the equivalent of a year of service credit and how much service in any calendar month is the equivalent of a month of service credit. It shall not allow credit for more than one (1) year of service for all service rendered in any period of twelve (12) consecutive months except as provided in KRS 61.546 and in subsection (2) of this section.
- (2) (a) Employees participating in one (1) of the state-administered retirement systems who are or have been employed by a school board participating in the County Employees Retirement System, a state-operated school under KRS Chapter 167, or a Kentucky institution of higher education which participates in the Kentucky Employees Retirement System, *and who receive service credit for*~~to work~~ less than twelve (12) months each year, may purchase the additional months of service credit needed to total one (1) year of service credit except the amount purchased shall not exceed three (3) months. The employee may purchase the service credit by paying the retirement system *a delayed contribution payment. Employees*~~the member and employer contributions calculated on the average monthly rate multiplied by the number of months to be purchased. The payment shall be received by the retirement system by~~

~~December 31 immediately following the school year in which the fractional year's service occurred. If the additional service credit is not purchased by December 31 following the close of each school year, the member shall pay interest on the cost of purchasing the credit at a rate established by the board of trustees. Members~~ who have service credit prior to July 1, 1992, or their employers, the state-operated school under KRS Chapter 167, the Kentucky institution of higher education, or the school board may purchase service credit on behalf of the employee for previous years by paying the retirement system the **delayed contribution payment**~~member and employer contributions calculated on the average monthly rate, multiplied by the number of months to be purchased plus interest at the actuarial rate~~.

- (b) The cost of service under this subsection may be paid by both the employer and employee. The employer shall pay **fifty percent (50%) of the cost**~~the employer contributions plus interest~~ and the employee shall pay **fifty percent (50%) of the cost**~~the employee contributions plus interest~~. The payment by the employer shall not be deposited to the member's account. Service credit shall not be credited to the member's account until both the employer's and employee's payment are received by the retirement system.
 - (c) ***If the employee has purchased service credit under this subsection based on months reported by the employer for the fiscal year, and an audit of the employee's account reduces the number of months of service credit for which the employee is eligible to no fewer than nine (9) months, the employee shall retain credit for the months purchased unless the employee is ineligible for any service in the fiscal year. The employee shall be eligible to purchase the additional months under this subsection to total one (1) year.***
- (3) (a) An employee who is simultaneously eligible for membership in more than one (1) retirement system administered by the Kentucky Retirement Systems may, at his option, choose to participate in only one (1) of those systems. The choice, once made, shall remain in effect so long as the employee is eligible for membership in more than one (1) system.
 - (b) If the employee participates in more than one (1) of the retirement systems administered by the Kentucky Retirement Systems, the employee's service credit shall be divided between each system determined by dividing the employee's creditable compensation in each system by the employee's total creditable compensation in all systems.
 - (c) If the employee earns creditable compensation in both a hazardous position, as defined by KRS 61.592, and a nonhazardous position, the employee's service credit shall be divided between the employee's hazardous and nonhazardous positions determined by dividing the employee's creditable compensation in the hazardous and nonhazardous positions by the employee's combined hazardous and nonhazardous creditable compensation.

Section 5. KRS 61.552 is amended to read as follows:

- (1) Any employee participating in one (1) of the state-administered retirement systems who has been refunded his accumulated contributions under the provisions of KRS 16.645(22), 61.625, or 78.545(15), thereby losing service credit, may regain the credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system.~~[If the participating employee dies before regaining lost service credit, the employee's beneficiary, as designated according to the requirements of the employee's retirement system, may regain the credit by paying the amount refunded with interest at a rate determined by the board of the respective retirement system. Thereafter the beneficiary shall be entitled to the benefits that are payable based upon the deceased employee's total service credit. The provisions of KRS 161.470 shall be met in order to regain the credit in the Teachers' Retirement System. KRS 21.460 shall govern with respect to regaining credit in the Judicial Retirement Plan or Legislators' Retirement Plan. The beneficiary shall make the payment within one (1) year of the date of the employee's death.]~~ The payment, including interest as determined by the board, shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.
- (2) Any employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems** who did not elect membership in the County Employees Retirement System, as provided in KRS 78.540(2), may obtain credit in the County Employees Retirement System for prior service and for current service by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not

be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.

- (3) Any employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems** who did not elect membership in the Kentucky Employees Retirement System, as provided in KRS 61.525(2), may obtain credit in the Kentucky Employees Retirement System for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.
- (4) An employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems** may obtain credit in the Kentucky Employees Retirement System for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments. ~~[Effective August 1, 1988, each employee of the Kentucky Racing Commission who was employed by the racing commission on the date that agency first participated in the Kentucky Employees Retirement System, whether or not the employee was eligible to participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.]~~
- (5)
 - (a) An employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems** may obtain credit in the County Employees Retirement System for current service between July 1, 1958, and the effective date of participation of his county by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.
 - (b) An employee participating in **one (1) of the retirement systems administered by Kentucky Retirement Systems** ~~[the Kentucky Employees Retirement System or the County Employees Retirement System]~~, who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) **in the systems administered by Kentucky Retirement Systems** may obtain credit for the period of his service with an area development district created pursuant to KRS 147A.050 or with a business development corporation created pursuant to KRS 155.001 to 155.230 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system in which he participates **a delayed contribution payment** ~~[the full cost of the service credit purchased]~~, as determined by the board's actuary. The employee may obtain credit for employment with a business development corporation only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. Payment may be by lump sum or the employee may pay by increments.
- (6) After August 1, 2000, service credit obtained under the subsections of this section which do not require the employee to have a minimum number of years of service credit to be eligible to make a purchase shall be disallowed and the recontribution of refund, including interest as determined by the board or other payment, if any, shall be paid to the member if the member does not obtain for service performed six (6) months' additional current service credit in one (1) of the state-administered retirement systems. The service requirement shall be waived if the member dies or becomes disabled as provided for by KRS 16.582 or 61.600.
- (7) The members shall not receive benefit of service for the same period of time in another public defined benefit retirement fund.
- (8) Any employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems** who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65) ~~in one (1) of~~ the retirement systems administered by the Kentucky Retirement Systems, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not

have the option to be covered at the university by a defined benefit retirement program, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the *employee's account in the* County Employees Retirement System, the Kentucky Employees Retirement System, or the State Police Retirement System for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the County Employees, Kentucky Employees Retirement System, or State Police Retirement System. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum, or the employee may pay by increments.

- (9) (a) Effective August 1, 1980, any county participating in the County Employees Retirement System may purchase current service, between July 1, 1958, and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);
- (b) Effective July 1, 1973, any department participating in the Kentucky Employees Retirement System may purchase current service between July 1, 1956, and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);
- (c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for the service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of the service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period;
- (d) If a county or department elects the provisions of this subsection, any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for the service credit refunded with interest at the rate paid under KRS 61.575 or 78.640;
- (e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.
- (10) Interest paid by a member of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System under this section or other similar statutes under KRS 16.510 to 16.652, KRS 61.515 to 61.705, or KRS 78.520 to 78.852 prior to June 19, 1976, shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.
- (11) Employees who served as assistants to officers and employees of the General Assembly *who have at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) in the systems administered by Kentucky Retirement Systems* and who were unable to acquire service under KRS 61.510(20) may purchase credit for the service performed after January 1, 1960, ~~if the service purchased when added to other accumulated service will total at least forty-eight (48) months~~. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).
- (12) (a) Effective August 1, 1988, any employee participating in one (1) of the ~~state-administered~~ retirement systems *administered by Kentucky Retirement Systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) in the systems administered by Kentucky Retirement Systems* may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on a calendar or fiscal year basis. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred hours of work. The cost will be determined *as a delayed contribution payment* ~~by computing the member and employer contributions~~ for the period of time involved ~~plus interest compounded annually at the current actuarial rate~~, which shall not be picked up by the employer as described in KRS 61.560(4).

- (b) Any noncertified employee of a school board ***who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) in the systems administered by Kentucky Retirement Systems*** may purchase service credit for part-time employment prior to the 1990-91 school year which averaged eighty (80) or more hours of work per month on a calendar or fiscal year basis by paying to the County Employees Retirement System a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 78.610(4), by the employer. Payment may be by lump sum or the employee may pay by increments. If the average number of hours of work is less than eighty (80) per month, the noncertified employee of a school board shall be allowed credit only for those months he receives creditable compensation for eighty (80) hours of work. The cost will be determined ***as a delayed contribution payment***~~by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate~~, which shall not be picked up by the employer as described in KRS 78.610(4).
- (13) A retired member, who is contributing to one (1) of the state-administered retirement programs ***under the provisions of subsections (1) to (4) of Section 10 of this Act*** and purchases service credit under this section in the system or systems from which he is retired, shall have his retirement allowance recomputed:
 - (a) Upon termination from employment, if the member is contributing to the same system or systems from which he was retired; or
 - (b) Upon completion of six (6) months' service credit as required under subsection (6) of this section, if the member is contributing to a system other than the system or systems from which he is retired.
- (14) Any employee participating in one (1) of the ~~state-administered retirement~~ systems ***administered by Kentucky Retirement Systems*** who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) ***in the systems administered by Kentucky Retirement Systems*** may obtain credit for prior or current service for any period of approved educational leave, or for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, by paying to the respective retirement system a delayed contribution payment. The employee may also obtain credit for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, but only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.
- (15) Any employee participating in one (1) of the ~~state-administered~~ retirement systems ***administered by Kentucky Retirement Systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) in the systems administered by Kentucky Retirement Systems*** may obtain credit for prior or current service for any period of approved maternity leave, ***unpaid leave authorized under the federal Family and Medical Leave Act***, or for any period of approved sick leave without pay, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.
- (16) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by making installment payments in lieu of a lump-sum payment.
 - (a) The cost of the service shall be computed in the same manner as for a lump-sum payment which shall be the principal; and interest, at the actuarial rate in effect at the time the member elects to make the purchase compounded annually, shall be added for the period that the installments are to be made. Multiple service purchases may be combined under a single installment purchase; however, no employee may make more than one (1) installment purchase at the same time. Once multiple service purchases have been combined in an installment purchase, the employee may not separate the purchases or pay a portion of one (1) of the purchases. The employee may elect to stop the installment payments by notifying the retirement system; may have the installment purchase recalculated to add one (1) or more additional service purchases; or may pay by lump sum the remaining principal.

- (b) ***One (1) year of***~~[Twelve (12) consecutive monthly]~~ installment payments shall be made for each one thousand dollars (\$1,000) or any part thereof of the total cost, except that the total ***period allowed for***~~[number of]~~ installments shall not be less than ***one (1) year***~~[twelve (12)]~~ and shall not exceed ***five (5) years***~~[sixty (60)]~~.
- (c) The employee shall pay the installments by payroll deduction~~[each pay period]~~. Upon notification by the retirement system, the employer shall report the installment payments ***either monthly or semi-monthly continuously over each twelve (12) month period at the same time as, but*** separate from, regular employee contributions on the forms or by the computer format specified by the board. The payments made under this subsection shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 61.560(4) and no employer contributions shall be paid on the installments.
- (d) The retirement system shall determine how much of the total cost represents payment for one (1) month of the service to be purchased and shall credit one (1) month of service to the member's account each time this amount has been paid. The first service credited shall represent the first calendar month of the service to be purchased and each succeeding month of service credit shall represent the succeeding months of that service.
- (e) If the employee elects to stop the installment payments~~[, dies, retires, or does not continue employment in a position required to participate in the retirement system]~~, the ***employee***~~[member, or in the case of death, the beneficiary,]~~ shall have sixty (60) days to pay the remaining principal of the purchase by lump sum. If the ***employee***~~[member or beneficiary]~~ does not pay the remaining cost ***or if the employee dies, retires, or does not continue employment in a position required to participate in the retirement system,*** the retirement system shall refund to the member or the beneficiary the payment, payments, or portion of a payment that does not represent a full month of service purchased.
- (f) If the employer does not report installment payments on an employee for sixty (60) days, ***except in the case of employees on military leave or sick leave without pay,*** the installment purchase shall cease and the retirement system shall refund to the employee the payment, payments, or portion of a payment that does not represent a full month of service purchased. ***Installment payments of employees on military leave or sick leave without pay shall be suspended during the period of leave and shall resume without recalculation upon the employee's return from leave.***
- (g) If payments have ceased under paragraph (e) or (f) of this subsection and the member later becomes a participating employee in one (1) of the three (3) systems administered by Kentucky Retirement Systems, the employee may complete the adjusted original installment purchase by lump sum or installment payments. If the employee elects to renew the installment purchase, the cost of the remaining service shall be recalculated in accordance with paragraph (a) of this subsection. If the original installment purchase was for multiple service purchases, the employee may not separate those purchases under a new installment purchase.
- (17)~~(14)~~ Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by transferring funds ***through a direct trustee-to-trustee transfer as permitted under the applicable sections of the Internal Revenue Code and any regulations or rulings issued thereunder, or through a direct rollover as contemplated by and permitted under***~~[pursuant to the rules in]~~ 26 U.S.C. sec. 401(a)(31) ***and any regulations or rulings issued thereunder***~~[directly from a retirement plan or a deferred compensation arrangement maintained by his employer which is a qualified plan pursuant to 26 U.S.C. sec. 401(a)]~~. Service credit may also be purchased by a rollover of funds~~[from a qualified retirement plan]~~ pursuant to ***and permitted under*** the rules specified in 26 U.S.C. sec. 402(c) ***and 26 U.S.C. sec. 408(d)(3).*** The Kentucky Retirement Systems shall accept the transfer or rollover to the extent permitted under the rules specified in ***the applicable provisions of the Internal Revenue Code and any regulations and rulings issued thereunder***~~[26 U.S.C. sees. 402(e) and 401(a)(31)]~~. The amount shall be credited to the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member.
- (18)~~(17)~~ After August 1, 1998, any employee participating in one (1) of the~~[state-administered]~~ retirement systems ***administered by Kentucky Retirement Systems*** who is age sixty-five (65) or older and has forty-eight (48) ***months of***~~[months]~~ service credit~~[in the Kentucky Employees Retirement System or the County~~

~~Employees Retirement System~~ or, if younger, who has sixty (60) ~~months of~~ ~~months~~ service credit in ~~systems administered by Kentucky Retirement Systems~~ ~~the Kentucky Employees Retirement System or the County Employees Retirement System~~ may purchase credit in the system in which the employee has the service credit for up to ten (10) years service in a regular full-time position that was credited to a state or local government-administered public defined benefit plan in another state other than a defined benefit plan for teachers. The employee shall pay *a delayed contribution payment* ~~the full cost of the service as determined by the system~~. Payment may be by lump sum, or the employee may pay by increments. The employee may transfer funds directly from the other state's plan if eligible to the extent permitted under subsection (17) ~~((16)(b))~~ of this section and to the extent permitted by the other state's laws and shall provide proof that he is not eligible for a retirement benefit for the period of service from the other state's plan.

(19) ~~((18))~~ After August 1, 1998, any employee participating in one (1) of the ~~state-administered~~ retirement systems *administered by Kentucky Retirement Systems*, who has sixty (60) or more months of service in the State Police Retirement System or in a hazardous position in the Kentucky Employees Retirement System or the County Employees Retirement System, may purchase credit in the system in which the employee has the sixty (60) months of service credit for up to ten (10) years of service in a regular full-time position that was credited to a defined benefit retirement plan administered by a state or local government in another state, if the service could be certified as hazardous pursuant to KRS 61.592. The employee shall pay *a delayed contribution payment* ~~the full cost of the service credit as determined by the system~~. Payment may be by lump sum or by increments. The employee may transfer funds directly from the other unit of government's plan if eligible to the extent permitted under subsection (17) ~~((16)(b))~~ of this section and to the extent permitted by the other state's laws, and the employee shall provide proof that he is not eligible for a retirement benefit for the period of service from the other unit of government's plan.

(20) ~~((19))~~ Any employee participating in one (1) of the ~~state-administered~~ retirement systems *administered by Kentucky Retirement Systems* who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) *in the systems administered by Kentucky Retirement Systems and* who has completed service as a volunteer in the Kentucky Peace Corps, created by KRS 154.01-720, may purchase service credit for the time served in the corps by making delayed contribution payments.

(21) ~~((20))~~ An employee participating in any ~~state-administered~~ retirement system *administered by Kentucky Retirement Systems* who has at least forty-eight (48) ~~months of~~ ~~months~~ service if age sixty-five (65), or at least sixty (60) ~~months of~~ ~~months~~ service if under age sixty-five (65) *in the systems administered by Kentucky Retirement Systems*, and who was formerly employed in a regional community mental health and mental retardation services program, organized and operated under the provisions of KRS 210.370 to 210.480, which does not participate in a state-administered retirement system may obtain credit for the period of his service in the regional community mental health and mental retardation program, by paying to the state retirement system in which he participates *a delayed contribution payment* ~~the full cost of the service credit purchased, as determined by the system~~. Payment to one (1) of the retirement systems administered by the Kentucky Retirement Systems may be made by lump sum or in increments.

(22) ~~((21))~~ An employee participating in *one (1) of the retirement systems administered by Kentucky Retirement Systems* ~~any state-administered retirement system~~ who has at least forty-eight (48) ~~months of~~ ~~months~~ service if age sixty-five (65) or at least sixty (60) ~~months of~~ ~~months~~ service if under age sixty-five (65) *in the systems administered by the Kentucky Retirement Systems*, who was employed by a vocational technical school in a noncertified part-time position averaging eighty (80) or more hours per month, determined by using the number of months actually worked within a calendar or fiscal year, may purchase service credit in the Kentucky Employees Retirement System. The cost of the service shall be *a delayed contribution payment* ~~determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate~~, which shall not be picked up by the employer as described in KRS 61.560(4).

~~((22))~~ Any employee participating in one (1) of the state-administered retirement systems on June 30, 2000, may obtain credit for subsequent service with a parted employer from the Commonwealth operating for the purposes of KRS 163.475, by paying to the respective retirement system a delayed contribution payment if the respective retirement system receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution

payment shall be deposited to the individual member's account. The delayed contribution payment shall not be picked up by the employer as described in KRS 61.560(4).

~~(23) Any employee participating in the County Employees Retirement System who has at least forty eight (48) months of service if age sixty five (65) or at least sixty (60) months of service if under age sixty five (65) may purchase service credit for service with a city, county, or joint city county planning commission, if that service was not covered by a state administered retirement system. Notwithstanding any statute to the contrary, the employee shall be entitled to a full month of service for each month or portion of month that the employee occupied the position whether or not the employee would have qualified, at the time of planning commission service, for the service under KRS 6.525. The employee shall pay to the retirement system the full cost of the service credit purchased, as determined by the board's actuary. The payment shall not be picked up, as described in KRS 78.610(4), by the employer and shall be deposited to the member's account. Payment may be by lump sum or in increments. The employee may obtain credit for service with a city, county, or joint city county planning commission only if the Kentucky Retirement Systems receives a favorable letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor.~~

~~(23)~~~~(24)~~ (a) Any *person*~~[member or retired member of one (1) of the retirement systems administered by the Kentucky Retirement Systems]~~ who is entitled to service credit for employment which was not reported in accordance with KRS 16.543, 61.543, or KRS 78.615 may obtain credit for the service by paying the employee contributions due within six (6) months of notification by the system. No interest shall be added to the contributions. The service credit shall not be credited to the member's account until the employer contributions are received. If a retired member makes the payment within six (6) months, the retired member's retirement allowance shall be adjusted to reflect the added service after the employer contributions are received by the retirement system.

(b) Any employee participating in one (1) of the *state-administered* retirement systems~~[administered by Kentucky Retirement Systems]~~ who is entitled to service credit under paragraph (a) of this subsection and who has not repaid the employee contributions due within six (6) months of notification by the system may regain the credit after the six (6) months by paying to the system the employee contributions plus interest at the actuarially assumed rate from the date of initial notification under paragraph (a) of this subsection. Service credit shall not be credited to the member's account until the employer contributions are received by the retirement system. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.

~~(24)~~~~(25)~~ Any employee participating in one (1) of the ~~[state-administered]~~ retirement systems *administered by Kentucky Retirement Systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) in the systems administered by the Kentucky Retirement Systems* may purchase service credit for employment with a public agency that would have been eligible to participate under KRS 61.520 but which did not participate in the Kentucky Employees Retirement System or a political subdivision that would have been eligible to participate under KRS 78.530 but which did not participate in the County Employees Retirement System if the former public agency or political subdivision has merged with or been taken over by a participating department or county. The cost of the service shall be determined as a delayed contribution payment for the respective retirement system. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or KRS 78.610(4), by the employer.

~~(25)~~~~(26)~~ Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems on or after August 1, 1998, who has at least *forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) in the systems administered by the Kentucky Retirement Systems and who has total service in all state-administered retirement systems of at least two hundred forty (240) months of service* credit may purchase a combined maximum total of five (5) years of retirement service credit which is not otherwise purchasable under any of the provisions of KRS 16.510 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852. The purchase price for the retirement service credit shall be calculated and paid for *as a delayed contribution payment*~~[based on the full actuarial cost as determined by the system]~~. The payment shall not be picked up, as described in KRS 16.545(4), KRS 61.560(4), KRS 78.610(4), by the employer, and the employee's payment shall be paid into the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by increments.

- (26)~~(27)~~ An employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems**, who has at least forty-eight (48) months of service if age sixty-five (65), or at least sixty (60) months of service if under age sixty-five (65), **in the systems administered by Kentucky Retirement Systems**, may obtain credit in the County Employees Retirement System for the period of that employee's service with a community action agency created under KRS 273.405 to 273.453 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system **a delayed contribution payment** ~~the full actuarial cost of the service credit purchased~~. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or 78.610(4), by the employer.
- (27) **Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) in the retirement systems administered by the Kentucky Retirement Systems may obtain current service credit for up to forty-eight (48) months for his or her period of service as a Domestic Relations Commissioner by paying to the retirement system a delayed contribution payment no later than December 31, 2002. Payment may be made by lump sum or under an installment agreement. The payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.**

Section 6. KRS 61.555 is amended to read as follows:

- (1) After August 1, 1998, any employee entering the Armed Forces of the United States after he first participates in the system, **who joins the Armed Forces within three (3) months of the last day of paid employment**, being on leave of absence from service and not withdrawing his accumulated contributions, shall be ~~entitled to have~~ credited **for retirement purposes with service credit and creditable compensation as provided in 38 U. S. C. sec. 4318 for** ~~as current service~~ his period of active military duty in the Armed Forces of the United States, not to exceed six (6) years, if his discharge therefrom is honorable and he returns to work with an employer participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems within two (2) years after completion of the period of active military duty, or upon the subsequent termination of any total disability which existed at the expiration of the two (2) years after discharge.
- (2) After August 1, 1998, any employee who, prior to the date he first participated in the system, terminated his employment **with an agency participating in one (1) of the systems administered by the Kentucky Retirement Systems and within three (3) months entered** ~~in order to enter~~ the Armed Forces of the United States and who returns to work with an employer participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems within two (2) years after completion of the period of active military duty, or upon the subsequent termination of any total disability which existed at the expiration of the two (2) years after discharge, shall be ~~entitled to have~~ credited **for retirement purposes with service credit and creditable compensation as provided in 38 U. S. C. sec. 4318 for** ~~as prior service~~ his period of active military duty in the Armed Forces, not to exceed six (6) years.
- (3) Any National Guard technician involuntarily serving on active military duty during the period between January 26, 1968, and January 1, 1970, who completes his eight (8) years' service while on military duty during this period, shall have that portion of his active military duty, necessary to the completion of eight (8) years' current service, credited to his account, as current service without having to meet the reemployment criteria.
- (4) Any employee eligible for retirement as prescribed in KRS 61.559 or any employee upon completion of five (5) years of service shall receive current service credit for a maximum of four (4) years for his period of active military duty in the Armed Forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service under subsections (1) to (3) of this section if he pays thirty-five percent (35%) of the cost of the service based on the formula adopted by the board. The payment by the member shall not be picked up by the employer, as described in KRS 61.560(4), and shall be deposited to his individual member's account. The remaining sixty-five percent (65%) shall be paid by the state from funds appropriated specifically for the purpose and these payments shall be deposited to the respective retirement allowance accounts. If no funds are available in the special appropriation account, the system shall not accept employee payments until funds are available in the account.
- (5) Any employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems** eligible to purchase military service credit under subsection (4) of this section shall receive current service credit for active military duty as provided under subsection (4) of this section

without payment of the current employee contribution ratio if the member was taken prisoner by a hostile power at any time during active military service.

- (6) (a) Any employee participating in one (1) of the ~~state-administered~~ retirement systems **administered by Kentucky Retirement Systems** age sixty-five (65) or older who has forty-eight (48) months of service, at least twelve (12) of which are current service, or if younger who has sixty (60) months of service, at least twelve (12) of which are current service shall receive current service for ~~a maximum of four (4) years for~~ his period of active military duty in the Armed Forces of the United States, if his discharge therefrom is **not dishonorable** ~~honorable~~ and he has not been credited with the service under subsections (1) to (4) of this section, by paying the retirement system a delayed contribution payment ~~as defined in KRS 61.510(22). Payment shall be by lump sum, except that members may pay by increments. The delayed contribution payment shall not be picked up, as described KRS 61.560(4), by the employer and shall be deposited to the individual member's account.~~
- ~~(b) After August 1, 2000, an employee who purchased the maximum period of active military duty described in paragraph (a) of this subsection may purchase any qualified active military duty time in excess of the maximum by paying the retirement system the full actuarial cost as determined by the system]. Payment may be made by lump sum or in increments. The payment shall not be picked up by the employer as described in KRS 16.545(4), 61.560(4), or 78.610(4) and shall be deposited in the member's individual retirement account.~~
- (b) *Notwithstanding any other provision to the contrary, any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems age sixty-five (65) or older who has at least one hundred eighty (180) months of service in the systems administered by Kentucky Retirement Systems shall receive current service for a maximum of four (4) years for his period of active military duty in the Armed Forces of the United States, if his discharge therefrom is not dishonorable and he has not been credited with the service under this section, by paying the retirement system fifty percent (50%) of the cost under Section 24 of this Act no later than December 31, 2002. Payment may be made by lump sum or under an installment agreement under Section 5 of this Act. The payment shall not be picked up by the employer as described in KRS 16.545(4), 61.560(4), or 78.610(4) and shall be deposited in the member's individual retirement account.*
- ~~(7) Effective July 1, 1978, no veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for such pension in the future; but nothing in this section shall prohibit the purchase of credit if the military pension results from service primarily on inactive duty in a reserve component of the Armed Forces, or if the military pension is a disability pension, or is for a veteran sixty five (65) years of age or older who is considered permanently and totally disabled. Any veteran receiving a military disability pension who retired prior to July 15, 1986, who was unable to purchase military service credit pursuant to subsection (4) or subsection (6) of this section, may make the payment required by subsection (4) or subsection (6), and his retirement benefits shall be recalculated to apply to all retirement allowances and insurance benefits received after the date of the payment. Retiree payments pursuant to subsection (4) of this section shall not be accepted unless matching state funds are available in the special appropriation account.~~
- ~~(8)~~ Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems age sixty-five (65) or older who has forty-eight (48) months of service, at least twelve (12) of which are current service, or if younger who has sixty (60) months of service, at least twelve (12) of which are current service, shall receive one (1) month of current service for each six (6) months of service in the National Guard or the military reserves of the United States, by paying the retirement system **a delayed contribution payment** ~~the full actuarial cost as determined by the system]. The service shall be treated as service earned prior to participation in the system and shall not be included in the member's final compensation. Payment may be made by lump sum or in increments. The payment shall not be picked up by the employer, as described in KRS 16.545(4), 61.560(4), or 78.610(4) and shall be deposited in the member's individual retirement account.~~

Section 7. KRS 61.590 is amended to read as follows:

- (1) A member or beneficiary eligible to receive retirement benefits under any of the provisions of KRS 61.510 to 61.705, 78.510 to 78.852, and 16.510 to 16.652 shall have on file at the retirement office on the form prescribed by the board, notification of retirement, giving his name, address, Social Security number, last day of employment, and other information the system may require. The notification of retirement shall not be filed more than six (6) months before the member's effective retirement date.

- (2) Within ten (10) days of the receipt of the notification of retirement form submitted within two (2) months of the effective date of retirement, the system shall cause to be prepared an estimate of the amounts the member or beneficiary may expect to receive under the various plans available to the member or beneficiary. This information shall be recorded on a form entitled "Estimated Retirement Allowance" and forwarded to the member or beneficiary. If the member submits a notification of retirement form more than two (2) months prior to the effective retirement date, the system shall provide the estimated retirement allowance within forty-five (45) days of the member's effective retirement date.
- (3) The member or beneficiary shall file at the retirement office the form entitled "Estimated Retirement Allowance" after he has checked the plan of his choice, signed the document and had his signature witnessed. A member or beneficiary may not select a different plan after the first retirement allowance payment has been issued by the State Treasurer.
- (4) A member or beneficiary choosing a monthly payment plan shall have on file at the retirement office his birth certificate or other acceptable evidence of date of birth. If a survivorship plan is chosen, proof of dates of birth of the beneficiary and member shall be on file at the retirement office.
- (5) The effective date of normal retirement shall be the first month following the month in which employment was terminated from a regular full-time position. The effective date of disability retirement shall be the first month following the month in which the member's last day of paid employment in a regular full-time position occurred. The effective date of early retirement shall be the first month following the month the notification of retirement form is filed at the retirement office *or a future month designated by the member*, if employment in a regular full-time position has been terminated *and if the member files the "Estimated Retirement Allowance Form" no later than six (6) months following termination*.
- (6) The effective date of a deferred retirement option as provided under KRS 16.576(5) shall be the month following age sixty-five (65), or the month following written notification from the member that he wishes to begin receiving retirement payments. In the event of the death of a member who has deferred his retirement allowance, the effective date of retirement shall be the month following the member's death.
- (7) Notwithstanding the provisions of KRS 16.578 or 61.640, the effective date of a beneficiary's retirement allowance under normal, early, or disability retirement shall be as prescribed in subsection (5) or (6) of this section if the member dies before the first retirement allowance has been issued by the State Treasurer and his beneficiary becomes eligible for payments under KRS 16.578 or 61.640.

Section 8. KRS 61.595 is amended to read as follows:

- (1) Effective July 1, 1990, upon retirement at normal retirement date or subsequent thereto, a member may receive an annual retirement allowance, payable monthly during his lifetime, which shall consist of an amount equal to two and two-tenths percent (2.2%) for the County Employees Retirement System and one and ninety-seven hundredths percent (1.97%) for the Kentucky Employees Retirement System of final compensation multiplied by the number of years of service credit, except that:
 - (a) Effective February 1, 1999, a member of the Kentucky Employees Retirement System who was participating in one of the state-administered retirement systems as of January 1, 1998, and continues to participate through January 1, 1999, shall receive an annual retirement allowance, payable monthly during his lifetime, which shall consist of an amount equal to two percent (2%) of final compensation multiplied by the number of years of service credit. Any Kentucky Employees Retirement System member whose effective date of retirement is between February 1, 1999, and January 31, 2009, and who has at least twenty (20) years of service credit in one of the state-administered retirement systems and who was participating in one of the state-administered retirement systems as of January 1, 1998, and continues to participate through January 1, 1999, shall receive an annual retirement allowance, payable monthly during his lifetime, which shall consist of an amount equal to two and two-tenths percent (2.2%) of final compensation multiplied by the number of years of service credit. Notwithstanding the provisions of KRS 61.565, the funding for this paragraph shall be provided from existing funds of the retirement allowance account;{+}
 - (b) The annual normal retirement allowance for members of the General Assembly, who serve during the 1974 or 1976 General Assembly, and will have eight (8) years or more of total legislative service as of January 6, 1978, shall not be less than two hundred forty dollars (\$240) multiplied by the number of years of service as a member of the General Assembly;

- (c) The annual normal retirement allowance for members of the General Assembly who will have fewer than eight (8) years of service as of December 31, 1975, shall be as prescribed in Chapter 116, section 36(1), Acts of the 1972 General Assembly for legislative service prior to January 1, 1974;
 - (d) Former members of the General Assembly who have eight (8) or more years of legislative service prior to the 1976 Regular Session are eligible for an increased retirement allowance of two hundred forty dollars (\$240) times the years of legislative service, if the member pays to the Kentucky Employees Retirement System thirty-five percent (35%) of the actuarial cost of the higher benefit, as determined by the system, except that a former member with sixteen (16) or more years of legislative service, or his beneficiary, who is receiving a retirement allowance, also is eligible under this section and may apply for a recomputation of his retirement allowance. The employer's share of sixty-five percent (65%) of the computed actuarial cost shall be paid from the State Treasury to the Kentucky Employees Retirement System upon presentation of a properly documented claim to the Finance and Administration Cabinet. If any member with sixteen (16) or more years of legislative service previously applied for and is receiving a retirement allowance, he may reapply and his retirement allowance shall be recomputed in accordance with this paragraph, and he shall thereafter be paid in accordance with the option selected by him at the time of the reapplication;
 - (e) The annual normal retirement allowance for a member with ten (10) or more years of service, in the Kentucky Employees Retirement System, at least one (1) of which is current service, shall not be less than five hundred twelve dollars (\$512); and
 - (f) The annual retirement allowance for a member of the Kentucky employees retirement system or County Employees Retirement System shall not exceed the maximum benefit as set forth in the Internal Revenue Code.
- (2) (a) Upon service retirement prior to normal retirement date, a member may receive an annual retirement allowance payable monthly during his lifetime which shall be determined in the same manner as for retirement at his normal retirement date with years of service and final compensation being determined as of the date of his actual retirement, but the amount of the retirement allowance so determined shall be reduced to reflect the earlier commencement of benefits.
- (b) ~~[There shall be no reduction in the retirement allowance of the member who has thirty (30) or more years of service credit, at least fifteen (15) of which are current service but]~~ A member of the Kentucky Employees Retirement System or the County Employees Retirement System who has twenty-seven (27) or more years of service credit, at least fifteen (15) of which are current service, may retire with no reduction in the retirement allowance. A member who has earned vested service credit in a retirement system, other than the Teachers' Retirement System, sponsored by a Kentucky institution of higher education, ***the Council on Postsecondary Education***, or the Higher Education Assistance Authority, may count the vested service toward attaining the necessary years of service credit as provided in KRS 61.559(2)(c) and (d) to qualify for a retirement allowance. The credit from a Kentucky institution of higher education, ***the Council on Postsecondary Education***, or the Higher Education Assistance Authority shall not be used toward the minimum fifteen (15) years of current service required by KRS 61.559(2)(c) and (d) or to calculate his retirement allowance pursuant to this section. The provisions of this paragraph shall not be construed to limit the use of Teachers' Retirement System credit pursuant to KRS 61.680(2)(a).
- ~~[(e) There shall be no reduction in the retirement allowance of the member who has twenty six (26) years of service, sixteen (16) of which are current consecutive years of service as a cabinet secretary or administrative head of one (1) of the three (3) branches of government who has retired under the provisions of KRS 61.559(2)(e).]~~
- (3) The retirement allowance shall be calculated by using the member's known creditable compensation prior to his last month's employment and an estimate of his creditable compensation during the last month he was employed. Based upon this calculation, the State Treasurer shall be requested to issue the initial retirement payment.
- (4) A new calculation shall be made when the official report has been received of the member's creditable compensation during his last month's employment. However, the retirement allowance determined in accordance with subsection (3) of this section shall be the official retirement allowance unless the new calculation derives an amount which is ***two dollars (\$2)***~~one dollar (\$1)]~~ greater or less than the amount of the initial retirement payment. ***If the member or beneficiary chose an actuarial equivalent refund payment***

option, the amount of estimated retirement allowance shall be the official retirement allowance unless the new calculation produces an amount which is one hundred dollars (\$100) greater or less than the amount of the initial retirement payment.

Section 9. KRS 61.635 is amended to read as follows:

- (1) Each member shall have the right to elect to have his retirement allowance payable under any one (1) of the options set forth in this section in lieu of the retirement allowance otherwise payable to him upon retirement under any of the provisions of KRS 16.510 to 16.652, KRS 61.515 to 61.705, and KRS 78.520 to 78.852. The amount of any optional retirement allowance shall be actuarially equivalent to the amount of retirement allowance otherwise payable to him.
- (2) Survivorship one hundred percent (100%). The member may elect to receive a decreased retirement allowance during his lifetime and have the retirement allowance continued after his death to his beneficiary during the lifetime of the person.
- (3) Survivorship sixty-six and two-thirds percent (66-2/3%). The member may elect to receive a decreased retirement allowance during his lifetime and have two-thirds (2/3) of the retirement allowance continue after his death to his beneficiary during the lifetime of the person.
- (4) Survivorship fifty percent (50%). The member may elect to receive a decreased retirement allowance during his lifetime and have one-half (1/2) of the retirement allowance continued after his death to his beneficiary during the lifetime of the person.
- (5) Life with ten (10) years certain. The member less than age seventy-six (76) may elect to receive a monthly retirement allowance during his lifetime which shall guarantee payments for one hundred twenty (120) months. If the member dies before receiving payments for one hundred twenty (120) months, his beneficiary shall receive the remaining payments monthly, for the duration of the one hundred twenty (120) months' period. However, if the ~~the estate or~~ trust is designated as beneficiary, the ~~the executor or administrator of the estate or~~ trustee of the trust may elect to receive a lump sum payment which shall be the actuarial equivalent to the remaining payments, or the ~~the executor or administrator or~~ trustee may elect to continue the remaining monthly payments to the ~~the estate or~~ trust of the member. ***If the estate is designated as beneficiary, the estate shall receive a lump-sum payment which shall be the actuarial equivalent to the remaining payments.***
- (6) Life with fifteen (15) years certain. The member less than age sixty-eight (68) may elect to receive a monthly retirement allowance during his lifetime which shall guarantee payments for one hundred and eighty (180) months. If the member dies before receiving payments for one hundred and eighty (180) months, his beneficiary shall receive the remaining payments monthly for the duration of the one hundred and eighty (180) months' period. However, if the ~~the estate or~~ trust is designated as beneficiary, the ~~the executor or administrator of the estate or the~~ trustee of the trust may elect to receive a lump sum payment which shall be the actuarial equivalent to the remaining payments, or the ~~the executor or administrator or~~ trustee may elect to continue the remaining payments to the ~~the estate or~~ trust of the member. ***If the estate is designated as beneficiary, the estate shall receive a lump-sum payment which shall be the actuarial equivalent to the remaining payments.***
- (7) Life with twenty (20) years certain. The member less than age sixty-two (62) may elect to receive a monthly retirement allowance during his lifetime which shall guarantee payments for two hundred and forty (240) months. If the member dies before receiving payments for two hundred and forty (240) months, his beneficiary shall receive the remaining payments for the duration of the two hundred and forty (240) months period. However, if the ~~the estate or~~ trust is beneficiary, the ~~the executor or administrator of the estate or the~~ trustee of the trust may elect to receive a lump sum payment which shall be the actuarial equivalent to the remaining payments, or the ~~the executor or administrator or~~ trustee may elect to continue the remaining payments to the ~~the estate or~~ trust of the member. ***If the estate is designated as beneficiary, the estate shall receive a lump-sum payment which shall be the actuarial equivalent to the remaining payments.***
- (8) Social Security adjustment options. These options shall be available to any member who has not attained age sixty-two (62) as follows:
 - (a) No survivor rights. The member may elect to receive an increased retirement allowance from his effective retirement date through the month he attains age sixty-two (62) at which time his retirement allowance shall be decreased for the remainder of his lifetime;

- (b) Survivor rights. The member may elect to receive an increased retirement allowance from his effective retirement date through the month he attains age sixty-two (62) based on the option payable under subsection (2) of this section, if the retirement allowance shall be decreased in the month following the month he attains age sixty-two (62), or the month following the month he would have attained age sixty-two (62), in event of his death, and have the retirement allowance continue after his death to his beneficiary during the lifetime of the person.
- (9) Beneficiary Social Security adjustment option. This option is available to the beneficiary of a deceased member if the beneficiary, who is a person, has not attained age sixty (60), and is eligible to receive Social Security payments at age sixty (60). The beneficiary may elect to receive during his lifetime an increased retirement allowance based on his annual benefit payable for life. The payment shall begin on his effective retirement date and continue through the month he attains age sixty (60) at which time his retirement allowance shall be decreased for the remainder of his lifetime.
- (10) Pop-up option. The member may elect to receive a decreased retirement allowance during his lifetime and have the retirement allowance continued after his death to his beneficiary during the lifetime of the person. If the beneficiary dies prior to the member, or if the beneficiary is the member's spouse and they divorce, the member's retirement allowance shall increase to the amount that would have been payable as a single life annuity.
- (11) Actuarial equivalent refund. The member may elect to receive a one (1) time lump-sum payment which shall be the actuarial equivalent of the amount payable for a period of sixty (60) months under KRS 61.595 (1).
- (12) *Partial lump sum option.*
 - (a) *No survivor rights. The member may elect to receive a one-time lump-sum payment equal to twelve (12), twenty-four (24), or thirty-six (36) monthly retirement allowances payable under the applicable retirement formula for the system and receive a reduced monthly retirement allowance payable for his or her lifetime. The lump-sum payment shall be paid in the month the first monthly retirement allowance is payable.*
 - (b) *Survivor rights. The member may elect to receive a one-time lump-sum payment equal to twelve (12), twenty-four (24), or thirty-six (36) monthly retirement allowances payable under subsection (2) of this section and receive a reduced monthly retirement allowance payable for his or her lifetime. The lump-sum payment shall be paid in the month the first monthly retirement allowance is payable. The reduced retirement allowance shall be continued after the member's death to his beneficiary during the lifetime of the person.*
- (13) In addition to the optional forms of annuities permitted under this section, the board may establish additional optional forms of annuities. The additional forms of annuities shall be based on actuarial equivalent values, with due regard to selection against the fund.
- ~~(14)(13)~~ The other provisions of this section notwithstanding, the beneficiary of a retired member of the General Assembly shall, after the member's death, receive sixty-six and two-thirds percent (66-2/3%) of the member's retirement allowance during his or her lifetime if the member of the General Assembly has elected this option and has made contributions in accordance with subsection ~~(15)(14)~~ of this section and of KRS 61.560. The retirement allowance of the retired member of the General Assembly shall not be actuarially reduced to provide for this survivor benefit.
- ~~(15)(14)~~ A member of the General Assembly who wishes to obtain the survivorship option specified in subsection ~~(14)(13)~~ of this section shall so notify the Kentucky retirement systems:
 - (a) Within thirty (30) days after first becoming a member of the General Assembly if he is not a member of the General Assembly on July 15, 1980; or
 - (b) Within thirty (30) days after July 15, 1980, if he is a member of the General Assembly on July 15, 1980.
- ~~(16)(15)~~ The system shall forward to members of the General Assembly a form on which a member may elect the option provided for in subsections ~~(14)(13)~~ and ~~(15)(14)~~ of this section.
- ~~(17)(16)~~ The options described in subsections (2), (3), (4), (8)(b), (10), ~~(12)(b)~~, and ~~(14)(13)~~ of this section shall be extended to the member only if the designated beneficiary is a person.

Section 10. KRS 61.637 is amended to read as follows:

- (1) A retired member who is receiving monthly retirement payments under any of the provisions of KRS 61.515 to 61.705 and 78.520 to 78.852 and who is reemployed as an employee by a participating agency prior to August 1, 1998, shall have his retirement payments suspended for the duration of reemployment. Monthly payments shall not be suspended for a retired member who is reemployed if he anticipates that he will receive less than the maximum permissible earnings as provided by the Federal Social Security Act in compensation as a result of reemployment during the calendar year. The payments shall be suspended at the beginning of the month in which the reemployment occurs.
- (2) Employer and employee contributions shall be made as provided in KRS 61.515 to 61.705 and 78.520 to 78.852 on the compensation paid during reemployment, except where monthly payments were not suspended as provided in subsection (1) of this section or would not increase the retired member's last monthly retirement allowance by at least one dollar (\$1), and the member shall be credited with additional service credit.
- (3) In the month following the termination of reemployment, retirement allowance payments shall be reinstated under the plan under which the member was receiving payments prior to reemployment.
- (4)
 - (a) Notwithstanding the provisions of this section, the payments suspended in accordance with subsection (1) of this section shall be paid retroactively to the retired member, or his estate, if he does not receive more than the maximum permissible earnings as provided by the Federal Social Security Act in compensation from participating agencies during any calendar year of reemployment;
 - (b) If the retired member is paid suspended payments retroactively in accordance with this section, employee contributions deducted during his period of reemployment, if any, shall be refunded to the retired employee, and no service credit shall be earned for the period of reemployment;
 - (c) If the retired member is not eligible to be paid suspended payments for his period of reemployment as an employee, his retirement allowance shall be recomputed under the plan under which the member was receiving payments prior to reemployment as follows:
 1. The retired member's final compensation shall be recomputed using creditable compensation for his period of reemployment; however, the final compensation resulting from the recalculation shall not be less than that of the member when his retirement allowance was last determined;
 2. If the retired member initially retired on or subsequent to his normal retirement date, his retirement allowance shall be recomputed by using the formula in KRS 61.595(1);
 3. If the retired member initially retired prior to his normal retirement date, his retirement allowance shall be recomputed using the formula in KRS 61.595(2), except that the member's age used in computing benefits shall be his age at the time of his initial retirement increased by the number of months of service credit earned for service performed during reemployment;
 4. The retirement allowance payments resulting from the recomputation under this subsection shall be payable in the month following the termination of reemployment in lieu of payments under subparagraph 3. The member shall not receive less in benefits as a result of the recomputation than he was receiving prior to reemployment or would receive as determined under KRS 61.691;
 5. Any retired member who was reemployed prior to March 26, 1974, shall begin making contributions to the system in accordance with the provisions of this section on the first day of the month following March 26, 1974.
- (5) A retired member, or his estate, shall pay to the retirement fund the total amount of payments which are not suspended in accordance with subsection (1) of this section if the member received more than the maximum permissible earnings as provided by the Federal Social Security Act in compensation from participating agencies during any calendar year of reemployment, except the retired member or his estate may repay the lesser of the total amount of payments which were not suspended or fifty cents (\$0.50) of each dollar earned over the maximum permissible earnings during reemployment if under age sixty-five (65), or one dollar (\$1) for every three dollars (\$3) earned if over age sixty-five (65).
- (6)
 - (a) "Reemployment" or "reinstatement" as used in this section shall not include a retired member who has been ordered reinstated by the Personnel Board under authority of KRS 18A.095; and
 - (b) A retired member who has been ordered reinstated by the Personnel Board under authority of KRS 18A.095 or by court order or by order of the Human Rights Commission and accepts employment by an

agency participating in the Kentucky Employees Retirement System or County Employees Retirement System shall void his retirement by reimbursing the system in the full amount of his retirement allowance payments received.

- (7) (a) Effective August 1, 1998, the provisions of subsections (1) to (4) of this section shall no longer apply to a retired member who is reemployed in a position covered by the same retirement system from which the member retired. Reemployed retired members shall be treated as new members upon reemployment. Any retired member whose reemployment date preceded August 1, 1998, who does not elect, within sixty (60) days of notification by the retirement systems, to remain under the provisions of subsections (1) to (4) of this section shall be deemed to have elected to participate under this subsection.
- (b) *A retired member whose disability retirement was discontinued pursuant to KRS 61.615 and who is reemployed in one (1) of the systems administered by the Kentucky Retirement Systems prior to his or her normal retirement date shall have his or her accounts combined upon termination for determining eligibility for benefits. If the member is eligible for retirement, the member's service and creditable compensation earned as a result of his or her reemployment shall be used in the calculation of benefits, except that the member's final compensation shall not be less than the final compensation last used in determining his or her retirement allowance. The member shall not change beneficiary or payment option designations. This provision shall apply to members reemployed on or after August 1, 1998.*
- ~~(8) Any former recipient of a disability retirement allowance from the Kentucky Retirement Systems who had at least two hundred forty (240) months of service credit and whose disability retirement allowance was terminated September 1, 1998, who is reemployed as of July 14, 2000, shall be treated under the provisions of subsections (1) to (4) of this section, except that the maximum permissible earnings as used in subsection (1) shall be the maximum permissible earnings under the Federal Social Security Act for calendar year 1998.~~
- ~~(9)~~ A retired member or his employer shall notify the retirement system if he has accepted employment with an agency that participates in the retirement system from which the member retired.
- ~~(9)~~~~(10)~~ If the retired member is under a contract, the member shall submit a copy of that contract to the retirement system, and the retirement system shall determine if the member is an independent contractor for purposes of retirement benefits.
- ~~(10)~~~~(11)~~ If a member is receiving a retirement allowance, or has filed the forms required for a retirement allowance, and is employed within one (1) month of the member's initial retirement date in a position that is required to participate in the same retirement system from which the member retired, the member's retirement shall be voided and the member shall repay to the retirement system all benefits received. The member shall contribute to the member account established for him prior to his voided retirement. The retirement allowance for which the member shall be eligible upon retirement shall be determined by total service and creditable compensation.
- ~~(11)~~~~(12)~~ (a) ~~1. A retired member of the Kentucky Employees Retirement System or the State Police Retirement System who, after initial retirement, is hired by an agency that participates in the Kentucky Employees Retirement System or the State Police Retirement System shall be considered to have been hired by the same employer.~~
- ~~2.~~ If a member of the Kentucky Employees Retirement System retires from a department which participates in more than one (1) retirement system and is reemployed within one (1) month of his initial retirement date by the same department in a position participating in another retirement system, the retired member's retirement allowance shall be suspended for the first month of his retirement and the member shall repay to the retirement system all benefits received for the month.
- (b) A retired member of the County Employees Retirement System who after initial retirement is hired by the county from which the member retired shall be considered to have been hired by the same employer.
- ~~(12)~~~~(13)~~ (a) If a hazardous member who retired prior to age fifty-five (55), or a nonhazardous member who retired prior to age sixty-five (65), is reemployed within six (6) months of the member's *termination*~~initial retirement date~~ by the same employer, the member shall obtain from his previous and current employers a copy of the job description established by the employers for the position and a statement of the duties performed by the member for the position from which he retired and for the position in which he has been reemployed.

- (b) The job descriptions and statements of duties shall be filed with the retirement office.
- ~~(13)~~~~(14)~~ If the retirement system determines that the retired member has been employed in a position with the same principal duties as the position from which the member retired:
- (a) The member's retirement allowance shall be suspended during the period that begins on the month in which the member is reemployed and ends six (6) months after the member's *termination*~~initial retirement date~~.
 - (b) The retired member shall repay to the retirement system all benefits *paid from systems administered by Kentucky Retirement Systems under reciprocity, including medical insurance benefits*, that the member received after reemployment began.
 - (c) Upon termination, or subsequent to expiration of the six (6) month period from the date of *termination*~~initial retirement~~, the retired member's retirement allowance based on his initial retirement account shall no longer be suspended and the member shall receive the amount to which he is entitled, including an increase as provided by KRS 61.691.
 - (d) Except as provided in subsection (7) of this section, if the position in which a retired member is employed after initial retirement is a regular full-time position, the retired member shall contribute to a second member account established for him in the retirement system. Service credit gained after the member's date of reemployment shall be credited to the second member account.
 - (e) Upon termination, the retired member shall be entitled to benefits payable from his second retirement account.
- ~~(14)~~~~(15)~~ (a) If the retirement system determines that the retired member has not been reemployed in a position with the same principal duties as the position from which he retired, the retired member shall continue to receive his retirement allowance.
- (b) If the position is a regular full-time position, the member shall contribute to a second member account in the retirement system.
- ~~(15)~~~~(16)~~ (a) If a retired member is reemployed at least one (1) month after initial retirement in a different position, or at least six (6) months after initial retirement in the same position, and prior to normal retirement age, the retired member shall contribute to a second member account in the retirement system and continue to receive a retirement allowance from the first member account.
- (b) Service credit gained after reemployment shall be credited to the second member account. Upon termination, the retired member shall be entitled to benefits payable from the second member account.
- ~~(16)~~~~(17)~~ A retired member who is reemployed and contributing to a second member account shall not be eligible to purchase service credit under any of the provisions of KRS 16.510 to 16.652, KRS 61.515 to 61.705, or KRS 78.520 to 78.852 which he was eligible to purchase prior to his initial retirement.

Section 11. KRS 61.645 is amended to read as follows:

- (1) The County Employees Retirement System, Kentucky Employees Retirement System, and State Police Retirement System shall be administered by the board of trustees of the Kentucky Retirement Systems composed of nine (9) members, who shall be selected as follows:
- (a) The secretary of the Personnel Cabinet shall serve as trustee for as long as he occupies the position of secretary under KRS 18A.015, except as provided under subsections (5) and (6) of this section;
 - (b) Two (2) trustees, who shall be members or retired from the County Employees Retirement System, elected by the members and retired members of the County Employees Retirement System;
 - (c) One (1) trustee, who shall be a member or retired from the State Police Retirement System, elected by the members and retired members of the State Police Retirement System;
 - (d) Two (2) trustees, who shall be members or retired from the Kentucky Employees Retirement System, elected by the members and retired members of the Kentucky Employees Retirement System; and

- (e) Three (3) trustees, appointed by the Governor of the Commonwealth. Of the three (3) trustees appointed by the Governor, one (1) shall be knowledgeable about the impact of pension requirements on local governments.
- (2) The board is hereby granted the powers and privileges of a corporation, including, but not limited to, the following powers:
 - (a) To sue and be sued in its corporate name;
 - (b) To make bylaws not inconsistent with the law;
 - (c) To conduct the business and promote the purposes for which it was formed;
 - (d) To contract for investment counseling, actuarial, auditing, *medical*, and other professional *or technical* services as ***required to carry out the obligations of the board without limitation***~~[its statutory purpose may require]~~, notwithstanding the provisions of KRS Chapters 45, ~~and~~ 45A, ***56, and 57***;
 - (e) To purchase fiduciary liability insurance;
 - (f) To acquire, hold, sell, dispose of, pledge, lease, or mortgage, ***the goods or***~~[any such]~~ property ***necessary to exercise the board's powers and perform the board's duties without limitation***~~[as its purpose may require]~~, notwithstanding the limitations of KRS Chapters 45, 45A, and 56; and
 - (g) The board shall reimburse any trustee or officer for any legal expense resulting from a civil action arising out of the performance of his official duties.
- (3) Notwithstanding the provisions of subsection (1) of this section, each trustee shall serve a term of four (4) years or until his successor is duly qualified except as otherwise provided in this section. An elected trustee shall not serve more than three (3) consecutive four (4) year terms. An elected trustee who has served three (3) consecutive terms may be elected again after an absence of four (4) years from the board.
- (4)
 - (a) The trustees selected by the membership of each of the various retirement systems shall be elected by ballot. For each trustee to be elected, the board may nominate, not less than six (6) months before a term of office of a trustee is due to expire, three (3) constitutionally eligible individuals;
 - (b) Individuals may be nominated by the retirement system members which are to elect the trustee by presenting to the ***executive director***~~[general manager]~~, not less than four (4) months before a term of office of a trustee is due to expire, a petition, bearing the name, Social Security number, and signature of no less than one-tenth (1/10) of the number voting in the last election by the retirement system members;
 - (c) Within four (4) months of the nominations made in accordance with paragraphs (a) and (b) of this subsection, the ***executive director***~~[general manager]~~ shall cause to be prepared an official ballot. The ballot shall carry the name, address, and position title of each individual nominated by the board and by petition. Provisions shall also be made for write-in votes;
 - (d) The ballots shall be distributed to the eligible voters by mail to their last known residence address;
 - (e) The ballots shall be addressed to the Kentucky Retirement Systems in care of a predetermined box number at a United States Post Office located within Kentucky. Access to this post office box shall be limited to the board's contracted auditing firm. The individual receiving a plurality of votes shall be declared elected;
 - (f) The eligible voter shall cast his ballot by checking a square opposite the name of the candidate of his choice. He shall ~~record his Social Security number,~~ sign~~;~~ and mail the ballot at least thirty (30) days prior to the date the term to be filled is due to expire. The latest mailing date shall be printed on the ballot;
 - (g) The board's contracted auditing firm shall report in writing the outcome to the chairman of the board of trustees. Cost of an election shall be payable from the funds of the system for which the trustee is elected.
- (5) Any vacancy which may occur in an appointed position shall be filled in the same manner which provides for the selection of the particular trustee, and any vacancy which may occur in an elected position shall be filled by appointment by a majority vote of the remaining trustees, and if the secretary of the Personnel Cabinet resigns his position as trustee, it shall be filled by appointment made by the Governor; however, any vacancy shall be filled only for the duration of the unexpired term.

- (6) (a) Membership on the board of trustees shall not be incompatible with any other office unless a constitutional incompatibility exists. No trustee shall serve in more than one (1) position as trustee on the board; and if a trustee holds more than one (1) position as trustee on the board, he shall resign a position.
- (b) A trustee shall be removed from office upon conviction of a felony or for a finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction.
- (7) Trustees who do not otherwise receive a salary from the State Treasury shall receive a per diem of eighty dollars (\$80) for each day they are in session or on official duty, and they shall be reimbursed for their actual and necessary expenses in accordance with state administrative regulations and standards.
- (8) The board shall meet at least once in each quarter of the year and may meet in special session upon the call of the chairman or the ~~executive director~~ ~~general manager~~. It shall elect a chairman and a vice chairman. A majority of the trustees shall constitute a quorum and all actions taken by the board shall be by affirmative vote of a majority of the trustees present.
- (9) (a) *The board of trustees shall appoint or contract for the services of an executive director and fix the compensation and other terms of employment for this position without limitation of the provisions of KRS Chapters 18A and 45A and KRS 64.640. The executive director shall be the chief administrative officer of the board.*
- (b) *The board of trustees shall authorize the executive director to appoint the employees deemed necessary to transact the business of the system. For an appointee deemed to be in a policy-making position, the board shall determine the compensation and other terms of employment for the policy-making position without limitation of the provisions of KRS Chapter 18A. Anything in the Kentucky Revised Statutes to the contrary notwithstanding, the power over and control of determining and maintaining an adequate complement of employees shall be under the exclusive jurisdiction of the board of trustees.*
- (c) *Effective December 1, 2002, all employees of the Kentucky Retirement Systems shall be transferred to a personnel system adopted by the board. Employees of Kentucky Retirement Systems covered by the personnel system adopted by the board shall be:*
 - 1. *Provided the same health insurance coverage as all other state government employees as provided in KRS 18A.225;*
 - 2. *Eligible to participate in the deferred compensation system provided for all state government employees as provided in KRS 18A.250 to 18A.265;*
 - 3. *Provided the same life insurance coverage provided all state employees as provided in KRS 18A.205 to 18A.215;*
 - 4. *Reimbursed for all reasonable and necessary travel expenses and disbursements incurred or made in the performance of official duties in accordance with KRS Chapter 45;*
 - 5. *Ensured equal employment opportunity regardless of race, color, gender, religion, national origin, disability, sexual orientation, or age;*
 - 6. *Given those holidays and rights granted to state employees as provided in KRS 18A.190;*
 - 7. *Paid a salary not less than the salary paid as of the date of transfer to the personnel system, unless voluntarily demoted or involuntarily demoted for cause;*
 - 8. *Credited with all accumulated sick leave, compensatory time, and annual leave accumulated in accordance with KRS Chapter 18A, and for an employee leaving service, the system shall attest to the employee's accumulated sick leave, compensatory time, and annual leave which shall be credited with other employers to the extent provided for by statute or policy;*
 - 9. *Classified with status upon transfer to the personnel system on December 1, 2002, if the employee was classified with status as a merit employee under KRS Chapter 18A. Any employee of the Kentucky Retirement Systems transferred on December 1, 2002, during the probationary period before earning classified status as a merit system employee under KRS*

Chapter 18A shall transfer all accrued probationary time and the time shall be credited to the probationary time required to attain classified status in the personnel system;

10. *Ensured a grievance appeal procedure and the employee's right to have a representative present at each step of the grievance procedure; and*
 11. *Ensured of the right of appeal in a manner consistent with the provisions of KRS 18A.095 to the Kentucky Personnel Board and employees classified with status in the personnel system shall not be dismissed, demoted, suspended, or otherwise penalized except for cause.*
- (d) *The board shall adopt by administrative regulation a fair, equitable, and comprehensive personnel policy with a minimum of the following provisions for the personnel system:*
1. *A code of conduct including provisions describing performance of duties, abuse of position, conflicts of interest, and outside employment;*
 2. *An appointments plan including provisions describing the appointing authority, appointments, equal employment policy, sexual harassment policy, and drug-free workplace policy;*
 3. *A classification plan including provisions describing class specifications, position actions, and employee actions;*
 4. *A compensation plan based on qualifications, experience, and responsibilities and including provisions which describe a salary schedule, salary adjustments, salary advancements, and an employee suggestion program;*
 5. *Separations, disciplinary actions, and appeal policies including provisions describing classified with status, exemptions from classified with status, layoffs, abolishment of position, dismissals and notification of dismissal, dismissals during probationary period, disciplinary actions, right of appeal, grievance and appeal procedures, and an employee grievance and appeal committee;*
 6. *Service and benefits regulations including provisions describing hours of work, fringe benefits, workers' compensation, payroll deductions, holidays, inclement weather days, compensatory time, retirement, resignations, employee evaluations, and political activities; and*
 7. *Leave policies including provisions describing special leave, annual leave, court leave and jury duty, military leave, voting leave, educational leave, sick leave, family medical leave, leave without pay, absence without leave, and blood donation leave.*~~The board shall:~~
- ~~(a) Appoint or contract for the services of a general manager and fix his compensation without limitation by the provisions of KRS Chapter 18A and KRS 64.640. The general manager shall be the chief administrative officer of the board;~~
- ~~(b) Authorize the general manager to appoint the employees he deems necessary. Appointees deemed to be in a policy making position shall be unclassified and their salaries shall be determined by the board. Other appointees shall be subject to the personnel classification system and salaries shall be subject to the secretary of the Personnel Cabinet;~~
- ~~(e)(c) The board shall require the executive director~~~~general manager~~ *require the executive director* and the employees as it thinks proper to execute bonds for the faithful performance of their duties notwithstanding the limitations of KRS Chapter 62.~~;~~
- ~~(f)(d) The board shall establish a system of accounting.~~~~;~~~~and~~
- ~~(g)(e) The board shall do all things, take all actions, and promulgate all administrative regulations, not inconsistent with the provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852, necessary or proper in order to carry out the provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852. Notwithstanding any other evidence of legislative intent, it is hereby declared to be the controlling legislative intent that the provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852 conform with federal statute or regulation and meet the qualification requirements under 26 U.S.C. sec. 401(a). Provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852 which conflict with federal statute or regulation or qualification under 26 U.S.C. sec. 401(a) shall not be available to the member. The board shall have the authority to promulgate administrative~~

regulations to conform with federal statute and regulation and to meet the qualification requirements under 26 U.S.C. sec. 401(a).

- (10) All employees of the board shall serve during its will and pleasure. Notwithstanding any statute to the contrary, employees shall not be considered legislative agents under KRS 6.611.
- (11) The Attorney General, or an assistant designated by him, may attend each meeting of the board and may receive the agenda, board minutes, and other information distributed to trustees of the board upon request. The Attorney General may act as legal adviser and attorney for the board, and the board may contract for legal services, notwithstanding the limitations of KRS Chapter 12 or 13B.
- (12) The system shall publish an annual financial report showing all receipts, disbursements, assets, and liabilities. The annual report shall include a copy of an audit conducted in accordance with generally accepted auditing standards. The board may select an independent certified public accountant or the Auditor of Public Accounts to perform the audit. If the audit is performed by an independent certified public accountant, the Auditor of Public Accounts shall not be required to perform an audit pursuant to KRS 43.050(2)(a), but may perform an audit at his discretion. All proceedings and records of the board shall be open for inspection by the public. The system shall make copies of the audit required by this subsection available for examination by any member, retiree, or beneficiary in the office of the *executive director*~~[general manager]~~ of the Kentucky Retirement Systems and in other places as necessary to make the audit available to all members, retirees, and beneficiaries. A copy of the annual audit shall be sent to the Legislative Research Commission no later than ten (10) days after receipt by the board.
- (13) All expenses incurred by or on behalf of the system and the board in the administration of the system during a fiscal year shall be paid from the retirement allowance account. Any other statute to the contrary notwithstanding, authorization for all expenditures relating to the administrative operations of the system shall be contained in the biennial budget unit request, branch budget recommendation, and the financial plan adopted by the General Assembly pursuant to KRS Chapter 48.
- (14) Any person adversely affected by a decision of the board, except as provided under subsection (16) of this section or KRS 61.665, involving KRS 16.510 to 16.652, 61.515 to 61.705, and 78.520 to 78.852, may appeal the decision of the board to the Franklin Circuit Court within sixty (60) days of the board action.
- (15)
 - (a) A trustee shall discharge his duties as a trustee, including his duties as a member of a committee:
 1. In good faith;
 2. On an informed basis; and
 3. In a manner he honestly believes to be in the best interest of the Kentucky Retirement Systems.
 - (b) A trustee discharges his duties on an informed basis if, when he makes an inquiry into the business and affairs of the Kentucky Retirement Systems or into a particular action to be taken or decision to be made, he exercises the care an ordinary prudent person in a like position would exercise under similar circumstances.
 - (c) In discharging his duties, a trustee may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:
 1. One (1) or more officers or employees of the Kentucky Retirement Systems whom the trustee honestly believes to be reliable and competent in the matters presented;
 2. Legal counsel, public accountants, actuaries, or other persons as to matters the trustee honestly believes are within the person's professional or expert competence; or
 3. A committee of the board of trustees of which he is not a member if the trustee honestly believes the committee merits confidence.
 - (d) A trustee shall not be considered as acting in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by paragraph (c) of this subsection unwarranted.
 - (e) Any action taken as a trustee, or any failure to take any action as a trustee, shall not be the basis for monetary damages or injunctive relief unless:

1. The trustee has breached or failed to perform the duties of the trustee's office in compliance with this section; and
 2. In the case of an action for monetary damages, the breach or failure to perform constitutes willful misconduct or wanton or reckless disregard for human rights, safety, or property.
- (f) A person bringing an action for monetary damages under this section shall have the burden of proving by clear and convincing evidence the provisions of paragraphs (e)1. and (e)2. of this subsection, and the burden of proving that the breach or failure to perform was the legal cause of damages suffered by the Kentucky Retirement Systems.
- (g) Nothing in this section shall eliminate or limit the liability of any trustee for any act or omission occurring prior to July 15, 1988.
- (16) When an order by the system substantially impairs the benefits or rights of a member, retired member, or recipient, except action which relates to entitlement to disability benefits, the affected member, retired member, or recipient may request a hearing to be held in accordance with KRS Chapter 13B. ***The board may establish an appeals committee whose members shall be appointed by the chairman and who shall have authority to act upon the recommendations and reports of the hearing officer on behalf of the board.*** The member, retired member, or recipient aggrieved by a final order of the board following the hearing may appeal the decision to the Franklin Circuit Court, in accordance with KRS Chapter 13B.
- (17) The board shall give the Kentucky Education Support Personnel Association twenty-four (24) hours notice of the board meetings, to the extent possible.

Section 12. KRS 61.650 is amended to read as follows:

- (1) (a) The board shall be the trustee of the several funds created by KRS 16.510, 61.515, 61.701, and 78.520, ***notwithstanding the provisions of any other statute to the contrary,*** and shall have ~~exclusive~~~~full~~ power to invest and reinvest such funds ***in accordance with federal law.***
- (b) ***The board may establish an investment committee whose members shall be appointed by the board chairperson. The investment committee shall have authority to implement policy and act on behalf of the board on all investment-related matters with full power to acquire, sell, safeguard, monitor, and manage the assets and securities of the several funds.***
- (c) ***A trustee or other fiduciary shall discharge duties with respect to the retirement system:***
1. ***Solely in the interest of the members and beneficiaries;***
 2. ***For the exclusive purpose of providing benefits to members and beneficiaries and paying reasonable expenses of administering the system;***
 3. ***With the care, skill, and caution under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose;***
 4. ***Impartially, taking into account any differing interests of members and beneficiaries;***
 5. ***Incurring any costs that are appropriate and reasonable; and***
 6. ***In accordance with a good-faith interpretation of the law governing the retirement system.***~~[-]~~ subject to the limitations that no investments shall be made except in securities which, at the time of making the investment, are, by law, permitted for the investment of funds by fiduciaries in this state, except that the board may at its discretion purchase common stocks in corporations that do not have a record of paying dividends to their stockholders and may acquire real estate without obtaining the approval of the District Court as set forth in KRS 386.020(1)(h). Subject to such limitations, the board shall have full power to hold, purchase, sell, assign, transfer or dispose of, any of the securities or investments in which any of the funds created herein have been invested, as well as of the proceeds of such investments and any moneys belonging to such funds. The board members or any investment manager shall discharge their duties with respect to the assets of the several funds solely in the interest of the members and beneficiaries and:
- ~~(a) For the exclusive purposes of providing benefits to members and their beneficiaries and defraying reasonable expenses of administering the plan;~~

- ~~(b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and~~
- ~~(c) In accordance with the laws, administrative regulations and other instruments governing the several funds.}~~

- (2) All registered securities acquired under authority of KRS 61.510 to 61.705 shall be registered in the name "Kentucky Retirement Systems of the Commonwealth of Kentucky" or nominee name as provided by KRS 287.225 and every change in registration, by reason of sale or assignment of such securities, shall be accomplished by the signatures of the chairman or a trustee appointed by the chairman and the general manager of the board of trustees.
- (3) The board, in keeping with its responsibility as trustee and wherever consistent with its fiduciary responsibilities, shall give priority to the investment of funds in obligation calculated to improve the industrial development and enhance the economic welfare of the Commonwealth.
- (4) The contents of real estate appraisals, engineering or feasibility estimates, and evaluations made by or for the system relative to the acquisition or disposition of property, until such time as all of the property has been acquired or sold, shall be excluded from the application of KRS 61.870 to 61.884 and shall be subject to inspection only upon order of a court of competent jurisdiction.

Section 13. KRS 61.680 is amended to read as follows:

- (1) Prior to August 1, 1982, every employee shall be deemed to consent and agree to any deduction from his compensation required by KRS 6.500 to 6.535, 16.510 to 16.652, 61.510 to 61.692, 78.510 to 78.852, and to all other provisions thereof. Thereafter, employee contributions shall be picked up by the employer pursuant to KRS 61.560(4).
- (2) (a) Notwithstanding any other provisions of KRS 6.500 to 6.535, 16.510 to 16.652, 61.510 to 61.692, 78.510 to 78.852 and 161.220 to 161.714, upon death, disability, or service retirement, a member's accounts under the Legislators' Retirement Plan, State Police Retirement System, Kentucky Employees Retirement System, County Employees Retirement System, and Teachers' Retirement System, ***except for service prohibited by KRS 161.623(2)***, shall be consolidated for the purpose of determining eligibility and amount of benefits. Vested service credit in a retirement system, other than the Teachers' Retirement System, sponsored by a Kentucky institution of higher education and accepted by the Kentucky Employees Retirement System or the County Employees Retirement System, may be used to determine eligibility for twenty-seven (27) year retirement but not the amount of benefits. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, but the final compensation, ***excluding compensation earned under KRS 161.155(9)***, shall be determined as if all service were in one (1) system. If the member has prior service in more than one (1) system, he shall obtain at least twelve (12) months' current service in each system in which he has prior service in order to validate the prior service in each system for purposes of determining consolidated benefits under this section. Upon the determination of benefits, each system shall pay the applicable percentage of total benefits.
- (b) The provisions of paragraph (a) of this subsection shall be waived if the member notifies the system of his desire to maintain separate retirement accounts in the State Police Retirement System, Kentucky Employees Retirement System, or County Employees Retirement System~~, or if he is a member of the State Police Retirement System or is working in a hazardous position under the Kentucky Employees Retirement System or County Employees Retirement System and as a result of an act in line of duty, becomes disabled or deceased~~.
- (c) If the member has not contributed at least one (1) year in a system in which he has prior service, his current service in the system shall be valid for purposes of determining eligibility and in computation of benefits on a consolidated basis.
- (3) A member with service credit in the Kentucky Employees Retirement System, State Police Retirement System, or the County Employees Retirement System who becomes the holder of an office entitling him to membership in the Judicial Retirement Plan or the Legislators' Retirement Plan, but who does not elect within thirty (30) days after taking office in such service to participate in the plan, in accordance with KRS 6.505 or 21.360, shall be deemed to have elected to retain membership in the system in which he is a member, either the

Kentucky Employees Retirement System, State Police Retirement System, or the County Employees Retirement System. In that event, the agency employing the member shall withhold employee contributions, or picked-up employee contributions after August 2, 1982, make employer contributions and remit these contributions to the system in which the member retained his membership. Any person entitled to membership in the Judicial Retirement Plan or the Legislators' Retirement Plan, who does not elect within thirty (30) days after taking office to participate in the plan, in accordance with KRS 6.505 or 21.360, and who at the time of taking office is not a contributing member of, or does not have service credit in, any of the retirement systems mentioned in this section, or the Teachers' Retirement System, shall participate in the Kentucky Employees Retirement System. A member of one (1) of the state-administered retirement plans who ceases to contribute to the plan as provided in KRS 21.360 and who is employed in a nonelected position by an agency participating in the Kentucky Retirement Systems shall be deemed to have elected membership in the system in which the employer of the nonelected position participates. A member of one (1) of the state-administered retirement plans who ceases to contribute to the plan as provided in KRS 21.360 and who is not employed in a nonelected position by an agency participating in the Kentucky Retirement Systems shall be deemed to have elected membership in the Kentucky Employees Retirement System.

- (4)
 - (a) Prior to July 1, 1976, a person entering the service of an employer participating in the Kentucky Employees Retirement System or the County Employees Retirement System with service credit in the Teachers' Retirement System and who desires to retain membership in the Teachers' Retirement System, and who is permitted by that system to continue, shall be exempt from participating in the Kentucky Employees Retirement System or the County Employees Retirement System.
 - (b) Any person who has elected to retain membership in the Teachers' Retirement System as provided in paragraph (a) of this subsection may cancel his election and participate in the system under which his position would normally participate, if he elects to cancel his option prior to January 1, 1977.
 - (c) Any member of the General Assembly who upon election is a contributing member of the Teachers' Retirement System and who does not elect within thirty (30) days after taking office to participate in the Legislators' Retirement Plan, in accordance with KRS 6.505, shall during his term of office participate in the Kentucky Employees Retirement System unless an election to retain membership in the Teachers' Retirement System is filed in writing within ninety (90) days after his term of office begins. No contributions may be made to the Teachers' Retirement System for the same period of service under the Legislators' Retirement Plan or the Kentucky Employees Retirement System as a member of the General Assembly, but contributions made to the Teachers' Retirement System while a member of the General Assembly shall be transferred to the Legislators' Retirement Plan, as provided for in KRS 6.535, when the member elects to join the Legislators' Retirement Plan, and service credit in the Legislators' Retirement Plan shall be granted as provided for in KRS 6.505(3).
- (5) Effective July 1, 1974, any member of the Kentucky Employees Retirement System or County Employees Retirement System who is working in a position covered by one (1) of these retirement systems and his employee contributions, service credit and employer contributions made on his behalf are being transferred to the other retirement system shall contribute to the system in which his employer participates, or after August 1, 1982, the employer shall pick up the employee contributions, and no further contributions or service credit shall be transferred to the system in which he elected to retain membership, as subsection (2) of this section eliminates the necessity of the transfers.
- (6) Any member of the Kentucky Employees Retirement System or County Employees Retirement System who is working in more than one (1) position covered by the same retirement system, shall have his wages and contributions consolidated and his retirement account administered as a single account. If part-time positions are involved, an accumulation of all hours worked within the same retirement system shall be used to determine eligibility under KRS 61.510(21).
- (7) Notwithstanding the provisions of subsection (2) of this section, a person who does not have the amount of service required for service retirement in the State Police Retirement System, Kentucky Employees Retirement System, County Employees Retirement System, Legislators' Retirement Plan, or Teachers' Retirement System, but who is a member of one (1) of the systems or is a former member of one (1) or more of the systems with valid service credit therein, shall become eligible for service retirement benefits attributable to the amount of his actual service credit in each system in which he has service credit when his combined service credit in all the systems, plus any service credit he has in the Judicial Retirement Plan, is equal to that required for service retirement in each respective system. The computation of benefits shall be based on the applicable formula in each system and service credit in each system, *except that total service in all systems, unless prohibited by*

KRS 161.623(2), shall be used to determine the reduction for early retirement, if any. The final compensation shall be determined by using the creditable compensation reported to the State Police Retirement System, Kentucky Employees Retirement System, County Employees Retirement System, Legislators' Retirement Plan, or Teachers' Retirement System and only as much of the compensation earned in the Judicial Retirement Plan as is needed to satisfy the final compensation requirement applicable in the respective retirement systems.

- (8) **Each retirement system from which the member retires shall pay a retirement allowance upon receipt of required forms and documents, except that no retirement system shall pay a retirement allowance or annuity until all forms and documents are filed at all retirement systems in compliance with each system's requirements.**

Section 14. KRS 61.690 is amended to read as follows:

- (1) All retirement allowances and other benefits accrued or accruing to any person under the provisions of KRS 61.510 to 61.705, 16.505 to 16.652, and 78.510 to 78.852, and the accumulated contributions and cash securities in the funds created under KRS 61.510 to 61.705, 16.505 to 16.652, and 78.510 to 78.852, are hereby exempt from any state, county, or municipal tax, and shall not be subject to execution, attachment, garnishment, or any other process, and an assignment thereof shall not be enforceable in any court. Except retirement benefits accrued or accruing to any person under the provisions of KRS 61.510 to 61.705, 16.505 to 16.652, and 78.510 to 78.852 on or after January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent provided in KRS 141.010 and 141.0215.
- ~~(2) A retirement allowance, a disability allowance, a member's accumulated contributions, or any other benefit under the system shall not be classified as marital property or as an economic circumstance as provided in KRS 403.190 in an action for dissolution of marriage.~~
- ~~(3) Child support orders for current, owed, or to-be-owed child support, issued by a court or administrative agency shall be honored by the retirement systems if the orders are in compliance with the regulation adopted by the board pursuant to KRS 61.645(9)(g)(e).~~

Section 15. KRS 61.701 is amended to read as follows:

- (1) There is hereby created and established a state fund to be known as "Kentucky Retirement Systems Insurance Fund."
- (2) The fund is created **pursuant to 26 U. S. C. sec. 106** for the purpose of providing a fund separate from the retirement funds and is to be used to provide fringe benefits as provided in KRS 61.702 to retired recipients and employees of employers participating in the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System, and to certain of their dependents or beneficiaries.
- (3) The fund shall be administered by the board of trustees of the Kentucky Retirement Systems and the board shall manage the assets of the fund in the same manner in which it administers the retirement funds.

Section 16. KRS 61.705 is amended to read as follows:

- (1) Upon the death of a retired member of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System who **was receiving a monthly retirement allowance based on**~~had~~ a minimum of forty-eight (48) months of service **or whose retirement allowance based on a minimum of forty-eight (48) months was suspended in accordance with Section 10 of this Act**, a death benefit of five thousand dollars (\$5,000) shall be paid. If the retired member had more than one (1) account in the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System, the system shall pay only one (1) five thousand dollar (\$5,000) death benefit. Application for the death benefit made to the Kentucky Retirement Systems shall include acceptable evidence of death and of the eligibility of the applicant to act on the deceased retired member's behalf.
- (2) The death benefit shall be paid to a beneficiary named by the retired member. Upon retirement or any time thereafter, the retired member may designate on the form prescribed by the board, death benefit designation, an individual, his estate, a trust or trustee as the beneficiary of the death benefit. The beneficiary for the death benefit may or may not be the same beneficiary designated in accordance with KRS 61.590(1). If the beneficiary designated under this section dies prior to the member or if the beneficiary was the spouse and they were divorced on the date of the retired member's death, the retired member's estate shall become the beneficiary, unless the retired member has filed a subsequent death benefit designation.

SECTION 17. A NEW SECTION OF KRS 61.510 TO 61.705 IS CREATED TO READ AS FOLLOWS:

- (1) *Upon the death of a member, retiree, or recipient who has an existing account or other benefit in a retirement system administered by the Kentucky Retirement Systems that totals no more than one thousand dollars (\$1,000), the surviving spouse, or if none, a surviving child, or if none, a surviving parent, or if none, a surviving brother or sister, may without formal administration of the estate collect the account subject to the provisions of this section.*
- (2) *The surviving spouse, child, parent, or brother or sister who makes demand for the deceased member, retiree, or recipient account shall file with the retirement office an affidavit stating that he or she is entitled to payment of the account. The affidavit shall conform to the requirements of the administrative regulation promulgated by the board.*
- (3) *After having paid the account to the surviving spouse, child, parent, or brother or sister, the retirement system shall be discharged and held harmless to the same extent as if conducting business with a personal representative. The retirement system shall not be required to inquire into the truth or veracity of any statement made in the affidavit. In the event any person or entity establishes a superior right to the account, the surviving spouse, child, parent, or brother or sister, and not the Kentucky Retirement Systems, shall be answerable and accountable to any appointed personal representative for the estate.*

Section 18. KRS 78.510 is amended to read as follows:

As used in KRS 78.520 to 78.852, unless the context otherwise requires:

- (1) "System" means the County Employees Retirement System;
- (2) "Board" means the board of trustees of the system as provided in KRS 78.780;
- (3) "County" means any county, or nonprofit organization created and governed by a county, counties, or elected county officers, sheriff and his employees, county clerk and his employees, circuit clerk and his deputies, former circuit clerks or former circuit clerk deputies, or political subdivision or instrumentality, including school boards, charter county government, or urban-county government participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and if the board is willing to accept the agency, organization, or corporation, the board being hereby granted the authority to determine the eligibility of the agency to participate;
- (4) "School board" means any board of education participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and if the board is willing to accept the agency or corporation, the board being hereby granted the authority to determine the eligibility of the agency to participate;
- (5) "Examiner" means the medical examiners as provided in KRS 61.665;
- (6) "Employee" means every regular full-time appointed or elective officer or employee of a participating county and the coroner of a participating county, whether or not he qualifies as a regular full-time officer. The term shall not include persons engaged as independent contractors, seasonal, emergency, temporary, and part-time workers. In case of any doubt, the board shall determine if a person is an employee within the meaning of KRS 78.520 to 78.852;
- (7) "Employer" means a county, as defined in subsection (3) of this section, the elected officials of a county, or any authority of the county having the power to appoint or elect an employee to office or employment in the county;
- (8) "Member" means any employee who is included in the membership of the system or any former employee whose membership has not been terminated under KRS 61.535;
- (9) "Service" means the total of current service and prior service as defined in this section;
- (10) "Current service" means the number of years and months of employment as an employee, on and after July 1, 1958, for which creditable compensation is paid and employee contributions deducted, except as otherwise provided;
- (11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employee, prior to July 1, 1958, for which creditable compensation was paid. An employee shall be credited with one (1) month of prior service only in those months he received compensation for at least

one hundred (100) hours of work. Twelve (12) months of current service in the system shall be required to validate prior service;

- (12) "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, including employee contributions picked up after August 1, 1982, pursuant to KRS 78.610(4), together with interest credited on the amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;
- (13) "Creditable compensation" means all salary, wages, and fees, including payments for compensatory time, paid to the employee as a result of services performed for the employer or for time during which the member is on paid leave, which are includable on the member's federal form W-2 wage and tax statement under the heading "wages, tips, other compensation", including employee contributions picked up after August 1, 1982, pursuant to KRS 78.610(4). A lump-sum bonus, severance pay, or employer-provided payment for purchase of service credit shall be included as creditable compensation but shall be averaged over the employee's service with the employer. If compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money. Living allowances, expense reimbursements, ***lump-sum*** payments ~~received after the date of termination of employment~~ for accrued vacation leave, sick leave except as provided in KRS 78.616(5), and other items determined by the board shall be excluded. Creditable compensation shall also include amounts that are not includable in the member's gross income by virtue of the member having taken a voluntary salary reduction provided for under applicable provisions of the Internal Revenue Code;
- (14) "Final compensation" means:
 - (a) For a member who is employed in a nonhazardous position, as provided in KRS 61.592, the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12). The five (5) years may be fractional and need not be consecutive. If the number of months of service credit during the five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used; or
 - (b) For a member who is not employed in a hazardous position, as provided in KRS 61.592, whose effective retirement date is between August 1, 2001, and January 1, 2009, and whose total service credit is at least twenty-seven (27) years and whose age and years of service total at least seventy-five (75), final compensation means the creditable compensation of the member during the three (3) fiscal years the member was paid at the highest average monthly rate divided by the number of months of service credit during that three (3) year period multiplied by twelve (12). The three (3) years may be fractional and need not be consecutive. If the number of months of service credit during the three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used. Notwithstanding the provision of KRS 61.565, the funding for this paragraph shall be provided from existing funds of the retirement allowance; or
 - (c) For a member who is employed in a hazardous position, as provided in KRS 61.592, the creditable compensation of the member during the three (3) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that three (3) year period multiplied by twelve (12). The three (3) years may be fractional and need not be consecutive. If the number of months of service credit during the three (3) year period is less than twenty-four (24), one (1) or more additional fiscal years shall be used;
- (15) "Final rate of pay" means the actual rate upon which earnings of an employee were calculated during the twelve (12) month period immediately preceding the member's effective retirement date, and shall include employee contributions picked up after August 1, 1982, pursuant to KRS 78.610(4). The rate shall be certified to the system by the employer and the following equivalents shall be used to convert the rate to an annual rate: two thousand eighty (2,080) hours for eight (8) hour workdays, one thousand nine hundred fifty (1,950) hours for seven and one-half (7.5) hour workdays, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, one (1) year;
- (16) "Retirement allowance" means the retirement payments to which a member is entitled;
- (17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of the actuarial tables as are from time to time adopted by the board, except in case of disability retirement, the options authorized by

KRS 61.635 shall be computed by adding ten (10) years to the age of the member. No disability retirement option shall be less than the same option computed under early retirement;

- (18) "Normal retirement date" means the sixty-fifth birthday of a member unless otherwise provided in KRS 78.520 to 78.852;
- (19) "Fiscal year" of the system means the twelve (12) months from July 1 through the following June 30, which shall also be the plan year;
- (20) "Agency reporting official" means the person designated by the participating agency who shall be responsible for forwarding all employer and employee contributions and a record of the contributions to the system and for performing other administrative duties pursuant to the provisions of KRS 78.520 to 78.852;
- (21) "Regular full-time positions," as used in subsection (6) of this section, shall mean all positions that average one hundred (100) or more hours per month, determined by using the number of hours actually worked in a calendar or fiscal year, or eighty (80) or more hours per month in the case of noncertified employees of school boards, determined by using the number of hours actually worked in a calendar or school year, unless otherwise specified, except:
 - (a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and that may recur regularly from year to year, in which case the period of time shall not exceed six (6) months in any event;
 - (b) Emergency positions that are positions that do not exceed thirty (30) working days and are nonrenewable;
 - (c) Temporary, also referred to as probationary, positions that are positions of employment with a participating agency for a period of time not to exceed twelve (12) months and not renewable; or
 - (d) Part-time positions that are positions that may be permanent in duration, but that require less than a calendar or fiscal year average of one hundred (100) hours of work per month, determined by using the number of months actually worked within a calendar or fiscal year, in the performance of duty, except in case of noncertified employees of school boards, the school term average shall be eighty (80) hours of work per month, determined by using the number of months actually worked in a calendar or school year, in the performance of duty;
- (22) "Alternate participation plan" means a method of participation in the system as provided for by KRS 78.530(3);
- (23) "Retired member" means any former member receiving a retirement allowance or any former member who has on file at the retirement office the necessary documents for retirement benefits and is no longer contributing to the system;
- (24) "Current rate of pay" means the member's actual hourly, daily, weekly, biweekly, monthly, or yearly rate of pay converted to an annual rate as defined in final rate of pay. The rate shall be certified by the employer;
- (25) "Beneficiary" means the person, persons, estate, trust, or trustee designated by the member in accordance with KRS 61.542 or 61.705 to receive any available benefits in the event of the member's death. As used in KRS 61.702, beneficiary shall not mean an estate, trust, or trustee;
- (26) "Recipient" means the retired member, the person or persons designated as beneficiary by the member and drawing a retirement allowance as a result of the member's death, or a dependent child drawing a retirement allowance. An alternate payee of a qualified domestic relations order shall be considered a recipient only for purposes of KRS 61.691;
- (27) "Person" means a natural person;
- (28) "School term or year" means the twelve (12) months from July 1 through the following June 30;
- (29) "Retirement office" means the Kentucky Retirement Systems office building in Frankfort;
- (30) "Delayed contribution payment" means an amount paid by an employee for current service obtained under KRS 61.552. The amount shall be determined using the same formula *in Section 24 of this Act* ~~adopted by the board for purchase of service under KRS 61.552(9))~~, except the *determination of the actuarial cost for classified employees of a school board shall be based on their final compensation* ~~employee shall pay a single payment of fifty percent (50%) of the total cost of the service with no cost to the employer~~, and the

payment shall not be picked up by the employer. A delayed contribution payment shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. In determining payments under this subsection, the formula found in this subsection shall prevail over the one found in KRS 212.434;

- (31) "Participating" means an employee is currently earning service credit in the system as provided in KRS 78.615; and
- (32) "Month" means a calendar month.

Section 19. KRS 78.606 is amended to read as follows:

- (1) Upon retirement, a noncertified employee shall have his service credit earned after July 1, 1998, recalculated in accordance with KRS 78.615 except that the employee shall receive service credit determined by dividing the actual number of contracted days worked by twenty (20) and rounding any remainder to the next whole month, provided that the number of hours worked during the period averages eighty (80) or more hours.
- ~~(2) Each school board for whom the employee worked shall pay the cost of the additional months of service credited to the employee for school years reported by the school board. The cost shall be the member and employer contributions that would have been paid on the employee's average monthly salary for each school year plus interest at the actuarial rate. Payment shall be due at the retirement office within thirty (30) days of receipt of notice from the retirement system. If the school board does not make the payment within thirty (30) days, interest at the actuarial rate shall be added to the payment for each additional thirty (30) days after payment is due.~~
- ~~(3) An employee who takes a refund, in accordance with KRS 61.625, of contributions made as an employee of a school board shall not be entitled to additional months service credit under subsection (1) of this section for the period covered by the refund. If the employee repays the refund as provided by KRS 61.552(1), the employee may have his service recalculated under the provisions of subsection (1) of this section for the period covered by the refund if the member pays the cost of the additional months prior to his retirement. The cost shall be the same as for the employer. The payment shall be credited to the member's account.~~
- ~~(4) The Kentucky Retirement Systems shall adjust the service credit for all affected members who earned service credit for the school years 1996-97 and 1997-98 by recomputing the members' service based on the rounding method provided in subsection (1) of this section.~~

Section 20. KRS 78.615 is amended to read as follows:

- (1) Employee contributions shall be deducted each payroll period from the creditable compensation of each employee of an agency participating in the system while he is classified as regular full-time as defined in KRS 78.510 unless the person did not elect to become a member as provided by KRS 61.545(3) or by KRS 78.540(2). After August 1, 1982, employee contributions shall be picked up by the employer pursuant to KRS 78.610(4).
 - (a) For employees who are not employed by a school board, service credit shall be allowed for each month contributions are deducted or picked up during a fiscal or calendar year, if the employee receives creditable compensation for an average of one hundred (100) hours or more of work per month based on the actual hours worked in a calendar or fiscal year. If the average number of hours of work is less than one hundred (100) hours per month, the employee shall be allowed credit only for those months he receives creditable compensation for one hundred (100) hours of work.
 - (b) For noncertified employees of school boards, for service prior to July 1, 2000, service credit shall be allowed for each month contributions are deducted or picked up under the employee's employment contract during a school year determined by dividing the actual number of contracted *calendar* days worked by twenty (20) and rounded to the nearest whole month if the employee receives creditable compensation for an average of eighty (80) or more hours of work per month based on the employee's employment contract. The school board shall certify the number of *calendar* days worked, the rate of pay, and the hours in a work day for each employee monthly or annually. The employer shall file at the retirement office the final monthly report or the annual report for a fiscal year no later than twenty (20) days following the completion of the fiscal year. The retirement system shall impose a penalty on the employer of one thousand dollars (\$1,000) if the information is not submitted by the date required with

an additional two hundred and fifty dollars (\$250) for each additional thirty (30) day period the information is reported late.

1. If the employee works fewer than the number of contracted **calendar** days, the employee shall receive service credit determined by dividing the actual number of contracted **calendar** days worked by twenty (20) and rounded to the nearest whole month, provided that the number of hours worked during the period averages eighty (80) or more hours.
 2. If the employee works fewer than the number of contracted **calendar** days and the average number of hours worked is less than eighty (80) per month, then the employee shall receive service credit for each calendar month in which he worked eighty (80) or more hours.
 3. The retirement system shall refund contributions and service credit for any period for which the employee is not given credit under this subsection.
- (c) For noncertified employees of school boards, for service on and after July 1, 2000, at the close of each fiscal year, the retirement system shall add service credit to the account of each ~~employee~~~~member~~ who made contributions to his or her account during the year. ~~Employees~~~~Members~~ shall be entitled to a full year of service credit if their total paid **calendar** days were not less than one hundred eighty (180) **calendar** days for a regular school or fiscal year. In the event ~~an employee~~~~a member~~ is paid for less than one hundred eighty (180) **calendar** days, the ~~employee~~~~member~~ may purchase credit according to administrative regulations promulgated by the system. In no case shall more than one (1) year of service be credited for all service performed in one (1) fiscal year. ~~Employees~~~~Members~~ who complete their employment contract prior to the close of a fiscal year and elect to retire prior to the close of a fiscal year shall have their service credit reduced by eight percent (8%) for each calendar month that the retirement becomes effective prior to July 1. ~~Employees~~~~Members~~ who are employed and paid for less than the number of **calendar** days required in their normal employment year shall be entitled to pro rata service credit for the fractional service. This credit shall be based upon the number of **calendar** days employed and the number of **calendar** days in the ~~employee's~~~~member's~~ annual employment agreement or normal employment year. Service credit may not exceed the ratio between the school or fiscal year and the number of months or fraction of a month the ~~employee~~~~member~~ is employed during that year.
- (d) Notwithstanding paragraph (c) of this subsection, a noncertified employee of a school board who retires between July 1, 2000, and August 1, 2001, may choose to have service earned between July 1, 2000, and August 1, 2001, credited as described in paragraph (b) of this subsection, ***if the employee or retired member notifies the retirement system within one (1) year of his initial retirement. The decision once made shall be irrevocable.***
- (2) Employee contributions shall not be deducted from the creditable compensation of any employee or picked up by the employer while he is seasonal, emergency, temporary, or part-time. No service credit shall be earned.
 - (3) Contributions shall not be made or picked up by the employer and no service credit shall be earned by a member while on leave except:
 - (a) A member on military leave shall be entitled to service credit in accordance with KRS 61.555; and
 - (b) A member on educational leave who meets the criteria established by the state Personnel Cabinet for approved educational leave, who is receiving seventy-five percent (75%) or more of full salary, shall receive service credit and shall pay member contributions in accordance with KRS 78.610, and his employer shall pay employer contributions or the contributions shall be picked up in accordance with KRS 61.565. If a tuition agreement is broken by the member, the member and employer contributions paid or picked up during the period of educational leave shall be refunded.
 - (4) The retirement office, upon detection, shall refund any erroneous employer and employee contributions made to the retirement system and any interest credited in accordance with KRS 78.640.

Section 21. KRS 78.616 is amended to read as follows:

- (1) Any agency participating in the County Employees Retirement System which has formally adopted a sick-leave program that is universally administered to its employees may purchase service credit with the retirement system for up to six (6) months of unused sick leave for each retiring employee.
- (2) Participation under this section shall be at the option of each participating employer. The election to participate shall be made by the governing authority of the participating employer and shall be certified in writing to the

system on forms prescribed by the board. The certification shall provide for equal treatment of all employees participating under this section.

- (3) (a) Upon the member's notification of retirement as prescribed in KRS 61.590, the employer shall certify the retiring employee's unused, accumulated sick-leave balance to the system. The member's sick-leave balance, expressed in days, shall be divided by the average number of working days per month in county service and rounded to the nearest number of whole months. A maximum of six (6) months of the member's sick-leave balance, expressed in months, shall be added to his service credit for the purpose of determining his annual retirement allowance under KRS 78.510 to 78.852 and for the purpose of determining whether the member is eligible to receive a retirement allowance under KRS 78.510 to 78.852. Accumulated sick-leave in excess of six (6) months shall be added to the member's service credit if the member or employer pays to the retirement system the value of the additional service credit based on the formula adopted by the board.
- (b) The employer may elect to pay fifty percent (50%) of the cost of the sick leave in excess of six (6) months on behalf of its employees. The employee shall pay the remaining fifty percent (50%). The payment by the employer shall not be deposited to the member's account. Service credit shall not be credited to the member's account until both the employer's and employee's payments are received by the retirement system.
- (c) Once the employer elects to pay all or fifty percent (50%) of the cost on behalf of its employees, it shall continue to pay the same portion of the cost.
- (4) The system shall compute the cost of the sick-leave credit of each retiring employee and bill each employer with whom the employee accrued sick leave accordingly. The employer shall remit payment within thirty (30) days from receipt of the bill.
- (5) As an alternative to subsections (1), (3), (4), and (6) of this section, any agency participating in the County Employees Retirement System which has formally adopted a sick-leave program that is universally administered to its employees, or administered to a majority of eligible employees in accordance with subsection (6) of this section, shall, at the time of termination, **or as provided in KRS 161.155 in the case of school boards**, compensate the employee for unused sick-leave days the employee has accumulated which it is the uniform policy of the agency to allow. The rate of compensation for each unused sick-leave day shall be based on the daily salary rate calculated from the employee's current rate of pay. Payment for unused sick-leave days shall be incorporated into the employee's final compensation if the employee and employer make the regular employee and employer contributions, respectively, on the sick-leave payment. The number of sick-leave days for which the employee is compensated shall be divided by the average number of working days per month in county service and rounded to the nearest number of whole months. This number of months shall be added to the employee's total service credit and to the number of months used to determine creditable compensation, pursuant to KRS 78.510, but no more than sixty (60) months shall be used to determine final compensation.
- (6) Any city of the first class that has two (2) or more sick-leave programs for its employees may purchase service credit with the retirement system for up to six (6) months of unused sick leave for each retiring employee who participates in the sick-leave program administered to a majority of the eligible employees of the city. An employee participating in a sick-leave program administered to a minority of the eligible employees shall become eligible for the purchase of service credit under this subsection when the employee commences participating in the sick-leave program that is administered to a majority of the eligible employees of the city.

Section 22. KRS 78.625 is amended to read as follows:

- (1) The agency reporting official of the county shall, by the tenth day of each month, forward to the system an amount equal to the aggregate amount of the employees' contributions deducted during the previous month in accordance with KRS 78.610 and the aggregate amount of the employer's contributions due for the previous month in accordance with KRS 61.565.
- (2) The agency reporting official or some other person designated by the county shall forward a record of all contributions to the system on the forms the board prescribes.
- (3) (a) If the agency reporting official fails to forward all contributions **by the twentieth** ~~by the twentieth~~ ~~within twenty (20) days of the tenth~~ day of the month following the period being reported, interest at the actuarial rate

adopted by the board compounded annually on the delinquent contributions, but not less than one hundred dollars (\$100), shall be added to the amount due the system.

- (b) Delinquent contributions, with interest at the rate adopted by the board compounded annually, or penalties may be recovered by action in the Franklin Circuit Court against the county liable or may, at the request of the board, be deducted from any other moneys payable to the county by any department or agency of the state.
- (4) If an agency is delinquent in the payment of contributions due in accordance with any of the provisions of KRS 78.510 to 78.852, refunds and retirement allowance payments to members of this agency may be suspended until the delinquent contributions have been made.

Section 23. KRS 78.545 is amended to read as follows:

The following matters shall be administered in the same manner subject to the same limitations and requirements as provided for the Kentucky Employees Retirement System as follows:

- (1) Cessation of membership, conditions, as provided for by KRS 61.535;
- (2) Statement of member and employer, as provided for by KRS 61.540;
- (3) Beneficiary to be designated by member, change, rights, as provided for by KRS 61.542;
- (4) Service credit determination, as provided for by KRS 61.545;
- (5) Cessation of membership, loss of benefits, as provided for by KRS 61.550;
- (6) Service credit, Armed Forces, as provided for by KRS 61.555;
- (7) Normal and early retirement eligibility requirements, as provided for by KRS 61.559;
- (8) Retirement allowance increases as provided for by KRS 61.691;
- (9) Retirement application procedure, effective retirement date, as provided for by KRS 61.590;
- (10) Disability retirement, conditions, as provided for by KRS 61.600;
- (11) Disability retirement, allowance, as provided for by KRS 61.605;
- (12) Medical examination after disability retirement, as provided for by KRS 61.610;
- (13) Disability retirement allowance, reduction, as provided for by KRS 61.615;
- (14) Determination of retirement allowance, as provided for by KRS 61.595;
- (15) Refund of contributions, conditions, as provided for by KRS 61.625;
- (16) Refund of contributions, death after retirement, as provided for by KRS 61.630;
- (17) Optional retirement plans, as provided for by KRS 61.635;
- (18) Suspension of retirement payments on reemployment, reinstatement, as provided for by KRS 61.637;
- (19) Death before retirement, beneficiary's options, as provided for by KRS 61.640;
- (20) Board of trustees, conflict of interest, as provided for by KRS 61.655;
- (21) Custodian of funds, payments made, when, as provided for by KRS 61.660;
- (22) Medical examiners and hearing procedures, as provided for by KRS 61.665;
- (23) Actuarial bases, as provided for by KRS 61.670;
- (24) Employer's administrative duties, as provided for by KRS 61.675;
- (25) Correction of errors in records, as provided for by KRS 61.685;
- (26) Exemptions of retirement allowances, as provided for by KRS 61.690;
- (27) Credit for service prior to membership date, as provided for by KRS 61.526;
- (28) Creditable compensation of fee officers, as provided for by KRS 61.541;
- (29) Transfer of dormant accounts, as provided for by KRS 61.626;

- (30) Members' account, confidential, as provided for by KRS 61.661;
- (31) Retirement plan for employees determined to be in a hazardous position, as provided for by KRS 61.592;
- (32) Maximum disability benefit, as provided for by KRS 61.607;
- (33) Consent of employees to deductions and reciprocal arrangement between systems, as provided for by KRS 61.680;
- (34) Employer contributions, as provided for by KRS 61.565;
- (35) Reconciliation and delayed contribution payments, purchase of service credit, interest, and installment payments, as provided for by KRS 61.552;
- (36) Hospital and medical insurance plan, as provided by KRS 61.702;
- (37) Death benefit, as provided by KRS 61.705;
- (38) Reinstated employee, contributions on creditable compensation, as provided for by KRS 61.569;
- (39) Statement to be made under oath, good faith reliance, as provided for in KRS 61.699;
- (40) Disability procedure for members in hazardous positions as provided for in KRS 16.582;
- (41) Direct deposit of recipient's retirement allowance as provided for in KRS 61.623;
- (42) Death or disability from a duty-related injury as provided in KRS 61.621;~~and~~
- (43) Purchase of service credit effective July 1, 2001, as provided in KRS 61.5525; *and*
- (44) *Payment of small accounts upon death of member, retiree, or recipient without formal administration of the estate as provided in Section 17 of this Act.***

Section 24. KRS 61.5525 is amended to read as follows:

- (1) Effective July 1, 2001, purchase of service under the provisions of KRS 16.505 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852, except as provided in subsection (2) of this section, shall be determined by multiplying the higher of the employee's current rate of pay, final rate of pay, or final compensation as of the end of the month in which the purchase is made times the actuarial factor times the number of years of service being purchased.
- (2) This provision shall not apply to KRS 61.552(1) and ~~(23)(24)~~, or KRS 61.592(3)(c).

Section 25. KRS 61.600 is amended to read as follows:

- (1) Any person may qualify to retire on disability, subject to the following conditions:
 - (a) The person shall have sixty (60) months of service, twelve (12) of which shall be current service credited under KRS 16.543(1), 61.543(1), or 78.615(1);
 - (b) The person shall not be eligible for an unreduced retirement allowance;
 - (c) The person's application shall be on file in the retirement office no later than twenty-four (24) months after the person's last day of paid employment, as defined in KRS 61.510, in a regular full-time position, as defined in KRS 61.510 or 78.510;
 - (d) The person shall receive a satisfactory determination pursuant to KRS 61.665;~~and~~
 - (e) A person's disability application based on the same claim of incapacity shall be accepted and reconsidered for disability if accompanied by new objective medical evidence. The application shall be on file in the retirement office no later than twenty-four (24) months after the person's last day of paid employment in a regular full-time position; *and*
 - (f) *A person who had previously applied for and was denied disability benefits by the board on or before December 31, 1996, because of the pre-existing disease of poliomyelitis may file a new application for disability benefits no later than December 31, 2002, at the office of the retirement systems, and subsection(2)(d) of this section shall not apply to the new application if the person applying under this paragraph has at least ten (10) years of current or prior service for employment with employers participating in the retirement systems administered by the Kentucky Retirement Systems.***

- (2) Upon the examination of the objective medical evidence by licensed physicians pursuant to KRS 61.665, it shall be determined that:
- (a) The person, since his last day of paid employment, has been mentally or physically incapacitated to perform the job, or jobs of like duties, from which he received his last paid employment. In determining whether the person may return to a job of like duties, any reasonable accommodation by the employer as provided in 42 U.S.C. sec. 12111(9) and 29 C.F.R. Part 1630 shall be considered;
 - (b) The incapacity is a result of bodily injury, mental illness, or disease. For purposes of this section, "injury" means any physical harm or damage to the human organism other than disease or mental illness;
 - (c) The incapacity is deemed to be permanent; and
 - (d) The incapacity does not result directly or indirectly from bodily injury, mental illness, disease, or condition which pre-existed membership in the system or reemployment, whichever is most recent. For purposes of this subsection, reemployment shall not mean a change of employment between employers participating in the retirement systems administered by the Kentucky Retirement Systems with no loss of service credit.
- (3) Paragraph (d) of subsection (2) shall not apply if:
- (a) The incapacity is a result of bodily injury, mental illness, disease, or condition which has been substantially aggravated by an injury or accident arising out of or in the course of employment; or
 - (b) The person has at least sixteen (16) years' current or prior service for employment with employers participating in the retirement systems administered by the Kentucky Retirement Systems.
- (4) (a) 1. An incapacity shall be deemed to be permanent if it is expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months from the person's last day of paid employment in a regular full-time position.
2. The determination of a permanent incapacity shall be based on the medical evidence contained in the member's file and the member's residual functional capacity and physical exertion requirements.
- (b) The person's residual functional capacity shall be the person's capacity for work activity on a regular and continuing basis. The person's physical ability shall be assessed in light of the severity of the person's physical, mental, and other impairments. The person's ability to walk, stand, carry, push, pull, reach, handle, and other physical functions shall be considered with regard to physical impairments. The person's ability to understand, remember, and carry out instructions and respond appropriately to supervision, coworkers, and work pressures in a work setting shall be considered with regard to mental impairments. Other impairments, including skin impairments, epilepsy, visual sensory impairments, postural and manipulative limitations, and environmental restrictions, shall be considered in conjunction with the person's physical and mental impairments to determine residual functional capacity.
- (c) The person's physical exertion requirements shall be determined based on the following standards:
- 1. Sedentary work shall be work that involves lifting no more than ten (10) pounds at a time and occasionally lifting or carrying articles such as large files, ledgers, and small tools. Although a sedentary job primarily involves sitting, occasional walking and standing may also be required in the performance of duties.
 - 2. Light work shall be work that involves lifting no more than twenty (20) pounds at a time with frequent lifting or carrying of objects weighing up to ten (10) pounds. A job shall be in this category if lifting is infrequently required but walking and standing are frequently required, or if the job primarily requires sitting with pushing and pulling of arm or leg controls. If the person has the ability to perform substantially all of these activities, the person shall be deemed capable of light work. A person deemed capable of light work shall be deemed capable of sedentary work unless the person has additional limitations such as the loss of fine dexterity or inability to sit for long periods.
 - 3. Medium work shall be work that involves lifting no more than fifty (50) pounds at a time with frequent lifting or carrying of objects weighing up to twenty-five (25) pounds. If the person is

deemed capable of medium work, the person shall be deemed capable of light and sedentary work.

4. Heavy work shall be work that involves lifting no more than one hundred (100) pounds at a time with frequent lifting or carrying of objects weighing up to fifty (50) pounds. If the person is deemed capable of heavy work, the person shall also be deemed capable of medium, light, and sedentary work.
5. Very heavy work shall be work that involves lifting objects weighing more than one hundred (100) pounds at a time with frequent lifting or carrying of objects weighing fifty (50) or more pounds. If the person is deemed capable of very heavy work, the person shall be deemed capable of heavy, medium, light, and sedentary work.

Approved March 15, 2002

CHAPTER 53

(HB 283)

AN ACT relating to medical assistance.

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

Section 1. KRS 205.6312 is amended to read as follows:

- (1) The cabinet shall institute nominal copayments or similar charges to be paid by medical assistance recipients, their spouses, or parents, ***under the provisions of Section 1916 of Title XIX of the Federal Social Security Act, 42 U.S.C. sec. 1396o***~~[within the limitations of federal law and regulation]~~.
- (2) Copayments or similar charges shall not be imposed for the following services:
 - (a) All services provided to children under eighteen (18) years of age;
 - (b)~~[(a)]~~ All optional services provided to children under twenty one (21) years of age;
 - ~~(c)~~ All services furnished to pregnant women, ***if the services relate to the pregnancy or to any other medical condition which may complicate the pregnancy;***
 - ~~(c)~~~~(d)~~ Emergency services including hospital, clinic, office, or other facility services which are necessary to prevent the death or serious impairment of the individual;
 - ~~(d)~~~~(e)~~ Services furnished to institutionalized individuals if the individual is required, as a condition of receiving services, to spend all but a minimal amount of income for personal needs;
 - (e) ***Services furnished for an individual who is receiving hospice care as defined under Section 1905 of Title XIX of the Federal Social Security Act, 42 U.S.C. sec. 1396d(o); and***
 - ~~(f)~~~~[(e)]~~ Prescriptions for maintenance pharmaceuticals; and
 - ~~(g)~~ Other services excluded from cost sharing by federal law or regulation.
- (3) Prepaid health plan programs, such as health maintenance organizations and health insuring organizations under contract with the cabinet to provide services to medical assistance recipients, shall not be subject to the requirements of this section.
- (4) Standard nominal copayments per service, not to exceed amounts ***allowable***~~[allowed]~~ under ***Section 1916 of Title XIX of the Federal Social Security Act, 42 U.S.C. sec. 1396o***~~[42 C.F.R. Chapter IV, as amended]~~, shall be collected by the provider and charged for the following services:
 - (a) Ambulance services which are provided to recipients in need of nonemergency health transportation services;~~and~~
 - (b) Nonemergency services delivered in a hospital emergency room; ***and***
 - (c) ***Prescription and over-the-counter drugs, subject to the limitation under subsection (7) of this section.***

- (5) No provider participating in the Medical Assistance Program shall deny services to any eligible recipient due to the inability of a recipient to make the required copayment. This provision shall not excuse the recipient from liability for payment of the charge.
- (6) *The cabinet shall promulgate administrative regulations under KRS Chapter 13A to implement the provisions of this section.*
- (7) *Any copayment for a prescription or over-the-counter drug shall not exceed one dollar (\$1.00).*

Approved March 15, 2002

CHAPTER 54

(HB 244)

AN ACT relating to environmental protection.

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

Section 1. KRS 224.46-580 is amended to read as follows:

- (1) The General Assembly declares that it is the purpose of this section to promote the development of statewide programs, under the responsibility of a single agency, which are intended to protect the health of the citizens and the environment of the Commonwealth from present and future threats associated with the management of hazardous wastes and the release of toxic chemicals regulated under Title III, Section 313 of the Superfund Amendments and Reauthorization Act of 1986, including disposal, treatment, recycling, storage, and transportation. The intent of the General Assembly is to add to and coordinate, and not replace, existing efforts and responsibilities in the areas of hazardous waste management, toxic chemical manufacture, processing, or other use, and to leave the primary burden and responsibility for hazardous waste and toxic chemical reduction on private industry; and further to finance assistance and coordination by imposing assessments on the generation of hazardous waste. The assessments are intended to produce a reduction in waste generated; to promote the use of new techniques in recycling, treatment, and alternatives other than land disposal; and to place the burden of financing additional hazardous waste management activities necessarily undertaken by state agencies on the users of those products associated with the generation of hazardous waste. The General Assembly further finds that Kentucky's industries need assistance in developing and implementing pollution prevention goals and that a fund should be established to provide technical and financial assistance to those industries.
- (2) The Natural Resources and Environmental Protection Cabinet is given the authority to administer the provisions and programs of this section and the responsibility to achieve the purposes of this section.
- (3) In addition to all specific responsibilities contained elsewhere in this chapter, the cabinet shall:
 - (a) Respond effectively and in a timely manner to emergencies created by the release of hazardous substances, as defined in KRS 224.01-400, into the environment. The cabinet shall provide for adequate containment and removal of the hazardous substances in order that the threat of a release or actual release of the substance may be abated and resultant harm to the environment minimized. The provisions of KRS 45A.695 to 45A.725 may be suspended by the cabinet if necessary to respond to an environmental emergency.
 - (b) Provide for post-closure monitoring and maintenance of hazardous waste disposal sites upon termination of post-closure monitoring and maintenance responsibilities by persons permitted to operate the facility pursuant to this chapter.
 - (c) Identify, investigate, classify, contain, or clean up any release, threatened release, or disposal of a hazardous substance where responsible parties are economically or otherwise unavailable to properly address the problem and the problem represents an imminent danger to the health of the citizens and the environment of the Commonwealth.
- (4) The cabinet shall have the authority to finance the nonfederal share of the cost for clean up of sites under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Pub. L. 96-510).
- (5) The cabinet shall recover, when possible, actual and necessary expenditures incurred in carrying out the duties under this section. Any expenditures recovered shall be placed in the hazardous waste management fund.

- (6) It is the expressed purpose of this section to accomplish effective hazardous waste and toxic chemical management that results in a reduction of the generation of hazardous wastes and the release of toxic chemicals within the Commonwealth; further, it is a purpose of this chapter to allocate a portion of the cost of administering necessary governmental programs related to hazardous waste and toxic chemical management to those industries whose products are reasonably related to the generation of hazardous waste.
- (7) There is hereby imposed upon every person engaged within this state in the generation of hazardous waste an annual hazardous waste assessment to be determined pursuant to this section according to the quantity by weight of hazardous waste generated, except that no assessment shall be levied against generators for any quantity of "special wastes," waste oil, or spent material from air pollution control devices controlling emissions from coke manufacturing facilities. The assessment shall not be imposed upon any person for any quantities of hazardous waste generated by others for which that person is a secondary handler that stores, processes, or reclaims the waste. The assessment shall be reported and paid to the Natural Resources and Environmental Protection Cabinet for the generation of hazardous waste on an annual basis on January 1 of each year. The payment shall be accompanied by a report or return in a form that the cabinet may prescribe. If a federal law is enacted which accomplishes or purports to accomplish the purposes set forth in this section and which levies an assessment or tax upon any business assessed pursuant to this section, the amount of the assessment to be levied upon the business under this section shall be reduced by the amount of the federal assessment or tax upon the business. The reduction shall only be authorized when funds raised by the federal assessment or tax are made available to the state for any of the activities to be funded under this section. If federal moneys are available to carry out the duties imposed by subsection (3) of this section, the assessment shall cease to be levied and collected until such time as federal moneys are no longer available to the Commonwealth for these purposes. The assessment shall be charged against generators of hazardous waste until June 30, ~~2004~~~~[2002]~~. After this date, no further hazardous waste management assessment shall be charged against generators.
- (8) The assessment on generators shall be one and two-tenths cents (\$0.012) per pound if the waste is liquid, or two-tenths of a cent (\$0.002) per pound if the waste is solid.
- (a) Hazardous waste that is injected into a permitted underground injection well shall be assessed on a dry weight basis;
 - (b) Hazardous waste treated, detoxified, solidified, neutralized, recycled, incinerated, or disposed of on-site shall be assessed at one-half (1/2) of the appropriate rate, except for recycled waste used in the steel manufacturing process which shall be exempt;~~and~~
 - (c) Waste that is subject to regulation under Section 402 or 307B of the Federal Clean Water Act shall be exempt; *and*
 - (d) ***Emission control dust and sludge from the primary production of steel that is recycled by high temperature metals recovery or managed by stabilization of metals shall be exempt.***
- (9) Except for waste brought into the state by a company to an affiliated manufacturing facility of the company receiving the waste, any person who transports hazardous waste into the state for land disposal or treatment which is generated outside of the state shall pay an assessment to the hazardous waste facility which first receives the waste for storage, treatment, or land disposal. The assessment rate shall be identical to the rate described in subsection (8) of this section. The facility shall remit the assessment to the cabinet on an annual basis on January 1 of each year. The payment shall be accompanied by a return the cabinet shall prescribe.
- (10) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails or refuses to file a return or furnish any information requested in writing by the cabinet, the cabinet may, from any information in its possession, make an estimate and issue an assessment against the generator or hazardous waste facility and add a penalty of ten percent (10%) of the amount of the assessment so determined. This penalty shall be in addition to all other applicable penalties in this chapter.
- (11) If any generator or hazardous waste facility subject to the provisions of subsection (8) or (9) of this section fails to make and file a return required by this chapter on or before the due date of the return or the due date as extended by the cabinet, unless it is shown to the satisfaction of the cabinet, that the failure is due to reasonable cause, five percent (5%) of the assessment found to be due by the cabinet shall be added to the assessment for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which it is filed, but the total penalty shall not exceed twenty-five percent (25%) of the assessment.

- (12) If the assessment imposed by this chapter, whether assessed by the cabinet, or the generator, or any installment or portion of the assessment is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the assessment, interest upon the unpaid amount at the rate of eight percent (8%) per annum from the date prescribed for its payment until payment is actually made to the cabinet.
- (13) There is hereby created within the State Treasury a trust and agency fund which shall not lapse to be known as the hazardous waste management fund. The fund shall be deposited in an interest-bearing account. The cabinet shall be responsible for collecting and receiving funds as provided in this section, and all such assessments collected or received by the State Treasury shall be deposited in the hazardous waste management fund. All interest earned on the money deposited in the fund shall be deposited to the fund. When the State Treasurer certifies to the cabinet that the uncommitted balance of the hazardous waste management fund exceeds six million dollars (\$6,000,000), assessments shall not be collected until the State Treasurer certifies to the cabinet that the balance in the hazardous waste management fund is less than three million dollars (\$3,000,000). The implementation of the cap on the fund shall be suspended from July 13, 1990, until July 1, 1991. In addition, for assessments paid after July 1, 1991, the cabinet shall refund or grant a credit against the next assessment to come due, on a pro-rated basis, any money collected in one (1) year in excess of the cap.
- (14) There is hereby created within the State Treasury a trust and agency account which shall not lapse to be known as the pollution prevention fund. The fund shall be placed in an interest-bearing account. The fund shall be administered by the Center for Pollution Prevention. The cabinet shall remit to the fund each fiscal year twenty percent (20%) of the funds received by the hazardous waste management fund subject to the enacted budget bill. The cabinet shall provide to the center estimates of the amount of the hazardous waste assessment expected to be collected during each upcoming fiscal year.
- (15) Upon request of the secretary, moneys accumulated in the hazardous waste management fund shall be released in amounts necessary to accomplish the performance of the duties imposed by subsection (3) of this section. However, moneys from the fund shall not be used when federal moneys are available to carry out these duties, except when immediate action is required to protect public health or the environment, in which case the cabinet shall actively pursue reimbursement of the fund by any available federal moneys.
- (16) If any person responsible for a release or threatened release of a hazardous substance fails to take response actions or to make reasonable progress in completing response actions ordered by the cabinet, the cabinet may bring an action to compel performance or may take appropriate response actions and order the responsible person to reimburse the cabinet for the actual costs incurred by the cabinet.
- (17) If disposal activities have occurred at a hazardous waste site, the cabinet shall record in the office of the county clerk in the county in which a waste site is situated a notice containing a legal description of the property that discloses to any potential transferee that the land was used to dispose hazardous waste and that further information on the hazardous waste site may be obtained from the cabinet.
- (18) No person shall affect the integrity of the final cover, liners, or any other components of any containment system after closure of a hazardous waste site on or in which hazardous waste remains without prior written approval of the cabinet.

Approved March 15, 2002

CHAPTER 55

(HB 207)

AN ACT relating to the regulation of interior designers and architects.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 10 of this Act, unless the context otherwise requires:

- (1) *"Board" means the State Board of Examiners and Registration of Architects;*
- (2) *"Certified interior designer" means a person who is certified to use the title "certified interior designer" in accordance with Sections 1 to 10 of this Act by meeting the criteria of education, experience, and examination as determined by the board; and*

- (3) *"NCIDQ" means the National Council for Interior Design Qualification.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

- (1) *No person shall use the title "certified interior designer" unless the person at the time holds a valid certificate to use the title "certified interior designer" in the Commonwealth of Kentucky as established under Sections 1 to 10 of this Act.*
- (2) *Nothing in Sections 1 to 10 of this Act prohibits a person who is not certified as a certified interior designer from providing interior design services or from using any title, sign, card, or device indicating that the person provides interior design services.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

- (1) *The provisions of Sections 1 to 10 of this Act shall not apply to persons licensed under any other provisions of the Kentucky Revised Statutes, including, but not limited to, architects, landscape architects, professional engineers, and land surveyors, or students within accredited training programs of these professions. Nothing in Sections 1 to 10 of this Act shall be construed to limit, interfere, or restrict the practice, descriptions of services, or manner in which these persons practice.*
- (2) *Nothing in Sections 1 to 10 of this Act shall be construed to prohibit or interfere with the ability of a licensed architect, landscape architect, professional engineer, or land surveyor to perform those activities that are associated with their practices, respectively, as provided under any provisions of the Kentucky Revised Statutes.*
- (3) *Nothing in Sections 1 to 10 of this Act shall be construed to prohibit or interfere with the rendering of interior design services by students enrolled in a school approved by the board, if the students only perform services in accordance with a course of instruction or an assignment from an instructor.*
- (4) *Nothing in Sections 1 to 10 of this Act shall be construed to prohibit any architect licensed under the provisions of KRS Chapter 323 from using the title "certified interior designer."*
- (5) *Nothing in Sections 1 to 10 of this Act shall be construed to limit, interfere, or restrict the manner in which home builders, home designers, retailers of consumer products or their employees, certified kitchen designers, certified bath designers, or certified master kitchen and bath designers offer or provide their services.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

The board may promulgate administrative regulations in accordance with KRS Chapter 13A and Sections 1 to 10 of this Act that:

- (1) *Establish criteria of education, experience, and testing for those persons seeking certification as a certified interior designer that are reasonable and necessary;*
- (2) *Establish an initial certification fee and a renewal fee for the certification of certified interior designers that may not in aggregate exceed amounts necessary to generate sufficient funds to effectively carry out and enforce the provisions of Sections 1 to 10 of this Act;*
- (3) *Establish a renewal process for certifications that have expired; and*
- (4) *Establish a process regarding the use of a certified interior designer's signature and certificate number on documents, plans, reports, drawings, or specifications that do not require the seal of a licensed architect or professional engineer.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

The board shall:

- (1) *Administer and enforce the provisions of Sections 1 to 10 of this Act;*
- (2) *Maintain an official roster of all certified interior designers;*
- (3) *Require a certified interior designer to include the certified interior designer's certificate number on all business and advertising documents;*

- (4) *Review all applications of persons applying for certification under Sections 1 to 10 of this Act and approve the certification of those persons who meet the requirements of a certified interior designer.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall issue a certificate as a certified interior designer and a certificate number to any person who:*
- (a) *Files an application with the board on a form prescribed by the board;*
 - (b) *Submits written proof that the person has successfully passed the NCIDQ examination and therefore has met the education and internship requirements established by NCIDQ;*
 - (c) *Meets the standards of education, experience, and testing established by the board under subsection (1) of Section 4 of this Act; and*
 - (d) *Submits the required certification fee to the board.*
- (2) *No person who has violated Section 2 of this Act shall file an application with the board for a period of five (5) years.*
- (3) *For a period of two (2) years after the effective date of this Act, the board may issue a certificate as a certified interior designer and a certificate number to a person who does not meet the examination requirement under subsection (1)(b) of this section, but who can document:*
- (a) *Ten (10) years of experience as an interior designer or eight (8) years of experience as an interior designer and two (2) years of interior design education that is acceptable to the board; and*
 - (b) *Successful completion of the Building and Barrier-Free Code Life Safety section of the NCIDQ examination.*
- (4) *The board, upon proper application under this section, shall issue a certificate as a certified interior designer and a certificate number to a person credentialed as an interior designer under the laws of any other country or state or territory of the United States, provided that at the time the license or certificate was issued the applicant met the requirements of subsection (1) of this section.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

- (1) *The board may suspend, revoke, or refuse to issue or renew the certificate of any person upon a finding of any of the following:*
- (a) *The certification was fraudulently obtained;*
 - (b) *A judgment has been issued against the person for gross incompetence, neglect, or misconduct within the last five (5) years; or*
 - (c) *A judgment has been issued against the person or the person has pleaded guilty to or been found guilty of fraud or deceit in the person's professional duties within the last five (5) years.*
- (2) *Any person may appeal a finding of the board within thirty (30) days of the date of notification of action. Upon appeal, the board shall schedule an administrative hearing in accordance with KRS Chapter 13B.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

- (1) *No certified interior designer shall knowingly:*
- (a) *Affix, or permit to be affixed, the certified interior designer's certificate number and signature to any document, plan, report, drawing, or specification that depicts work that requires the seal of a registered architect or professional engineer;*
 - (b) *Affix, or permit to be affixed, the certified interior designer's certificate number and signature to any document, plan, report, drawing, or specification that depicts work that the certified interior designer is not competent or qualified to perform; or*
 - (c) *Affix the certified interior designer's signature and certificate number to any document, plan, report, drawing, or specification that was not prepared:*
 - (1) *By the certified interior designer; or*
 - (2) *Under the certified interior designer's supervision.*

- (2) *When the certificate of a certified interior designer has been revoked or suspended, the certified interior designer shall surrender his or her certificate to the board within thirty (30) days after the revocation or suspension has become effective. If the certificate of the interior designer has been suspended or revoked, the certificate shall be returned to the certified interior designer upon the expiration of the period of suspension or reinstatement of the certificate.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

- (1) *Every person who wishes to renew a certificate as a certified interior designer shall successfully complete at least twelve (12) hours of continuing education within the broad range of subjects pertinent to interior design during the twelve (12) month period immediately preceding the expiration date of the person's certificate and include proof of completion of such education, on forms prescribed by the board, with the person's renewal application and renewal fee.*
- (2) *A minimum of eight (8) of the twelve (12) hours of continuing education required under subsection (1) of this section shall be composed of one (1) or more of the following topics: life safety codes, barrier-free codes, building structural systems, lighting, electrical systems, and heating, ventilation, and air conditioning systems.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 323 IS CREATED TO READ AS FOLLOWS:

- (1) *Whoever violates subsection (1) of Section 2 of this Act is guilty of a Class A misdemeanor.*
- (2) *Whoever violates subsection (1)(a) of Section 7 of this Act by falsifying an application for certification or renewal as a certified interior designer is guilty of a Class A misdemeanor, and the interior designer's certificate shall be revoked for two (2) years.*

Section 11. KRS 323.150 is amended to read as follows:

The board shall consist of **eight (8)**~~seven (7)~~ members, **seven (7)**~~six (6)~~ of whom shall be appointed by the Governor. The **eighth**~~seventh~~ member of the board shall be the chief executive officer of any NAAB accredited architectural curriculum established in the Commonwealth of Kentucky, who shall be an ex officio member with voting rights.

Section 12. KRS 323.170 is amended to read as follows:

Five (5) members of the board appointed by the Governor shall be architects registered in the Commonwealth of Kentucky and shall have been in the active practice of architecture for at least ten (10) years immediately preceding their appointment, and shall have been residents of this Commonwealth for at least five (5) years immediately preceding their appointment. ***One (1) member shall be a certified interior designer in the Commonwealth of Kentucky, shall have been providing interior design services for at least ten (10) years, and shall have been a resident of the Commonwealth for at least five (5) years immediately preceding the appointment.*** One (1) member shall be a citizen at large who is not associated with or financially interested in the practice or business regulated.

Section 13. KRS 323.200 is amended to read as follows:

A quorum of the board shall consist of at least **five (5)**~~four (4)~~ members. The concurring votes of **five (5)**~~four (4)~~ members shall be considered as the action of the board, except in the case of revoking a license, in which case, the unanimous vote of the board shall be required.

Section 14. Sections 11, 12, and 13 of this Act take effect on July 15, 2003.

Approved March 15, 2002

CHAPTER 56

(SB 7)

AN ACT relating to special spay neuter license plates.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

- (1) *The owner or lessee of a motor vehicle registered under the provisions of KRS 186.050(1) or (3)(a) may apply for a special spay neuter license plate in the office of the county clerk in the county where the person lives. At the time the owner or lessee applies for a special spay neuter license plate, the person shall include with the application the initial state fee of fifty dollars (\$50). The county clerk shall inform the owner or lessee that the person's application and state fee shall be sent to Frankfort to the Transportation Cabinet where it may be held for a period not to exceed one (1) year while the cabinet is waiting to receive sufficient applications subject to the provisions of subsection (2) of this section.*
- (2) *The Transportation Cabinet shall be required to begin designing and printing special spay neuter license plates after the cabinet has received nine hundred (900) applications accompanied by a fifty dollar (\$50) state fee within a one (1) year period. The purpose of the fifty dollar (\$50) state fee is to offset computer programming costs incurred by the cabinet. Unless the cabinet is requested in writing to the contrary, if the cabinet has not received nine hundred (900) applications within one (1) year from the date the cabinet receives the first application for a special spay neuter license plate, the cabinet shall refund the fifty dollar (\$50) state fee to the appropriate applicants.*
- (3) *Subject to the provisions of subsection (2) of this section, the total initial application fee for the first nine hundred (900) special spay neuter license plates printed by the Transportation Cabinet shall be sixty-three dollars (\$63). The sixty-three dollar (\$63) fee shall be divided as follows:*
 - (a) *The Transportation Cabinet shall receive a fee of fifty dollars (\$50) that includes the state fee to reflectorize the license plate under KRS 186.240(2)(c);*
 - (b) *The county clerk shall receive a fee of three dollars (\$3); and*
 - (c) *The remaining ten dollar (\$10) fee collected from the applicant shall be remitted to the Transportation Cabinet to be handled subject to the provisions of subsection (9) of this section.*
- (4) *The initial application fee for each special spay neuter license plate printed by the Transportation Cabinet in excess of nine hundred (900) shall be twenty-five dollars (\$25). The twenty-five dollar (\$25) fee shall be divided as follows:*
 - (a) *The Transportation Cabinet shall receive a fee of twelve dollars (\$12) that includes the state fee to reflectorize the license plate under KRS 186.240(2)(c);*
 - (b) *The county clerk shall receive a fee of three dollars (\$3); and*
 - (c) *The remaining ten dollar (\$10) fee collected from the applicant shall be remitted to the Transportation Cabinet to be handled subject to the provisions of subsection (9) of this section.*
- (5) *A special spay neuter license plate shall annually be issued a renewal registration decal during the owner's or lessee's birth month. The annual renewal fee shall be twenty dollars (\$20) and shall be divided as follows:*
 - (a) *The Transportation Cabinet shall receive a fee of twelve dollars (\$12) that includes the state fee to reflectorize the license plate under KRS 186.240(2)(c);*
 - (b) *The county clerk shall receive a fee of three dollars (\$3); and*
 - (c) *The remaining five dollar (\$5) fee collected from an applicant renewing an annual registration shall be remitted to the Transportation Cabinet to be handled subject to the provisions of subsection (9) of this section.*
- (6) *Except as provided in this subsection, the special spay neuter license plate shall be replaced on the same schedule that regular license plates are replaced by the Transportation Cabinet under KRS 186.240. A special spay neuter license plate shall be replaced free of charge if the metal plate is destroyed in an accident, deteriorates to a point that the lettering, numbering, or images on the face of the plate are not legible, or is stolen, if the owner or lessee has not transferred the vehicle issued the plate during the current licensing period.*
- (7) *A person seeking a special spay neuter license plate for a vehicle provided as part of the person's occupation shall conform to the requirements of KRS 186.050(14).*
- (8) *Upon the sale, transfer, or termination of a lease of a vehicle licensed under this section, the owner or lessee shall remove the special spay neuter license plate and return it and the certificate of registration to the county clerk. The county clerk shall reissue the owner or lessee a regular license plate and certificate of*

registration upon payment of a twelve dollar (\$12) state fee that includes the state fee to reflectorize the license plate under KRS 186.240(2)(c) and a three dollar (\$3) county clerk fee. If the owner or lessee requests, the county clerk shall reissue the special spay neuter license plate free of charge for use on any other vehicle of the same classification and category owned by the person during the current licensing period. If the owner or lessee has the special spay neuter license plate reissued to another vehicle, the regular license plate that is being replaced shall be returned to the county clerk who shall forward the plate to the Transportation Cabinet.

- (9) *All funds received by the Transportation Cabinet under subsection (3)(c), (4)(c), and (5)(c) of this section shall be transmitted annually to the animal control and care fund established under KRS 258.119, and shall be used exclusively for the development and promotion of spay neuter programs in the Commonwealth.*
- (10) *Special spay neuter license plates shall be of a design developed by the Animal Control Advisory Board and approved by the Transportation Cabinet.*

Section 2. This Act takes effect January 1, 2003.

Approved March 15, 2002

CHAPTER 57

(SB 70)

AN ACT relating to presumption of death.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 422 IS CREATED TO READ AS FOLLOWS:

- (1) *A resident or nonresident of this Commonwealth who is exposed to a specific event which has been declared a disaster or emergency pursuant to KRS Chapter 39A and which is certified by the Governor as a catastrophic event that has resulted in the loss of life to persons known or unknown and whose absence following that event is not satisfactorily explained after diligent search or inquiry is presumed to be dead. The death is presumed to have occurred at the time of the catastrophic event.*
- (2) *A District Court may declare the absent person dead, if it is satisfied that the absentee should be presumed dead under the provisions of subsection (1) of this section. A declaration with respect to a nonresident shall affect only property located within the Commonwealth.*
- (3) *At the request of an applicant who has obtained a declaration based upon subsection (1) of this section, the court shall order the registrar of vital statistics to issue, at no cost to the applicant, a death certificate. The state registrar may indicate on the certificate that it was issued to court order in accordance with this section.*
- (4) *The Attorney General may initiate or intervene in any proceedings or action brought pursuant to this section, including a class action law suit, on behalf of the citizens of the Commonwealth to seek a declaration of death of an absentee under subsection (1) of this section.*

Section 2. KRS 393.050 is amended to read as follows:

Except as provided in Section 1 of this Act, when a person owning any property having a situs in this state is not known to be living for seven (7) successive years, and neither he nor his heirs, devisees, or distributees can be located or proved to have been living for seven (7) successive years, he shall be presumed to have died without heirs, devisees, or distributees, and his property shall be liquidated and the proceeds, less costs incident to the liquidation and any legal proceedings, and the liabilities which have been properly claimed and approved against it, shall be paid to the department.

Section 3. KRS 422.130 is amended to read as follows:

Except as provided in Section 1 of this Act, if any person who has resided in this state goes from and does not return to this state for seven (7) successive years, he shall be presumed to be dead, in any case wherein his death comes in question, unless proof is made that he was alive within that time.

Approved March 15, 2002

CHAPTER 58

(SB 116)

AN ACT relating to the Public Service Commission.

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

Section 1. KRS 278.050 is amended to read as follows:

- (1) The Public Service Commission shall consist of three (3) members appointed by the Governor with the advice and consent of the Senate. If the Senate is not in session when a term expires or a vacancy occurs, the Governor shall make the appointment to take effect at once, subject to the approval of the Senate when convened. Appointments to the Public Service Commission made more than ninety (90) days prior to a regular session of the General Assembly shall be subject to confirmation by the Joint Interim Committee on Energy. Each of the three (3) members of the commission shall be appointed on or before the first day of July, 1982, for staggered terms as follows: one (1) shall serve until the first day of July, 1983, one (1) until the first day of July, 1984, and one (1) until the first day of July, 1985, and thereafter for a term of four (4) years and until a successor is appointed and qualified. ***Each member***~~[Members]~~ of the commission shall ***be a full-time employee as defined in KRS 18A.005(15)***~~[devote their entire time to the duties of their offices]~~.
- (2) The Governor shall appoint one (1) of the commissioners on the commission to act as chairman thereof and the chairman shall be the chief executive officer of the commission. The Governor shall designate one (1) of the commissioners on the commission to serve as vice chairman thereof and act for the chairman in the latter's absence.
- (3) Vacancies for unexpired terms shall be filled in the same manner as original appointments, but the appointee shall hold office only to the end of the unexpired term.

Approved March 15, 2002

CHAPTER 59

(SB 131)

AN ACT relating to reorganization.

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

Section 1. KRS 194A.135 is amended to read as follows:

- (1) The ***Kentucky Council on*** Developmental Disabilities~~[Council]~~ is created within the cabinet.
- (2) The ***Kentucky Council on*** Developmental Disabilities~~[Council]~~ is established to comply with the requirements of the Developmental Disabilities Act of 1984 and any subsequent amendment to that act.
- (3) The members of the ***Kentucky Council on*** Developmental Disabilities~~[Council]~~ shall be appointed by the Governor to serve as advocates for persons with developmental disabilities. The council shall be composed of twenty-six (26) members.
 - (a) Ten (10) members shall be representatives of: the principal state agencies administering funds provided under the Rehabilitation Act of 1973 as amended; the state agency that administers funds provided under the Individuals with Disabilities Education Act (IDEA); the state agency that administers funds provided under the Older Americans Act of 1965 as amended; the single state agency designated by the Governor for administration of Title XIX of the Social Security Act for persons with developmental disabilities; higher education training facilities, each university-affiliated program or satellite center in the Commonwealth; and the protection and advocacy system established under Public Law 101-496. These members shall represent the following:
 1. Department for Vocational Rehabilitation;
 2. Department for the Blind;
 3. Division of Exceptional Children, within the Department of Education;

4. Office of Aging Services;
 5. Department for Medicaid Services;
 6. Department of Public Advocacy, Protection and Advocacy Division;
 7. University-affiliated programs;
 8. ***Local and nongovernmental agencies and private nonprofit groups concerned with services for persons with developmental disabilities*** ~~[Council on Postsecondary Education];~~
 9. Department for Mental Health ~~and~~ Mental Retardation Services; and
 10. Department for Public Health, Division of Adult and Child Health.
- (b) At least sixty percent (60%) of the members of the council shall be composed of persons with developmental disabilities or the parents or guardians of persons, or immediate relatives or guardians of persons with mentally impairing developmental disabilities, who are not managing employees or persons with ownership or controlling interest in any other entity that receives funds or provides services under the Developmental Disabilities Act of 1984 as amended and who are not employees of a state agency that receives funds or provides services under this section. Of these members, five (5) members shall be persons with developmental disabilities, and five (5) members shall be parents or guardians of children with developmental disabilities or immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves. Six (6) members shall be a combination of individuals in these two (2) groups, and at least one (1) of these members shall be an immediate relative or guardian of an institutionalized or previously institutionalized person with a developmental disability or an individual with a developmental disability who resides in an institution or who previously resided in an institution.
- (c) Members not representing principal state agencies shall be appointed for a term of three (3) years. Members shall serve no more than two (2) consecutive three (3) year terms. Members shall serve until their successors are appointed or until they are removed for cause.
- (d) The council shall elect its own chair, adopt bylaws, and operate in accordance with its bylaws. Members of the council who are not state employees shall be reimbursed for necessary and actual expenses. The cabinet shall provide personnel adequate to insure that the council has the capacity to fulfill its responsibilities. The council shall be headed by an executive director. If the executive director position becomes vacant, the council shall be responsible for the recruitment and hiring of a new executive director.
- (4) The ***Kentucky Council on Developmental Disabilities*** ~~[Council]~~ shall:
- (a) Develop, in consultation with the cabinet, and implement the state plan as required by Part B of the Developmental Disabilities Act of 1984, as amended, ***with a goal of development of a coordinated consumer and family centered focus and direction***, including the specification of priority services required by that plan;
 - (b) Monitor, review, and evaluate, not less often than annually, the implementation and effectiveness of the state plan in meeting the plan's objectives;
 - (c) To the maximum extent feasible, review and comment on all state plans that relate to persons with developmental disabilities;
 - (d) Submit to the secretary of the cabinet, the commissioner of the Department for Mental Health and Mental Retardation Services, and the Secretary of the United States Department of Health and Human Services any periodic reports on its activities as required by the United States Department of Health and Human Services and keep records and afford access as the cabinet finds necessary to verify the reports;
 - (e) Serve as an advocate for individuals with developmental disabilities and conduct programs, projects, and activities that promote systematic change and capacity building;
 - (f) Examine, not less than once every ~~three (3)~~ ***five (5)*** years, the provision of and need for federal and state priority areas to address, on a statewide and comprehensive basis, urgent needs for services, supports, and other assistance for individuals with developmental disabilities and their families; and

- (g) Prepare, approve, and implement a budget that includes amounts paid to the state under the Developmental Disabilities Act of 1984, as amended, to fund all programs, projects, and activities under that Act.

Section 2. KRS 15A.065 is amended to read as follows:

- (1) The Department of Juvenile Justice shall be headed by a commissioner and shall develop and administer programs for:
 - (a) Prevention of juvenile crime;
 - (b) Identification of juveniles at risk of becoming status or public offenders and early intervention strategies for these children, and, except for adjudicated youth, participation in prevention programs shall be voluntary;
 - (c) Providing informational services to law enforcement, prosecution, victims, defense attorneys, and the public relating to juvenile crime, its prevention, detection, trial, punishment, and rehabilitation, and services for youth adjudicated delinquent or found guilty of public offenses or as youthful offenders;
 - (d) The operation of or contracting for the operation of postadjudication treatment facilities for children adjudicated delinquent or found guilty of public offenses or as youthful offenders;
 - (e) The operation or contracting for the operation of by the department, and the encouragement of operation by others, including local governments, volunteer organizations, and the private sector, of programs to serve predelinquent and delinquent youth;
 - (f) Utilizing outcome-based planning and evaluation of programs to ascertain which programs are most appropriate and effective in promoting the goals of this section;
 - (g) Conducting research and comparative experiments to find the most effective means of:
 - 1. Preventing delinquent behavior;
 - 2. Identifying predelinquent youth;
 - 3. Preventing predelinquent youth from becoming delinquent;
 - 4. Assessing the needs of predelinquent and delinquent youth;
 - 5. Providing an effective and efficient program designed to treat and correct the behavior of delinquent youth and youthful offenders;
 - 6. Assessing the success of all programs of the department and those operated on behalf of the department and making recommendations for new programs, improvements in existing programs, or the modification, combination, or elimination of programs as indicated by the assessment and the research; and
 - 7. Keeping the department, the educational community, police, prosecutors, the courts, and the public abreast of the latest programs, technology, counseling tools, and other aspects of juvenile counseling, correction, and treatment; and
 - (h) Seeking funding from public and private sources for demonstration projects, normal operation of programs, and alterations of programs.
- (2) The Department of Juvenile Justice may contract, with or without reimbursement, with a city, county, or urban-county government, for the provision of probation, diversion, and related services by employees of the contracting local government.
- (3) The Department of Juvenile Justice may contract with other agencies for the provision of services, treatment, or facilities which the department finds in the best interest of any child, or for which a similar service, treatment, or facility is either not provided by the department or not available because the service or facilities of the department are at their operating capacity and unable to accept new commitments.
- (4) The Department of Juvenile Justice shall have an advisory board appointed by the Governor, which shall provide a formulation of and recommendations for meeting the requirements of this section not less than annually to the Governor, the Justice Cabinet, the Department of Juvenile Justice, the Cabinet for Families and Children, the Interim Joint Committees on Judiciary and on Appropriations and Revenue of the Legislative Research Commission when the General Assembly is not in session, and the Judiciary and the Appropriations

and Revenue Committees of the House of Representatives and the Senate when the General Assembly is in session. The advisory board shall develop program criteria for early juvenile intervention, diversion, and prevention projects, develop statewide priorities for funding, and make recommendations for allocation of funds to the Commissioner of the Department of Juvenile Justice. The advisory board shall review grant applications from local juvenile delinquency prevention councils and include in its annual report the activities of the councils. The advisory board shall meet not less than quarterly. The advisory board shall be chaired by a private citizen member appointed by the Governor. The advisory board shall consist of one (1) member of each of the following:

- (a) Justice Cabinet;
- (b) Department of Juvenile Justice;
- (c) Cabinet for Families and Children;
- (d) Department for Medicaid Services;
- (e) Department of Education;
- (f) Department of Public Advocacy;
- (g) Administrative Office of the Courts;
- (h) Cabinet for Workforce Development;
- (i) Attorney General;
- (j) Kentucky ***Council on*** Developmental Disabilities~~[-Council]~~;
- (k) Circuit Judges Association;
- (l) District Judges Association;
- (m) Commonwealth's Attorneys Association;
- (n) County Attorneys Association;
- (o) County Judge/Executives Association;
- (p) A person eighteen (18) to twenty-five (25) years of age not associated with any other group listed in this paragraph;
- (q) A person from the business community not associated with any other group listed in this paragraph;
- (r) A parent not associated with any other group listed in this paragraph;
- (s) A youth advocate not associated with any other group listed in this paragraph;
- (t) A victim of a crime committed by a person under the age of eighteen (18) not associated with any other group listed in this paragraph;
- (u) A local school district special education administrator not associated with any other group listed in this paragraph;
- (v) A peace officer not associated with any other group listed in this paragraph; and
- (w) A college or university professor specializing in law, criminology, corrections, or similar discipline with an interest in juvenile corrections programs.

Section 3. KRS 210.575 is amended to read as follows:

- (1) There is created the Kentucky Commission on Services and Supports for Individuals with Mental Retardation and Other Developmental Disabilities. The commission shall consist of:
 - (a) The secretary of the Cabinet for Health Services;
 - (b) The secretary of the Cabinet for Families and Children;
 - (c) The commissioner of the Department for Mental Health and Mental Retardation Services;

- (d) The commissioner of the Department for Medicaid Services;
- (e) The commissioner of the Department of Vocational Rehabilitation;
- (f) The director of the University Affiliated Program at the Interdisciplinary Human Development Institute of the University of Kentucky;
- (g) The director of the **Kentucky Council on** Developmental Disabilities~~Council~~;
- (h) Two (2) members of the House of Representatives, appointed by the Speaker of the House;
- (i) Two (2) members of the Senate, appointed by the Senate President; and
- (j) Public members, appointed by the Governor as follows:
 1. Five (5) family members, at least one (1) of whom shall be a member of a family with a child with mental retardation or other developmental disabilities, and one (1) of whom shall be a member of a family with an adult with mental retardation or other developmental disabilities. Of these five (5) family members, at least two (2) shall be members of a family with an individual with mental retardation or other developmental disabilities residing in the home of the family member or in a community-based setting, and at least two (2) shall be members of a family with an individual with mental retardation or other mental disabilities residing in an institutional residential facility that provides service to individuals with mental retardation or other developmental disabilities;
 2. Three (3) persons with mental retardation or other developmental disabilities;
 3. Two (2) business leaders;
 4. Three (3) direct service providers representing the Kentucky Association of Regional Programs and the Kentucky Association of Residential Resources; and
 5. One (1) representative of a statewide advocacy group.

The six (6) appointments made under subparagraphs 1. and 2. of this paragraph shall be chosen to reflect representation from each of Kentucky's six (6) congressional districts.

- (2) The secretary of the Cabinet for Health Services shall serve as chair of the commission.
- (3) Members defined in paragraphs (a) to (i) of subsection (1) of this section shall serve during their terms of office. All public members appointed by the Governor shall serve a four (4) year term and may be reappointed.
- (4) All public members of the commission shall receive twenty-five dollars (\$25) per day for attending each meeting. All commission members shall be reimbursed for necessary travel and other expenses actually incurred in the discharge of duties of the commission.

Section 4. KRS 210.775 is amended to read as follows:

- (1) There is hereby created the State Supported Living Council for services to persons with a disability and their families.
- (2)
 - (a) The State Supported Living Council shall be composed of ten (10) members. The commissioner of the Department for Mental Health and Mental Retardation Services and the executive director of the Kentucky Housing Corporation or their designees shall be ex-officio members.
 - (b) Eight (8) of the members shall be volunteers and shall be appointed by the Governor from a list of nominees in the following manner:
 1. Three (3) of the appointed members shall represent family members of persons with a disability. One (1) member shall be selected from each of three (3) lists containing two (2) nominees submitted by each of the following associations: the Kentucky Association for Retarded Citizens, the Association for Persons with Severe Handicaps, and the Mental Health Coalition;
 2. One (1) of the appointed members shall represent family members of persons with a disability who reside in an intermediate care facility for mental retardation or developmental disabilities. The nominee shall be selected from a list containing two (2) nominees submitted by each of the following associations: Concerned Parents of Hazelwood, Parents and Relatives of Oakwood Facility, and Concerned Parents of Outwood;

3. Two (2) of the appointed members shall be persons with a disability. They shall be selected from a list containing two (2) nominees submitted by each of the following associations: the Kentucky Campaign for Personal Attendant Care, the Kentucky Association for Retarded Citizens, the Mental Health Coalition, and the Kentucky Disabilities Coalition;
 4. One (1) of the appointed members shall represent professionals and providers of services to persons with a disability. The nominee shall be selected from a list containing two (2) nominees submitted by each of the following associations: the Kentucky Association of Private Residential Resources and the Kentucky Association on Mental Retardation; and
 5. One (1) of the appointed members shall represent advocates for persons with a disability. The nominee shall be selected from a list containing two (2) nominees submitted by each of the following entities: the Division of Protection and Advocacy and the Kentucky **Council on Developmental Disabilities**~~Council~~.
- (3) The appointed members may serve on the council for three (3) years. Members may be reappointed for a maximum of two (2) consecutive terms. The Governor shall fill any vacancy occurring in the council in the manner prescribed in subsection (2) of this section.
 - (4) The Department for Mental Health and Mental Retardation Services shall provide staff assistance to the State Supported Living Council.
 - (5) The chairman of the State Supported Living Council shall be elected from among the members. A majority of the members shall constitute a quorum.
 - (6) The State Supported Living Council shall meet as often as necessary but no less frequently than every other month.

Section 5. The General Assembly confirms Executive Order 2001-1173 dated September 14, 2001, by which the Developmental Disabilities Council was reorganized to the extent that it is not otherwise confirmed by this Act.

Approved March 15, 2002

CHAPTER 60

(SB 149)

AN ACT relating to reorganization.

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

Section 1. KRS 196.026 is amended to read as follows:

The Department of Corrections shall consist of the following organizational units:

- (1) Office of General Counsel;
- (2) Division of Administrative Services;
- (3) Division of Corrections Training;
- (4) Division of Institutional Operations;
- (5) Division of Mental Health Programs;
- (6) Division of Correctional Industries;
- (7) Division of Medical Services;
- (8) Division of Probation and Parole;
- (9) Division of Local Facilities;
- (10) **Division of Personnel Services;** and
- ~~(11)-(10)~~ Western Region Division and Eastern Region Division, Adult Institutions.

Each state penal correctional institution referenced in KRS 197.010 shall be considered a division for organizational purposes. Each institution shall be headed by a warden pursuant to KRS 196.160.

Section 2. The General Assembly confirms Executive Order 2001-1293, dated October 17, 2001, which established the Division of Personnel Services within the Department of Corrections, to the extent that it is not otherwise confirmed by the Act.

Approved March 15, 2002

CHAPTER 61

(SB 45)

AN ACT relating to the Kentucky Housing Corporation and declaring an emergency.

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

Section 1. KRS 198A.010 is amended to read as follows:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following respective meanings:

- (1) "Bonds" or "notes" means the bonds or bond anticipation notes authorized to be issued by the corporation under this chapter but shall not include any fund notes;
- (2) "Commonwealth" means the Commonwealth of Kentucky;
- (3) "Corporation" means the Kentucky Housing Corporation created by this chapter;
- (4) "Sponsors" means persons, corporations, associations, partnerships, or other entities, consumer housing cooperatives and limited dividend housing corporations, associations, partnerships, or other entities organized pursuant to the Kentucky Revised Statutes for the primary purpose of providing housing to persons and families of lower and moderate income, and shall include without limitation, organizations engaged in the production, origination, and development of residential housing units intended to qualify for financial assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended;
- (5) "Development costs" means the costs approved by the corporation as appropriate expenditures and credits which may be incurred by sponsors of residential housing, prior to commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including, but not limited to:
 - (a) Payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the corporation, payments for the purchase of ~~such~~ properties;
 - (b) Legal and organizational expenses, including payments of attorney's fees, project manager, clerical, and other staff salaries, office rent, and other incidental expenses;
 - (c) Payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work;
 - (d) Expenses for tenant surveys and market analyses;
 - (e) Necessary application and other fees; and
 - (f) Credits allowed by the corporation to recognize the value of service provided at no cost by the sponsors, builders, and/or developers;
- (6) "Fund notes" means the notes authorized to be issued by the corporation under the provisions of KRS 198A.080;
- (7) "Governmental agency" means any city, county, or other political subdivision of the Commonwealth, the Commonwealth and any department, division, or public agency thereof, the federal government or any political subdivision of any other state, any public housing authority or any nonprofit corporation or other entity legally empowered to act on behalf of any of the foregoing to perform the duties of a public housing authority, or any two (2) or more thereof;
- (8) "Housing development fund" means the housing development fund created by KRS 198A.080;

- (9) "Insured construction loan" means a construction loan for land development or residential housing which is secured by a mortgage either insured or guaranteed by or for which there is a commitment to insure or guarantee by:
- (a) The United States of America or any agency or instrumentality thereof; or
 - (b) Any other entity which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth of Kentucky or any agency or instrumentality thereof;
- (10) "Insured mortgage" or "insured mortgage loan" means a mortgage loan for land development for residential housing or for residential housing either made, insured, or guaranteed by or for which there is a commitment to make, insure, and guarantee by:
- (a) The United States of America or any agency or instrumentality thereof; or
 - (b) Any other entity, including private mortgage insurance, which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth or any agency or instrumentality thereof and shall also refer to and mean any loan for residential housing not secured by mortgage which is insured or guaranteed to at least eighty-five percent (85%) of its principal amount by the United States of America or any agency or instrumentality thereof;
- (11) "Land development" means the process of acquiring land primarily for residential housing construction for persons and families of lower and moderate income and making, installing, or constructing nonresidential housing improvements, including water, sewer, and other utilities, roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or works, whether on or off the site, which the corporation deems necessary or desirable to prepare ~~the[such]~~ land primarily for residential housing construction;
- (12) "Obligations" means any bonds, bond anticipation notes or fund notes authorized to be issued by the corporation under the provisions of this chapter;
- (13) "Persons and families of lower and moderate income" shall include only those individuals whose family income combined does not exceed ***the income requirements defined under Section 143 of the Internal Revenue Code of 1986, as amended***~~an aggregate total of:~~
- ~~(a) Twenty five thousand dollars (\$25,000) per year, for the fiscal year ending June 30, 1986; and for subsequent fiscal years ending June 30, the amount set by this paragraph for the immediately preceding fiscal year, increased to the nearest one hundred dollars (\$100) by the percentage increase, if any, in the annual average for all items of the consumer price index for all urban consumers (CPI-U) of the Bureau of Labor Statistics of the United States Department of Labor for the preceding calendar year plus;~~
 - ~~(b) Fifteen hundred dollars (\$1,500) for head of household status, if applicable; plus~~
 - ~~(c) Fifteen hundred dollars (\$1,500) for each dependent living in the subject household; plus~~
 - ~~(d) Twenty five hundred dollars (\$2,500) if the residential housing is situated in an eastern Kentucky county as designated by the board of directors of the corporation};~~
- (14) "Residential housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons and families of lower and moderate income, including the acquisition, construction, or rehabilitation of land, buildings, and improvements~~[thereto], and[~~such~~] other nonhousing facilities as may be incidental[or appurtenant thereto];[and]~~
- (15) "Tenant programs and services" means services and activities for persons and families living in residential housing, including the following:
- (a) Counseling on household management, housekeeping, budgeting, and money management;
 - (b) Child care and similar matters;
 - (c) Access to available community services related to job training and placement, education, health, welfare, and other community services;
 - (d) Guard and other matters related to the physical security of the housing residents;
 - (e) Effective management-tenant relations, including tenant participation in all aspects of housing administration, management, and maintenance;

- (f) Physical improvements of the housing, including buildings, recreational and community facilities, safety measures, and removal of code violations;
- (g) Advisory services for tenants in the creation of tenant organizations which will assume a meaningful and responsible role in the planning and carrying out of housing affairs; and
- (h) Procedures whereby tenants, either individually or in a group, may be given a hearing on questions relating to management policies and practices, either in general or in relation to an individual or family.

Section 2. Whereas, no appropriation is required to change the income limits for Kentucky Housing Corporation loans and Kentucky Housing Corporation has loan funds available to immediately begin serving the additional households affected by the income limit change, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor or upon its otherwise becoming law.

Approved March 15, 2002

CHAPTER 62

(HB 456)

AN ACT relating to certified public accountants.

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

Section 1. KRS 325.261 is amended to read as follows:

The license of "certified public accountant" shall be granted by the board to any person who satisfies the following requirements:

- (1) Is no less than eighteen (18) years of age;
- (2) Is of good moral character;
- (3) Meets the following educational credentials prior to applying for the examination:
 - (a) Has a baccalaureate degree or master's degree conferred by a college or university recognized by the board with a major or concentration program in accounting or its equivalent, as defined in administrative regulations promulgated by the board; or
 - (b) Beginning in the year 2000 with a new examination applicant, approved to sit for the first examination of the year or subsequent examination, has completed one hundred fifty (150) college semester hours which include a baccalaureate degree conferred by a college or university recognized by the board with a major or concentration program in accounting or its equivalent, as defined in administrative regulations promulgated by the board;
- (4) Has one (1) year of accounting or attest experience obtained while employed in an accounting or auditing position in public practice, academia, industry, or government that shall be verified by a certified public accountant who, during the time being verified, held an active license to practice from any state;
- (5) Passes a board-approved ~~written~~ examination in accounting, auditing, and other related subjects as the board deems appropriate. To be eligible to apply for the examination, a person shall first satisfy requirements of subsections (1), (2), and (3) of this section; and
- (6) Submits a complete application for a license to practice as a certified public accountant in accordance with KRS 325.330.

Section 2. KRS 325.270 is amended to read as follows:

- (1) Examinations provided for in this chapter shall be **authorized** ~~held~~ by the board ~~as often as may be necessary in the opinion of the board, but not less frequently than once each year~~.
- (2) The board may by administrative regulation adopt standards **and fees** governing the **application and all examination policies and procedures** ~~reexamination of candidates. These standards shall include the granting of credit for those portions of the examination on which the candidate achieved a passing score as determined by the board, if a minimum score as determined by the board was achieved on the failed portion(s) of the examination~~.

- (3) The board may accept examination results from other states if:
- (a) It is established that the examination is the same or substantially similar to the one adopted by the board; and
 - (b) The candidate has met the prerequisite examination requirements of this chapter.

~~[(4) The board shall charge each candidate a fee not to exceed two hundred dollars (\$200) for the initial examination. This fee shall be payable by the candidate at the time prescribed by administrative regulation of the board. An additional fee not to exceed fifty dollars (\$50) for each subject or part shall be charged for reexamination.~~

~~[(5) An out of state candidate sitting for the examination in Kentucky shall be charged a proctoring fee not to exceed one hundred dollars (\$100).]~~

Section 3. KRS 325.380 is amended to read as follows:

- (1) No person shall assume or use the title or designation "certified public accountant," "public accountant," or the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant, unless the person holds a license issued under this chapter.
- (2) No firm shall assume or use the title or designation "certified public accountants," "public accountants," or the abbreviation "CPA's" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of certified public accountants, unless the firm holds a license issued under this chapter which has not been revoked or suspended, and all offices of the firm in this state are maintained as required under this chapter.
- (3) No individuals or firm shall assume or use the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited auditor," "accounting practitioner," "accredited accountant," "expert accountant," "expert auditor," "certified auditor," or any other title or designation likely to be confused with "certified public accountant" and "public accountant" or any of the abbreviations "CA," "AP," "PA," "RA," "LA," or "AA" or similar abbreviations likely to be confused with "CPA."
- (4) No person or firm shall sign or affix his name or a firm name to any document or prepare or issue any document which indicates that the person or firm performed the attest function in the preparation of the documents or that includes any language which indicates that he or the firm has expert knowledge in the use of the attest function, unless the person or firm holds a license to practice issued under this chapter. This prohibition shall be applicable to issuance by any unlicensed person or firm of a report using any form of language conventionally used by licensees with respect to a compilation of financial statements. The board shall issue safe harbor language, to be defined by the promulgation of administrative regulations, that nonlicensees may use in connection with a compilation of financial information. The provisions of this subsection shall not prohibit any officer, employee, partner, or principal of any organization from affixing his signature to any statement or report in reference to the financial affairs of the organization with any wording designating the position, title, or office which he holds in the organization, nor shall the provisions of this subsection prohibit any act of a public official or public employee in the performance of his duties.
- (5) No person shall assume or use the title or designation "certified public accountant" or "public accountant" in conjunction with names indicating or implying that there is a firm, or in conjunction with the designation "and Company" or "and Associates" or a similar designation if there is in fact no bona fide firm licensed under this chapter.
- ~~[(6) No firm performing functions permitted by this chapter shall use designations "and Company" or "and Associates" or a similar designation, if there is in fact only one (1) licensee with an ownership interest.~~
- ~~[(7)]~~ No person or firm holding a license under this chapter shall use a professional or firm name or designation which contains the names of any nonlicensees, is misleading as to the legal form of the firm, or as to the persons who are partners, officers, shareholders, or any other owners of the firm, or as to any other matters. If more than one (1) certified public accountant has an ownership interest in the firm, the names of one (1) or more deceased, retired, or withdrawn partners, shareholders, or other certified public accountants with an ownership interest may be included in the name of a firm or its successor.

- (7)~~(8)~~ If the death or retirement of a certified public accountant results in a firm having only one (1) certified public accountant with an ownership interest, the board may permit the firm to continue to use the firm name for no more than two (2) years from the certified public accountant's respective death or retirement.

Approved March 19, 2002

CHAPTER 63

(HB 32)

AN ACT relating to elections.

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

Section 1. KRS 116.025 is amended to read as follows:

- (1) Every person who is a resident of this state and the precinct in which he *or she* offers to vote on or before the day preceding the closing of the registration books for any primary, general, or special election, who possesses on the day of any election the qualifications set forth in Section 145 of the Constitution, exclusive of the durational residency requirements, who is not disqualified under that section or under any other statute, and who is registered as provided in this chapter, may vote for all officers to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he *or she* is qualified to vote. Any person who shall have been convicted of any election law offense which is a felony shall not be permitted to vote until his *or her* civil rights have been restored by executive pardon.
- (2) Any person charged with or indicted for a crime, whether or not in custody for same, who has not yet been convicted of the offense and who is not otherwise ineligible to vote, may vote for all offices to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he *or she* is qualified to vote.
- (3) A registered voter who changes his *or her* place of residence from one (1) precinct to another within the same county while the registration books are closed shall be permitted to update the voting records and to vote in the present election at the appropriate precinct for the current address as set forth in KRS 116.085(3).
- (4) Notwithstanding any provision of law to the contrary, any registered voter who changes his *or her* place of residence from one (1) precinct to another within the same county prior to the closing of the registration books and who fails to transfer his *or her* registration with the county clerk prior to the date the registration books are closed shall be permitted to vote in the present election at the appropriate precinct for the current address as set forth in KRS 116.085(2).
- (5) Any registered voter who changes his *or her* place of residence to a different county while the registration books are closed shall be permitted to vote at the appropriate precinct for his *or her* former residence in the present election and shall thereafter transfer his *or her* voter registration.
- (6) *Any registered voter who changes his or her place of registration to a different state while the registration books are closed in the new state of residence before a presidential election shall be permitted to cast an absentee ballot for President and Vice President only, notwithstanding subsection (1) of this section, by mail or at the county clerk's office of the former residence or other place designated by the county board of elections and approved by the State Board of Elections.*

Section 2. KRS 116.035 is amended to read as follows:

The following rules, so far as applicable, shall be observed in determining the residence of a person offering to vote:

- (1) A voter's residence shall be deemed to be at the place where his *or her* habitation is, and to which, when absent, he *or she* has the intention of returning;
- (2) A voter shall not lose his *or her* residence by absence for temporary purposes merely; nor shall he *or she* obtain a residence by being in a county or precinct for such temporary purposes, without the intention of making that county or precinct his *or her* home;
- (3) A voter shall lose his *or her* residence by removal to another state or county with intention to make his *or her* permanent residence there, or by removal to and residence in another state, with intention to reside there an indefinite time, or by voting there, even though he *or she* may have had the intention to return to this state at some future period;

- (4) The place where the family of a married ~~person~~~~[man]~~ resides shall generally be considered his **or her** residence, unless the family so resides for a temporary purpose. If his family is permanently in one (1) place, and he **or she** transacts~~[his]~~ business in another, the former shall be ~~the~~~~[his]~~ residence.

Section 3. KRS 116.045 is amended to read as follows:

- (1) Any person may register as a voter during the period registration is open if he **or she** possesses, or will possess on the day of the next regular election, the qualifications set forth in KRS 116.025.
- (2) The county clerk shall cause all registration to be closed the fourth Tuesday preceding through the first Monday following, any primary or general election, and the twenty-eight (28) days prior to and seven (7) days following any special election. ***If the last day of registration falls on a state or federal holiday, the period runs until the end of the next day which is not a Saturday or Sunday nor a state or federal holiday.*** During the period that registration is closed, the county clerk may accept and process registrations. Any voter who registers during the period that registration is closed, except for any registered voter who transfers his **or her** registration pursuant to KRS 116.085(2) or (3), shall not be permitted to vote in the upcoming election.
- (3) In all counties, the county clerk shall receive registrations, transfers, or changes of party affiliation at branch offices at any place in the county during those periods that the registration books are open except for those transfers pursuant to KRS 116.085(2) or 116.085(3). However, notice in the manner provided by KRS Chapter 424 shall be given at least three (3), but not more than fourteen (14), days in advance of the time and place of any branch registration, and ten (10) days' written notice shall be given to the county executive committee of each major political party in the county in which the branch registration is to be held.
- (4) Any person may register to vote or may change his **or her** party affiliation in any of the following ways:
 - (a) In person;
 - (b) By mail;
 - (c) By means of the federal post card application, if the person is a resident of Kentucky and a member of the Armed Forces, or a dependent of members of the Armed Forces, or overseas citizen;
 - (d) By mail-in application form prescribed by the Federal Election Commission pursuant to the National Voter Registration Act of 1993; or
 - (e) By other methods of registration, or reregistration, approved by the State Board of Elections, including the use of voluntary interested groups and political parties, under the proper supervision and directions of the county clerk, which may include door to door canvassing.
- (5) Upon receipt of the form prescribed by the State Board of Elections or the Federal Election Commission pursuant to the National Voter Registration Act of 1993, properly filled out and signed by the applicant, the county clerk shall register the applicant.
- (6) Any individual or group shall have access to a reasonable number of voter registration forms including the mail-in application form prescribed by the Federal Election Commission pursuant to the National Voter Registration Act of 1993 in the county clerk's office. The individual or group shall act under the proper supervision and directions of the county clerk and shall return these completed forms to the county clerk for official registration by the county clerk.
- (7) No later than December 31, 1994, the Transportation Cabinet shall equip all driver's license agencies to comply with the provisions of the National Voter Registration Act of 1993. The Secretary of State shall provide assistance and interpretation to the Transportation Cabinet in determining the requirements of the National Voter Registration Act of 1993.
- (8) ***The county clerk shall enter the specific party identification of the voter with a political party, political organization, or political group as defined in Section 9 of this Act, or independent status, as indicated by the voter on the voter registration form, into the statewide voter registration system. The State Board of Elections shall promulgate regulations under KRS Chapter 13A to provide for tracking of the registration of voters identifying with political organizations and political groups as defined in Section 9 of this Act, and voters of independent status.***

Section 4. KRS 116.0452 is amended to read as follows:

- (1) For the purpose of determining whether a voter registration application is received during the period in which registration books are open under KRS 116.045(2), an application shall be deemed timely received:
 - (a) In the case of registration with a motor vehicle driver's license application, if the valid voter registration form of the applicant is accepted by the circuit clerk before the registration books are closed;
 - (b) In the case of registration by mail, if the valid voter registration form of the applicant is *legibly* postmarked before the registration books are closed;
 - (c) In the case of registration with a voter registration agency, if the valid voter registration form of the applicant is accepted at the voter registration agency before the registration books are closed; and
 - (d) In any other case, if the valid voter registration form of the applicant is received by the appropriate county clerk before the registration books are closed.
- (2) The county clerk shall send notice to each applicant of the disposition of the application.
- (3) The name of a registered voter shall not be removed from the registration books except:
 - (a) Upon request of the voter;
 - (b) As provided by KRS 116.113, upon notice of death, declaration of incompetency, or conviction of a felony; or
 - (c) Upon failure to respond to a confirmation mailing sent pursuant to KRS 116.112(3) and failure to vote or appear to vote and, if necessary, correct the registration record of the voter's address in an election during the period beginning on the date of the notice and ending on the day after the date of the second general election for Federal office that occurs after the date of the notice.
- (4) The identity of the voter registration agency or circuit clerk's office through which any particular voter is registered shall not be disclosed to the public.

Section 5. KRS 116.0455 is amended to read as follows:

- (1)
 - (a) Each motor vehicle driver's license application, including any renewal application, submitted to the appropriate motor vehicle authority shall serve as an application for voter registration unless the applicant fails to sign the voter registration application.
 - (b) An application for voter registration submitted under paragraph (a) of this subsection shall be considered as updating any previous voter registration by the applicant.
- (2) No information relating to the failure of an applicant for a motor vehicle driver's license to sign a voter registration application may be used for any purpose other than voter registration.
- (3)
 - (a) The Transportation Cabinet shall include a voter registration application form as part of an application for a motor vehicle driver's license.
 - (b) The voter registration application portion of an application for a motor vehicle driver's license shall comply with the requirements of Section 5 of Public Law 103-31, the National Voter Registration Act of 1993.
- (4) Any change of address form submitted for purposes of a motor vehicle driver's license shall serve as notification of change of address for voter registration for the registrant involved unless the registrant states on the form that the change of address is not for voter registration purposes.
- (5)
 - (a) A completed voter registration portion of an application for a motor vehicle driver's license accepted by a circuit clerk shall be transmitted to the county clerk of the county of the applicant's voting residence not later than ten (10) days after the date of acceptance.
 - (b) If a voter registration application is accepted within five (5) days before the last day for registration to vote in an election, the application shall be transmitted to the county clerk of the county of the applicant's voting residence not later than five (5) days after the date of acceptance.
- (6) ***The circuit clerk shall provide to the county clerk a declination statement signed by an applicant if the applicant has declined to register to vote.***

Section 6. KRS 116.112 is amended to read as follows:

- (1) The State Board of Elections shall establish a voter registration purge program using the change-of-address information supplied by the United States Postal Service through its licensees or other sources to identify voters whose addresses may have changed.
- (2) If it appears from information provided by the postal service or other sources that a voter has moved to a different address in the same county in which the voter is currently registered, the State Board of Elections shall provide to the county board of elections the information necessary to change the registration records to show the new address and the ~~State~~~~county~~ Board of Elections shall send ~~to the~~ *new address*~~[voter]~~ a notice of the change by forwardable mail *on a form prescribed by the State Board of Elections* and a postage prepaid, pre-addressed return form by which the voter may verify or correct the address information. ***If the county board of elections requests authorization from the State Board of Elections to send address confirmation notices as provided in this subsection, the State Board of Elections shall grant the request.***
- (3) If it appears from information provided by the postal service or other sources that a voter has moved to a different address not in the same county, the State Board of Elections shall send to the address from which the voter was last registered, by forwardable mail, a notice on a form prescribed by the State Board of Elections, with a postage prepaid and pre-addressed return card on which the voter may state his current address. If a county board of elections requests authorization from the state board to send address confirmation notices as provided in this subsection, the state board shall grant the request.
- (4) The state or county boards of elections shall not remove the name of a voter from the registration records on the ground that the voter has changed his residence unless the voter:
 - (a) Confirms in writing that the voter has changed residence to a place outside the county; or
 - (b)
 1. Has failed to respond to the notice described in subsection (3) of this section; and
 2. Has not voted or appeared to vote and, if necessary, correct the registration records of the voter's address in an election during the period beginning on the date of the notice and ending on the day after the date of the second general election for Federal office that occurs after the date of the notice.
- ~~{(e)}~~ If a county board of elections requests authorization from the state board to conduct purges of voters in its county in accordance with the provisions of this subsection, the state board shall grant the request.
- (5) The State Board of Elections shall establish an inactive list of all voters who fail to respond to the notice described in subsection (3) of this section and do not vote or appear to vote in an election during the period beginning on the date of the notice and ending on the day after the date of the second general election for Federal office that occurs after the date of the notice. If a county board of elections requests authorization from the state board to establish an inactive list of voters for its county, the state board shall grant the request.
- (6) The State Board of Elections shall complete, not later than ninety (90) days prior to the date of a primary or general election, any program the purpose of which is to systematically remove the names of ineligible voters from the registration records.
- (7) Voters placed on an inactive list are to be counted only for purposes of voting and not for purposes of establishing or modifying precincts, calculating the amount of reimbursement of county clerks by the State Board of Elections for certain election-related expenses, or reporting official statistics, except as provided by the Federal Election Commission's regulations promulgated pursuant to the National Voter Registration Act of 1993.
- (8)
 - (a) The State Board of Elections and county boards of elections shall maintain for at least two (2) years and shall make available for public inspection and, where available, photocopying at a reasonable cost, all records concerning the implementation of programs and activities conducted for the purpose of ensuring the accuracy and currency of the registration records, except to the extent that the records relate to the declination to register to vote or the identity of a voter registration agency through which any particular voter is registered.
 - (b) The records maintained pursuant to paragraph (a) of this subsection shall include lists of the names and addresses of all persons to whom notices described in subsection (3) are sent, and information concerning whether each person has responded to the notice as of the date that inspection of the records is made.

Section 7. KRS 116.113 is amended to read as follows:

- (1) Upon receipt of notification from the Cabinet for Health Services *or other reliable sources* of the death of a person, the State Board of Elections shall within five (5) days cause the removal of the name of that person from the voter registration records it maintains, except that no voter's name may be removed during the period of time the registration books are closed for any primary, general, or special election.
- (2) Upon receipt of notification from the circuit clerk that a person has been declared incompetent, the State Board of Elections shall within five (5) days cause the removal of the name of that person from the voter registration records it maintains, except that no voter's name may be removed during the period of time the registration books are closed for any primary, general, or special election.
- (3) Upon receipt of notification from the Administrative Office of the Courts that a person has been convicted of a felony offense, the State Board of Elections shall within five (5) days cause the removal of the name of that person from the voter registration records it maintains, except that no voter's name may be removed during the period of time the registration books are closed for any primary, general, or special election.
- (4) Following the purge of a name from the records of the State Board of Elections, the state board shall notify the clerk of the county in which the voter lived of the action; and the county clerk shall within ten (10) days update the county voter registration files to reflect the necessary change. If a protest is filed by the voter, the county board shall hear it at its next regular monthly meeting. If the county board decides in favor of the protesting voter, the voter's registration record shall be restored, including his voting record. If the protest is filed while the registration books are closed and the county board decides in favor of the protesting voter, the county board shall issue the voter an "Authorization to Vote" for the upcoming election and the voter's record shall be restored when the registration books open following the election.

Section 8. KRS 116.155 is amended to read as follows:

All forms pertaining to registration shall be prescribed and furnished by the State Board of Elections. The registration form shall include the voter's name; date of birth; ***membership in a political party, political organization, or political group as defined in Section 9 of this Act, or independent status***; Social Security number, if any; mailing and residence addresses, if different; and such other information as the State Board of Elections may deem necessary. No person shall be denied the right to register because of the failure to include his Social Security number. All forms which require a voter's signature shall provide for verification by the signer thereof.

Section 9. KRS 118.015 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) A "political party" ~~[within the meaning of this chapter,]~~ is an affiliation or organization of electors representing a political policy and having a constituted authority for its government and regulation, and whose candidate received at least twenty percent (20%) of the total vote cast at the last preceding election at which presidential electors were voted for; ~~[-]~~
- (2) The word "election" used in reference to a state, district, county, or city election, includes the decisions of questions submitted to the qualified voters as well as the choice of officers by them; ~~[-]~~
- (3) A "ballot" or "official ballot" means the voting machine ballot label, ballot cards, paper ballots, an absentee ballot, or a supplemental paper ballot which has been authorized for the use of the voters in any primary, general, or special election by the Secretary of State or the county clerk; ~~[-]~~
- (4) "Ballot label" means the cards, papers, booklet, pages, or other material on which appear the names of candidates and the questions to be voted on by means of ballot cards or voting machines; ~~[-]~~
- (5) "Ballot card" means a tabulating card on which votes may be recorded by a voter by use of a voting punch device or by marking with a pen or special marking device; ~~[-]~~
- (6) "Voting machine" or "machine" shall include lever machines and, as far as applicable, any electronic or electromechanical unit and supplies utilized or relied upon by a voter in casting and recording his votes in an election; ~~[-]~~
- (7) The word "resident" used in reference to a candidate in a state, district, county, or city election shall mean actual resident, without regard to the residence of the spouse of the candidate;

- (8) *"Political organization" means a political group not constituting a political party within the meaning of subsection (1) of this section but whose candidate received two percent (2%) or more of the vote of the state at the last preceding election for presidential electors; and*
- (9) *"Political group" means a political group not constituting a political party or a political organization within the meaning of subsections (1) and (8) of this section.*

Section 10. KRS 118.045 is amended to read as follows:

- (1) Every voting location on the day upon which any election is held shall, during voting hours, display an American flag of dimensions of reasonable size, which shall be firmly attached to the *main* entrance of the voting location so that it will be readily visible to the general public.
- (2) A precinct sheriff shall attach the American flag to the *main* entrance of the voting location upon the opening of the polls on the election day and shall remove the same upon the closing of the polls.
- (3) The fiscal court of every county shall purchase out of its general fund sufficient American flags for every ~~entrance to a~~ voting location in that county.

Section 11. KRS 117.045 is amended to read as follows:

- (1) The county board of elections shall in the manner prescribed by this section, not later than March 20 each year, except in a year in which no primary and regular elections are scheduled, appoint for each precinct in the county two (2) judges, one (1) clerk and one (1) sheriff of election. They shall serve in all elections held in the county during the year, ~~except as provided in KRS Chapter 242~~. If a special election is ordered to be held in a year in which no elections are scheduled, the county executive committee of each political party in each county in the territory affected by the special election shall, not later than twenty-eight (28) days preceding the date of the special election, submit a written list of nominees for precinct election officers to serve in the special election in a manner consistent with the provisions of subsection (2) of this section. The county board of elections in each county in the territory affected by the special election shall, not later than twenty-one (21) days preceding the date of the special election, appoint precinct election officers to serve in the special election in a manner consistent with the provisions of subsections (4), (5), and (6) of this section. The State Board of Elections shall promulgate an administrative regulation establishing evaluation procedures which county boards of elections may use to qualify persons nominated to serve as precinct election officers.
- (2) The county executive committees of the two (2) political parties having representation on the State Board of Elections may, on or before March 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct; except that, in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a lesser number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one (1) authorized to submit the lists. The lists shall contain the full name, address, phone number, and Social Security number, if available, of each person listed. The lists shall be accompanied by a signed statement from each person stating that he is willing to serve, has not failed to serve without excuse in the past, and has not been convicted of an election law offense or any felony, unless the person's civil rights have been restored by the Governor. The State Board of Elections shall prescribe by administrative regulation the form of the list.
- (3) The Attorney General shall notify each party state central committee of the duties of the party.
- (4) If lists are submitted, the county board of elections shall select one (1) judge at each voting place from each political party's list, and the county board shall select the sheriff from one (1) political party's list and the clerk from the other. If no lists are submitted, the two (2) members of the county board of elections who are appointed by the State Board of Elections may submit lists; and the county board shall select the sheriff and one (1) judge from one (1) list and the clerk and the other judge from the remaining list. If no lists are submitted, the county board shall select the sheriff and one (1) judge from the membership of one (1) party and the clerk and the other judge from the membership of the remaining party. The county board shall, when possible, also appoint an adequate number of alternate precinct election officers from names on the lists which were submitted but which were not selected by the county board as precinct election officers. If alternate precinct election officers are not appointed from the lists of nominees who were not selected as precinct election officers, the county board of elections shall submit its method of selecting alternate precinct election officers to the State Board of Elections for its approval.

- (5) If, after all reasonable efforts have been made, the county board of elections is unable to find two (2) qualified officers for each precinct who are affiliated with the two (2) political parties having representation on the State Board of Elections, the county board shall submit a list of emergency election officer appointments to the State Board of Elections. The county board shall also present, in writing, its efforts to recruit and appoint election officers as prescribed in subsection (4) of this section. The list of emergency appointments may include qualified voters not affiliated with the two (2) parties represented on the state board. The state board, after its review, may approve any or all of the emergency appointments submitted by the county board or may direct the county board to take other action. Any emergency appointment shall be made for the next ensuing election only.
- (6) In addition to precinct election officers appointed under subsection (1) of this section, a county board of elections may appoint up to two (2) additional precinct election officers per precinct with the approval of the State Board of Elections. The state board shall promulgate an administrative regulation establishing conditions under which additional precinct officers may be approved.
- (7) The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems the action is necessary.
- (8) The State Board of Elections may require the county board of elections to submit its list of precinct officers for review. The State Board of Elections may, after a hearing, direct the removal of any election officer who the board finds would not fairly administer the state election laws. The state board shall replace any officer so removed. The board shall provide for the method and manner of the hearing by administrative regulation.
- (9) An election officer shall be a qualified voter of the precinct; except that, where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate or the spouse, parent, brother, sister, or child of a candidate who is to be voted for at the election. An election officer shall not have changed his voter registration party affiliation for one (1) year prior to his appointment. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled by the county board with alternate precinct election officers and the person appointed to fill the vacancy shall be of the same political party as the vacating officer, except for emergency appointments made as provided in subsection (5) of this section.
- (10) If the county board of elections fails to appoint election officers, or if any officer is not present at the precinct at the time for commencing the election, or refuses to act, and if no alternate is available, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.
- (11) Each election officer shall be paid a minimum of sixty dollars (\$60) per election day served, and such an additional amount as compensation as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding the election officers' pay, for each election in which the election officer serves, to be paid by the county. For delivering the election packets to the polls, the precinct election officers shall receive in addition the mileage reimbursement provided for state employees, for each mile necessarily traveled in the delivery of the packets to the polls, or a flat fee if the fee equals or exceeds that amount. For delivering election returns, the precinct election judges shall receive in addition the mileage reimbursement provided for state employees for each mile necessarily traveled from the place of voting to and from the place of delivery, or a flat fee if the fee equals or exceeds that amount. The fee paid to the precinct election judges for delivering election returns shall be paid by the county.

Section 12. KRS 117.085 is amended to read as follows:

- (1) All requests for an application for an absentee ballot may be transmitted by telephone, facsimile machine, by mail, or in person. Except as provided in paragraph (b) of this subsection, all applications for an absentee ballot shall be transmitted only by mail or in person at the option of the voter, except that the county clerk shall hand an application for an absentee ballot to a voter permitted to vote by absentee ballot who appears in person to request the application, or shall mail the application to a voter permitted to vote by absentee ballot who requests the application by telephone, facsimile machine, or mail. The absentee ballot application shall be restricted to the use of the voter or the spouse, parents, or children of the voter. Except for qualified voters who apply pursuant to the requirements of KRS 117.075 and 117.077, and those who are incarcerated in jail but have yet to be convicted and persons who qualify under subparagraph 5. of paragraph (a) of this subsection, no absentee ballots shall be mailed to a voter who resides within the county in which he is registered. In the case

of ballots returned by mail, the county clerk shall provide an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting to a voter who presents a completed application for an absentee ballot as provided in this section and who is properly registered as stated in his application.

- (a) The following voters may apply to cast their votes by absentee ballot at any time not later than the close of business hours seven (7) days before the election:
 - 1. Voters permitted to vote by absentee ballot pursuant to KRS 117.075;
 - 2. Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and citizens residing overseas;
 - 3. Students who temporarily reside outside the county of their residence and other voters who temporarily reside outside the state but who are still eligible to vote in this state;
 - 4. Persons who are incarcerated in jail who have been charged with a crime but have not been convicted of the crime; and
 - 5. Persons who are prevented from voting in person at the polls on election day and from casting an absentee ballot in person in the county clerk's office on all days absentee voting is conducted prior to election day because their employment location requires them to be absent from the county all hours and all days absentee voting is conducted in the county clerk's office.
- (b) Residents of Kentucky who are members of the Armed Forces, dependents of members of the Armed Forces, and overseas citizens, may apply for an absentee ballot by means of the federal post-card application, which may be transmitted to the county clerk's office by mail or by facsimile machine. The application may be used to register, reregister, and to apply for an absentee ballot. If the federal post-card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to the application form upon receipt.
- (c) Any other qualified voter in the county who is not permitted to vote by absentee ballot under paragraph (a) of subsection (1) of this section who shall be absent from the county on any election day may, at any time during normal business hours on at least any of the twelve (12) working days before the election, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election prescribed above.
- (d) Any member of the county board of elections, any precinct election officer appointed to serve in a precinct other than that in which he is registered, and any alternate precinct election officer may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. The application form for those persons shall be prescribed by the State Board of Elections and, in the case of application by precinct election officers, shall contain a verification of appointment signed by a member of the county board of elections. If an alternate precinct election officer or a precinct election officer appointed to serve in a precinct other than that in which he is registered receives his appointment while absentee voting is being conducted in the county, such officer may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, up to the close of normal business hours on the day before the election. In case of such voters, the verification of appointment shall also contain the date of appointment. The applications shall be restricted to the use of the voter only.
- (e) Any pregnant woman who is in her last trimester of pregnancy at the time she wishes to vote under this paragraph may vote on a voting machine in the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections. She may vote at any time during business hours on at least any of the twelve (12) working days before the election up to the close of business hours on the day before the election. The application form for those persons shall be prescribed by the State Board of Elections, which shall contain the woman's sworn statement that she is in fact in her last trimester of pregnancy at the time she wishes to vote, and shall be made in person to the county clerk, at any time during any of the twelve (12) working days before the election. A county board of elections may permit absentee voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election as prescribed above.

- (f) The members of the county board of elections or their designees who provide equal representation of both political parties may serve as precinct election officers, without compensation, for all absentee voting performed on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections. If the members of the county board of elections or their designees serve as precinct election officers for the absentee voting, they shall perform the same duties and exercise the same authority as precinct election officers who serve on the day of an election. If the members of the county board of elections or their designees do not serve as precinct election officers for the absentee voting, the county clerk or deputy county clerks shall supervise the absentee voting.
 - (g) Any individual qualified to appoint challengers for the day of an election may also appoint challengers to observe all absentee voting performed at the county clerk's office or other place designated by the county board of elections, and approved by the State Board of Elections, and those challengers may exercise the same privileges as challengers appointed for observing voting on the day of an election at a regular polling place.
 - (h) ***Residents of Kentucky who are members of the Armed Forces confined to a military base on election day and learn of that confinement within seven (7) days or less of an election and are not eligible for a paper absentee ballot under subsection (1) of this section may, at any time during normal business hours on those days absentee voting is conducted in the county clerk's office, make application in person to the county clerk to vote on a voting machine in the county clerk's office or other place designated by the county board of elections and approved by the State Board of Elections.***
- (2) The clerk shall type the name of the voter permitted to vote by absentee ballot on the application form for that person's use and no other. The absentee ballot application form shall be in the form prescribed by the State Board of Elections, shall bear the seal of the county clerk, and shall contain the following information: name, residential address, precinct, party affiliation, statement of the reason the person cannot vote in person on election day, statement of where the voter shall be on election day, statement of compliance with residency requirements for voting in the precinct, and the voter's mailing address for an absentee ballot. The form shall be verified and signed by the voter. A notice of the actual penalty provisions in KRS 117.995(2) and (5) shall be printed on the application.
 - (3) If the county clerk finds that the voter is properly registered as stated in his application and qualifies to receive an absentee ballot by mail, he shall mail to the voter an absentee ballot, two (2) official envelopes for returning the ballot, and instructions for voting. The county clerk shall complete a postal form for a certificate of mailing for ballots mailed within the fifty (50) states, and it shall be stamped by the postal service when the ballots are mailed. An absentee ballot may be transmitted by facsimile machine to a resident of Kentucky who is a member of the Armed Forces, a dependent of a member of the Armed Forces, or a citizen residing overseas.
 - (4) Absentee ballots which are requested prior to the printing of the ballots shall be mailed by the county clerk to the voter within three (3) days of the receipt of the printed ballots; and absentee ballots which are requested subsequent to the receipt of the ballots by the county clerk shall be mailed to the voter within three (3) days of the receipt of the request.
 - (5) The clerk shall cause ballots to be printed fifty (50) days prior to each primary or general election and fifteen (15) days prior to each runoff primary.
 - (6) The outer envelope shall bear the words "Absentee Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address, and precinct number. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number, and notice of penalty provided in KRS 117.995(5). The clerk shall type the voter's address and precinct number in the upper left hand corner of the outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application and the postal form required by subsection (3) of this section for twenty-two (22) months after the election.
 - (7) Any person who has received an absentee ballot by mail but who knows at least seven (7) days before the date of the election that he will be in the county on election day and who has not voted pursuant to the provisions of KRS 117.086 shall cancel his absentee ballot and vote in person. He shall return his absentee ballot to the county clerk's office no later than seven (7) days prior to the date of the election. Upon the return of the absentee ballot, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Canceled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The

clerk shall remove the voter's name from the list of persons who were sent absentee ballots, and the voter may vote in the precinct in which he is properly registered.

Approved March 19, 2002

CHAPTER 64

(SB 18)

AN ACT relating to naming state roads.

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

Section 1. KRS 177.010 is amended to read as follows:

As used in KRS 177.010 to 177.890, unless the context otherwise requires:

- (1) "Department" means Department of Highways of the Commonwealth of Kentucky;
- (2) "Construct" includes reconstruct and improve;
- (3) "Roads" includes rural roads; highways; bridges and bridge approaches; city streets, viaducts, and bridges;
- (4) "Rural and secondary roads" includes:
 - (a) A county road as defined in KRS 178.010(1)(b);
 - (b) A publicly-owned road other than a state or federal highway, that is outside a city, town, or urban area having a population of twenty-five hundred (2,500) or more;
 - (c) A road that is classified as part of the rural secondary road system by the Department of Highways;~~and~~
- (5) "Public grade crossing" means the at-grade intersection of a railroad track or tracks and a road or highway that has been dedicated to public use and incorporated into either the state primary road system or the highway or road system of a county or municipality;
- (6) ***"Cabinet" means the Kentucky Transportation Cabinet; and***
- (7) ***"Secretary" means the secretary of the Kentucky Transportation Cabinet.***

Section 2. KRS 177.074 is amended to read as follows:

- (1) Every road which is part of the state primary system shall be identified by a specific route number or name which shall be designated on the official state road map. In addition to a route number, the secretary:~~of transportation~~
 - (a) ***Shall name a road or road segment to comply with the provisions of subsections (2) and (3) of this section; and***
 - (b) May, ***at the secretary's discretion, or subject to the provisions of subsection (4) of this section,*** name a road or bridge on the state highway system after an individual, historic event, or any other name which may be of significance to the history of this Commonwealth or any of its counties or communities.
- (2) ***The secretary shall, within thirty (30) days of receipt of a written request by the commissioner of the Kentucky State Police, name a state road or segment of a state road, in memory and honor of one (1) or more Kentucky state troopers killed in the line of duty. The written request shall comply with the provisions of subsection (4) of this section and shall include:***
 - (a) ***The trooper's name;***
 - (b) ***The name and address of any living relatives of the trooper, if known;***
 - (c) ***Date and circumstances of the trooper's death; and***
 - (d) ***The route number and current name of the state road where the trooper was killed if applicable, or the route number and current name of the state road closest to the deceased trooper's home.***

- (3) *The written request required under subsection (2) of this section shall identify the route number, current name of the state road, or milepoints of the specific segment of state road the State Police are requesting be named in honor and memory of a state trooper killed in the line of duty. The road or road segment identified in the request shall be either the state road where the trooper was killed, or the state road closest to the deceased trooper's home. The cabinet shall consult with the commissioner of the Kentucky State Police on the design of the road signs naming the state road or road segment in honor and memory of each trooper, and the cabinet shall erect the appropriate highway signs within thirty (30) days of receipt of the written request required under subsection (2) of this section.*
- (4) *If the road segment identified in the request under subsection (2) of this section has already been named for another individual or organization, either by action of the General Assembly or by order of the secretary, the State Police and the cabinet shall consult on and determine an alternate location that is acceptable to both agencies.*
- (5) The secretary shall be petitioned by a unit of local government, civic organization, or other interested party before naming a road or bridge on the state primary road system. In addition, the secretary shall be convinced by the petitioner that the person or event that the road or bridge is being named for is of civic or historical significance.
- ~~(6)(3)~~ Except as provided in subsections (9) and ~~(10)~~~~(6) and (7)~~ of this section, the secretary shall name a road or bridge upon direction by joint resolution of the General Assembly. Upon introduction of a resolution, the secretary shall inform the chairman of the committee to which the resolution is assigned as to whether he has been petitioned to name a road or bridge presented in the resolution and if so petitioned, his reasons for not taking action on the request.
- ~~(7)(4)~~ If the secretary grants the request to name a road or bridge through petition, the signs to be placed on the roads shall become the responsibility of the petitioner with the design and placement of the signs approved by the department. If the signs are to be placed as a result of a resolution passed by the General Assembly, the responsibility for placement of the signs shall be upon the Department of Highways.
- ~~(8)(5)~~ The Transportation Cabinet may adopt administrative regulations to implement the road and bridge naming program. The administrative regulations shall at a minimum establish basic standards for design and placement of signs or allow the local entity to reimburse the Transportation Cabinet for the cost of manufacturing and installing the signs for which a petition has been granted.
- ~~(9)(6)~~ The new proposed truck bypass around Mayfield, Kentucky, shall be named the "Dick Castleman Bypass", after former State Representative Dick Castleman.
- ~~(10)(7)~~ The bridge on United States Highway 27 over the Kentucky River near Camp Nelson, between Jessamine and Garrard Counties, shall be named the "Lloyd Murphy Memorial Bridge".

Section 3. Within thirty (30) days of the effective date of this Act, the commissioner of the Kentucky State Police shall submit a written request under the provisions of subsections (2) and (3) of Section 2 of this Act, for the twenty-three (23) state troopers that have been killed in the line of duty since 1948. The Transportation Cabinet shall erect the appropriate highway signs honoring the twenty-three slain troopers within thirty (30) days of receipt of the written request directed under this section.

Approved March 20, 2002

CHAPTER 65

(HB 166)

AN ACT relating to economic development.

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

Section 1. KRS 154.10-050 is amended to read as follows:

- (1) The secretary shall be the chief executive officer of the Cabinet for Economic Development and shall possess the professional qualifications appropriate for that office as determined by the board.
- (2) The board shall set the salary of the secretary, which shall be exempt from state employee salary limitations as set forth in KRS 64.640.

- (3) The secretary shall be responsible for the day-to-day operations of the cabinet and shall report and submit on an annual basis implementation plans to the board as provided in KRS 154.10-060; submit the strategic plan for economic development to the board in accordance with the provisions of KRS 154.10-120 and 154.10-125; submit program evaluation reports to the board in accordance with the provisions of KRS 154.10-140; carry out policy and program directives of the board; coordinate programs of the cabinet with all other agencies of state government having economic development responsibilities; hire all other personnel of the cabinet consistent with state law; and carry out all other duties and responsibilities assigned by state law.
- (4) The secretary shall prepare and submit the proposed budget of the cabinet to the chairman who shall present it to the board for final approval. Upon approval, the board shall submit the proposed budget to the Governor's Office for Policy and Management.
- (5) The secretary shall be reimbursed for all actual and necessary expenses incurred in the performance of all assigned duties and responsibilities.
- (6) ***The secretary shall, in carrying out the duties and responsibilities of the office and in administering the programs in KRS 154.12-216 to 154.12-278, give highest priority consideration in marketing, targeting, and recruiting new businesses, in expanding existing businesses, and in recommending state economic development loans, grants, and incentive programs administered by the authority, to Kentucky counties which have had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.***

Section 2. KRS 154.12-207 is amended to read as follows:

- (1) The corporation may, subject to appropriation from the General Assembly or from funds made available to the corporation from any other public or private source, provide grants-in-aid to educational institutions, and business and industry, not in excess of two hundred thousand dollars (\$200,000) per grant-in-aid. Such grants-in-aid shall be used exclusively for programs which are consistent with the provisions of this chapter.
- (2) To qualify for a grant-in-aid in which an educational institution will provide training, an educational institution and a business or industry shall submit a joint application to the corporation that contains a proposal for a program of skills training and education; a description of the program; the type of skills training or education to be provided; a statement of the total cost of the program and breakdown of the costs associated with equipment, personnel, facilities, and materials; and with respect to educational institutions only, a statement of the technical assistance and financial support for the program received or pledged from business and industry. To qualify for a grant-in-aid in which a provider other than an educational institution will provide training, the business or industry may independently submit a proposal to the corporation containing the same information as set forth in this subsection.
- (3) Approval of the grant-in-aid application by the board, shall be based upon the following criteria:
 - (a) The program must be within the scope of KRS 154.12-204 to 154.12-208;
 - (b) Participants in the program must be limited to a Kentucky resident, as the term is defined in KRS 141.010;
 - (c) The program must involve an area of skills training and education which is needed by business and industry and for which a shortage of qualified individuals exists within the Commonwealth;
 - (d) The grant-in-aid must be essential to the success of the program as the resources of the educational institution are inadequate to attract the technical assistance and financial support necessary from business and industry;
 - (e) The educational institution must have obtained a firm commitment from business and industry for the information, technical assistance, and financial support which, together, with the grant-in-aid, the resources of the applicant, and support from any other source, is sufficient to ensure the success of the program. In addition, the commitment of financial support from business and industry shall be equal to or greater than the amount of the requested grant-in-aid;~~and~~
 - (f) The educational institution must have established adequate auditing procedures and reporting methods for the submission of information and data as required by the corporation; **and**

- (g) *Ninety percent (90%) of the participants receive a base hourly wage which is one hundred fifty percent (150%) of the federal minimum wage plus employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, if the business and industry is located in a county of Kentucky which has had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.*

Section 3. KRS 154.12-2084 is amended to read as follows:

As used in KRS 154.12-2084 to 154.12-2089, unless the context requires otherwise:

- (1) "Approved company" means any qualified company seeking to sponsor an occupational upgrade training program or skills upgrade training program for the benefit of one (1) or more of its employees, which is approved by the authority to receive skills training investment credits in accordance with KRS 154.12-2084 to 154.12-2089;
- (2) "Approved costs" means:
 - (a) Fees or salaries required to be paid to instructors who are employees of the approved company, instructors who are full-time, part-time, or adjunct instructors with an educational institution, and instructors who are consultants on contract with an approved company in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company;
 - (b) Administrative fees charged by educational institutions in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company and specifically approved by the Bluegrass State Skills Corporation;
 - (c) The cost of supplies, materials, and equipment used exclusively in an occupational upgrade training program or skills upgrade training program sponsored by an approved company;
 - (d) The cost of leasing a training facility where space is unavailable at an educational institution or at the premises of an approved company in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company;
 - (e) Employee wages to be paid in connection with an occupational upgrade training program or skills upgrade training program sponsored by an approved company; and
 - (f) All other costs of a nature comparable to those described in this subsection;
- (3) "Bluegrass State Skills Corporation" means the Bluegrass State Skills Corporation created by KRS 154.12-205;
- (4) "Commonwealth" means the Commonwealth of Kentucky;
- (5) "Educational institution" means a public or nonpublic secondary or postsecondary institution or an independent provider within the Commonwealth authorized by law to provide a program of skills training or education beyond the secondary school level or to adult persons without a high school diploma or its equivalent;
- (6) "Employee" means any person:
 - (a) Who is currently a permanent full-time employee of the qualified company;
 - (b) Who has been employed by the qualified company for the last twelve (12) calendar months immediately preceding the filing of the application for skills training investment credits by the qualified company;~~and~~
 - (c) Who is a Kentucky resident, as that term is defined in KRS 141.010; *and*
 - (d) *Who receives a base hourly wage which is one hundred fifty percent (150%) of the federal minimum wage plus employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, if the qualified company is located in a county of Kentucky which has had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.*

For purposes of this subsection, a "full-time employee" means an employee who has been employed by the qualified company for a minimum of thirty-five (35) hours per week for more than two hundred fifty (250) work days during the most recently ended calendar year and is subject to the tax imposed by KRS 141.020;

- (7) "Occupational upgrade training" means employee training sponsored by a qualified company that is designed to qualify the employee for a promotional opportunity with the qualified company;
- (8) "Preliminarily approved company" means a qualified company seeking to sponsor an occupational upgrade training program or skills upgrade training program, which has received preliminarily approval from the authority under KRS 154.12-2088 to receive a certain maximum amount of skills training investment credits;
- (9) "Qualified company" means any person, corporation, limited liability company, partnership, limited partnership, registered limited liability partnership, sole proprietorship, firm, enterprise, franchise, association, organization, holding company, joint stock company, professional service corporation, or any other legal entity through which business is conducted that has been actively engaged in any of the following qualified activities within the Commonwealth for not less than three (3) consecutive years: manufacturing, including the processing, assembling, production, or warehousing of any property; processing of agricultural and forestry products; telecommunications; health care; product research and engineering; tool and die and machine technology; mining; tourism and operation of facilities to be used in the entertainment, recreation, and convention industry; and transportation in support of manufacturing. Notwithstanding the provisions of this subsection, any company whose primary purpose is the sale of goods at retail shall not constitute a qualified company;
- (10) "Skills upgrade training" means employee training sponsored by a qualified company that is designed to provide the employee with new skills necessary to enhance productivity, improve performance, or retain employment including, but not limited to, technical and interpersonal skills training, and training that is designed to enhance the computer skills, communication skills, problem solving, reading, writing, or math skills of employees who are unable to function effectively on the job due to deficiencies in these areas, are unable to advance on the job, or who risk displacement because their skill deficiencies inhibit their training potential for new technology; and
- (11) "Skills training investment credit" means the credit against Kentucky income tax imposed by KRS 141.020 or 141.040, as provided in KRS 154.12-2086(1).

Section 4. KRS 154.20-170 is amended to read as follows:

- (1) Industrial entities, agricultural business entities, business enterprises, or private sector firms which are members of a business network within the meaning of KRS 154.01-010 in a targeted industrial sector as set forth in the state strategic plan for economic development as prescribed in KRS 154.10-120, and businesses that compose the secondary wood products industry as defined in KRS 154.47-005(10), shall be given priority consideration under state economic development loan, grant, and incentive programs administered by the Kentucky Economic Development Finance Authority.
- (2) *Notwithstanding the provisions of subsection (1) of this section, highest priority consideration under state economic development loan, grant, and incentive programs administered by the authority shall be given to those projects that are located in counties of Kentucky which have had an average countywide rate of unemployment of fifteen percent (15%) or greater in the most recent twelve (12) consecutive months for which unemployment figures are available, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development.*

Approved March 26, 2002

CHAPTER 66

(HB 171)

AN ACT relating to liens.

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

Section 1. KRS 376.010 is amended to read as follows:

- (1) Any person who performs labor or furnishes materials, for the erection, altering, or repairing of a house or other structure or for any fixture or machinery therein, for the excavation of cellars, cisterns, vaults, wells or for the improvement in any manner of real property including the furnishing of agricultural lime, fertilizer, concrete pipe or drainage tile, crushed rock, gravel for roads or driveways, and materials used in the construction or maintenance of fences, by contract with, or by the written consent of, the owner, contractor, subcontractor, architect, or authorized agent, shall have a lien thereon, and upon the land upon which the improvements were made or on any interest the owner has therein, to secure the amount thereof with interest as provided in KRS 360.040 and costs. The lien on the land or improvements shall be superior to any mortgage or encumbrance created subsequent to the beginning of the labor or the furnishing of the materials, and the lien, if asserted as hereinafter provided, shall relate back and take effect from the time of the commencement of the labor or the furnishing of the materials. The lien shall not be for a greater amount in the aggregate than the contract price of the original contractor, and should the aggregate amount of the liens exceed the price agreed upon between the original contractor and the owner there shall be a pro rata distribution of the original contract price among the lienholders.
- (2) The lien shall not take precedence over a mortgage or other contract lien or bona fide conveyance for value without notice, duly recorded or lodged for record according to law, unless the person claiming the prior lien shall, before the recording of the mortgage or other contract lien or conveyance, file in the office of the county clerk of the county wherein he has furnished or expects to furnish labor or materials, a statement showing that he has furnished or expects to furnish labor or materials, and the amount in full thereof. The lien shall not, as against the holder of a mortgage or other contract lien or conveyance, exceed the amount of the lien claimed or expected to be claimed as set forth in the statement. The statement shall, in other respects, be in the form prescribed by KRS 376.080.
- (3) No person who has not contracted directly with the owner or his agent shall acquire a lien under this section unless he notifies in writing the owner of the property to be held liable or his authorized agent, within seventy-five (75) days on claims amounting to less than \$1,000 and one hundred twenty (120) days on claims in excess of \$1,000 after the last item of material or labor is furnished, of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent within the county in which the property to be held liable is located.
- (4) No person who has not contracted directly with the owner or his authorized agent shall acquire a lien under this section on an owner-occupied single or double family dwelling, the appurtenances or additions thereto, or upon other improvements for agricultural or personal use to the real property or real property contiguous thereto and held by the same owner, upon which the owner-occupant's dwelling is located, unless he notifies in writing the owner of the property to be held liable or his authorized agent not more than ~~seventy-five (75)~~~~forty-five (45)~~ days after the last item of material or labor is furnished, of the delivery of the material or performance of labor and of his intention to hold the property liable and the amount for which he will claim a lien. It shall be sufficient to prove that the notice was mailed to the last known address of the owner of the property upon which the lien is claimed, or to his duly authorized agent. This notice is in lieu of the notice provided for in subsection (3). Notwithstanding the foregoing provisions of this subsection, the lien provided for under this section shall not be applicable to the extent that an owner-occupant of a single or double family dwelling or owner of other property as described in this subsection has, prior to receipt of the notice provided for in this subsection, paid the contractor, subcontractor, architect, or authorized agent for work performed or materials furnished prior to such payment. The contractor or subcontractor cannot be the authorized agent under this subsection. This subsection shall apply to the construction of single or double family homes constructed pursuant to a construction contract with a property owner and intended for use as the property owner's dwelling.
- (5) For purposes of this section, "labor" includes but is not limited to, all supplies and work done by teams, trucks, machinery, and mechanical equipment, whether the owner furnishes a driver or operator or not.
- (6)
 - (a) "Supplies" includes small tools and equipment reasonably necessary in performing the work required to be done, including picks, shovels, sledge hammers, axes, pulleys, wire cables, ropes, and other similar items costing not more than fifty dollars (\$50) per item, and tires and tubes furnished for use on vehicles engaged in the performance of the work.
 - (b) "Supplies" also includes the cost of labor, materials, and repair parts supplied or furnished for keeping all machinery and equipment used in the performance of the work in good operating condition; and shall

include the agreed or reasonable rental price of equipment and machinery used in performing the work to be done:

1. The lien for rental equipment or machinery shall not be more than the aggregate sum of six (6) months' rental, and the aggregate amount of such rental shall not exceed sixty percent (60%) of the agreed value of the machinery or equipment; and
2. The liens for supplies as defined in this subsection are subordinate to the liens for labor, material, and supplies as defined in this section.

Approved March 26, 2002

CHAPTER 67

(HB 369)

AN ACT relating to health insurance.

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

Section 1. KRS 18A.225 is amended to read as follows:

- (1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and
- (b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.
- (2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994, **and shall include a mail order drug option as provided in subsection (14) of this section.** All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of

coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.
 - (c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.
 - (d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.
 - (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.
 - (f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.
 - (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.
- (3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended

that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.

- (4) The premiums may be paid by the policyholder:
 - (a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;
 - (b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or
 - (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.
- (5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.
- (6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.
- (7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.
- (8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.
- (9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.
- (10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
- (11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.
- (12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.

- (13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.
- (14) (a) *The policies of health insurance coverage procured under subsection (2) of this section shall include a mail order drug option for maintenance drugs for state employees. Maintenance drugs may be dispensed by mail order in accordance with Kentucky law.*
- (b) *A health insurer shall not discriminate against any retail pharmacy located within the geographic coverage area of the health benefit plan and that meets the terms and conditions for participation established by the insurer, including price, dispensing fee, and copay requirements of a mail order option. The retail pharmacy shall not be required to dispense by mail.*
- (c) *The mail order option shall not permit the dispensing of a controlled substance classified in Schedule II.*
- (15) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

Approved March 26, 2002

CHAPTER 68

(HB 474)

AN ACT relating to wage and hour.

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

Section 1. KRS 337.285 is amended to read as follows:

No employer shall employ any of his employees for a work week longer than forty (40) hours, unless such employee receives compensation for his employment in excess of forty (40) hours in a work week at a rate of not less than one and one-half (1-1/2) times the hourly wage rate at which he is employed. This provision does not apply to employees of retail stores engaged in work connected with selling, purchasing, and distributing merchandise, wares, goods, articles, or commodities or to employees of restaurant, hotel, and motel operations, to employees as defined and exempted from the overtime provision of the Fair Labor Standards Act in Sections 213(b)(1), **213(b)(6)**, 213(b)(10) and 213(b)(17) of Title 29, U.S.C., or to employees whose function is to provide twenty-four (24) hour residential care on the employer's premises in a parental role to children who are primarily dependent, neglected, and abused and who are in the care of private nonprofit childcaring facilities licensed by the Cabinet for Health Services under KRS 199.640 to 199.670.

Approved March 26, 2002

CHAPTER 69

(HB 634)

AN ACT relating to the taxation of mobile telecommunications.

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

Section 1. KRS 139.100 is amended to read as follows:

- (1) "Retail sale" or "sale at retail" means:
- (a) 1. A sale for any purpose other than resale in the regular course of business of tangible personal property, or
2. The furnishing of the facilities and services mentioned in subsection (2) of this section;
- (b) The delivery in this state of tangible personal property by an owner or former owner thereof or by a factor, or agent of such owner, former owner or factor, if the delivery is to a consumer or person for

redelivery to a consumer pursuant to a retail sale made by a retailer not engaged in business in this state. The person making the delivery shall include the retail selling price of the property in his gross receipts.

- (2) "Retail sale" or "sale at retail" shall include but shall not be limited to the following:
 - (a) The rental of any room or rooms, lodgings, or accommodations furnished by any hotel, motel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients for a consideration. The tax shall not apply, however, to rooms, lodgings, or accommodations supplied for a continuous period of thirty (30) days or more to an individual;
 - (b) The furnishing of sewer services;
 - (c) The sale of admissions, except, those taxed under KRS 138.480;
 - (d) The furnishing of communications services, ***other than mobile telecommunications services as defined in 4 U.S.C. sec. 124***, to a service address in this state, regardless of where those services are billed or paid, when the communications service:
 1. Originates and terminates in this state;
 2. Originates in this state; or
 3. Terminates in this state;
 - (e) ***The furnishing of mobile telecommunications services as defined in 4 U.S.C. sec. 124 to a customer with a service address in this state.***
- (3) For the purposes of this chapter, "communications service" means the provision, transmission, conveyance, or routing, for a consideration, of voice, data, video, or any other information or signals of the purchaser's choosing to a point, or between or among points, specified by the purchaser, by or through any electronic, radio, light, fiber optics, or any similar medium or method now in existence or later devised. "Communications service" includes, but is not limited to, local telephone services, long-distance telephone services, telegraph services, teletypewriter services, teleconferencing services, private line services involving a direct channel specifically dedicated to a customer's use between specific points, channel services involving a path of communications between two (2) or more points, data transport services involving the movement of encoded information between points by means of any electronic, radio, or other medium or method, caller ID services, voice mail and other electronic messaging services, mobile communications service, and Internet telephony involving telephone service in which messages originate or terminate over the public switched telephone network but are transmitted in part using transmission control protocol, Internet protocol, or other similar means. "Communications service" does not include any of the following if the charges for the goods or services are separately itemized on the bill provided to the purchaser:
 - (a) Information services;
 - (b) Internet access;
 - (c) Installation, reinstallation, or maintenance of wiring or equipment on a customer's premises. However, this provision does not apply to any charge attributable to the connection, movement, change, or termination of a communication service;
 - (d) The sale of directory and other advertising and listing services;
 - (e) The sale of one-way paging services;
 - (f) Billing and collection services provided to another communications service provider; or
 - (g) Cable service, satellite broadcast, satellite master antenna television, and wireless cable service, including direct to home satellite service as defined in Section 602 of the Federal Cable Act of 1996.
- (4) For the purposes of this chapter, "service address" means:
 - (a) The location of communications equipment from which communications service is originated or at which communications service is received by the purchaser. In the event that this is not a defined location, as in the case of ~~mobile phones, paging systems,~~ maritime systems, air-to-ground systems, third number and calling card calls, service address means the location of the purchaser's primary use of

the communications equipment, as determined by telephone number, authorization code, the purchaser's billing address, or other street address provided by the purchaser as the location of primary use, but the address must be within the licensed service area of the communications service provider;

- (b) In the case of a communications service, ***other than mobile telecommunications services as defined in 4 U.S.C. sec. 124***, paid through a credit or payment mechanism that does not relate to a service address, such as a bank, travel, debit, or credit card, the service address is deemed to be the address of the origination of the communications service; and
- (c) In the case of mobile ***telecommunications***~~[communications]~~ service ***as defined in 4 U.S.C. sec. 124***~~[provided under intercarrier roaming agreements]~~, the service address shall be ***the place of primary use as defined and determined under 4 U.S.C. secs. 116 to 126***~~[deemed to be the physical location of the serving carrier's switch that originates or terminates the call]~~.

SECTION 2. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

As it relates to the taxation under this chapter of mobile telecommunications services as defined in 4 U.S.C. sec. 124:

- (1) ***The provisions of 4 U.S.C. secs. 116 to 126 are hereby adopted and incorporated by reference.***
- (2) ***If a customer believes that a tax, charge, fee, or assignment of place of primary use or taxing jurisdiction on a bill is incorrect, the customer shall notify the home service provider about the alleged error, in writing. This notification shall include the street address for the customer's place of primary use, the account name and number for which the customer seeks a correction, a description of the alleged error, and any other information that the home service provider reasonably requires. Within sixty (60) days of receiving the customer's notification, the home service provider shall either correct the error and refund or credit all taxes, charges, and fees incorrectly charged to the customer within four (4) years of the customer's notification, or explain to the customer in writing how the bill was correct and why a refund or credit will not be made.***
- (3) ***A customer shall not have a cause of action against a home service provider for any erroneously collected taxes, charges, or fees until the customer has exhausted the procedure set forth in subsection (2) of this section.***

Section 3. KRS 65.7629 is amended to read as follows:

The board shall administer the provisions of KRS 65.7621 to 65.7643, and shall have the following powers and duties:

- (1) To review, evaluate, and approve or disapprove the plans or plan modifications that are submitted to the board for complying with the wireless E911 service requirements established by the FCC order and by any rules or regulations which are or may be adopted by the Federal Communications Commission in carrying out the FCC order;
- (2) To develop standards to be followed by the board in reviewing, evaluating, approving, or disapproving the plans or plan modifications that are submitted to the board;
- (3) To collect the CMRS service charge from each CMRS connection ***with a place of primary use, as defined in 4 U.S.C. sec. 124***, within the Commonwealth. The CMRS service charge shall be seventy cents (\$0.70) per month per CMRS connection, and shall be collected in accordance with KRS 65.7635 beginning August 15, 1998. The amount of the CMRS service charge shall not be increased except by act of the General Assembly;
- (4) To review the rate of the CMRS service charge at least once every twenty-four (24) months and, at its discretion, to decrease the rate or recommend that the General Assembly increase the rate if the board determines that changing the rate is necessary to achieve the purposes of KRS 65.7621 to 65.7643. The first cost study shall be completed on or before July 1, 1999, and shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives, and the board shall recommend, on the basis of the cost study, whether legislation to increase the CMRS service charge should be proposed during the 2000 Regular Session of the General Assembly;
- (5) To administer and maintain the CMRS fund according to the provisions of KRS 65.7627, and promptly to deposit all revenues from the CMRS service charge into the CMRS fund;

- (6) To make disbursements from the CMRS fund, according to the allocations and requirements established in KRS 65.7631;
- (7) To establish procedures and guidelines to be followed by the board in reviewing, evaluating, and approving or disapproving disbursements from the CMRS fund and requests for disbursements made in accordance with KRS 65.7631;
- (8) To resolve conflicts regarding reimbursable costs and expenses under KRS 65.7631(2) and (3);
- (9) To submit annual reports to the Auditor of Public Accounts no later than sixty (60) days after the close of each fiscal year, which shall provide an accounting for all CMRS service charges deposited into the CMRS fund during the preceding fiscal year and all disbursements to CMRS providers and PSAPs during the preceding fiscal year;
- (10) To employ consultants, engineers, and other persons and employees as may be, in the judgment of the board, essential to the board's operations, functions, and responsibilities, and to fix and pay their compensation from funds available to the CMRS board;
- (11) To acquire, by gift, purchase, installment purchase, or lease, any equipment necessary to carry out the board's purposes and duties;
- (12) To retain any and all information, including all proprietary information, that is submitted to the board by CMRS providers and PSAPs, for the purposes of maintaining it and verifying its accuracy;
- (13) To retain, with approval by the Auditor of Public Accounts, an independent certified public accountant who shall audit, once every twenty-four (24) months, the books of the board, CMRS providers, and PSAPs eligible to request or receive disbursements from the CMRS fund under KRS 65.7631 for the following purposes:
 - (a) To verify the accuracy of collection, receipts, and disbursements of all revenues derived from the CMRS service charge and the number of wireless E911 calls received by each PSAP eligible to request or receive disbursements from the CMRS fund;
 - (b) To determine whether the revenues generated by the CMRS service charge equal, exceed, or are less than the costs incurred in order to comply with the FCC order; and
 - (c) To determine the sufficiency of the funds currently being withheld for administrative purposes under KRS 65.7631(1).

The independent certified public accountant shall make a report of the audits to the board and to the appropriate chief executive officer or officers of the CMRS providers and PSAPs. The board shall incorporate the auditor's findings in its studies of the CMRS service charge required by subsection (4) of this section. All information with respect to the audits shall be released to the public or published only in aggregate amounts which do not identify or allow identification of numbers of subscribers or revenues attributable to individual CMRS providers;

- (14) To ensure that all carriers have an equal opportunity to participate in the wireless E911 system;
- (15) To ensure that wireless E911 systems are compatible with wireline E911 systems; and
- (16) To determine the appropriate method for disbursing funds to PSAP's based on wireless workload under KRS 65.7631(2)(b).

SECTION 4. A NEW SECTION OF KRS 65.7621 TO 65.7643 IS CREATED TO READ AS FOLLOWS:

As it relates, under KRS 65.7621 to 65.7643, to mobile telecommunications services as defined in 4 U.S.C. sec. 124:

- (1) *The provisions of 4 U.S.C. secs. 116 to 126 are hereby adopted and incorporated by reference.*
- (2) *If a customer believes that a tax, charge, fee, or assignment of place of primary use or taxing jurisdiction on a bill is incorrect, the customer shall notify the service provider about the alleged error in writing. This notification shall include the street address for the customer's place of primary use, the account name and number for which the customer seeks a correction, a description of the alleged error, and any other information that the service provider reasonably requires. Within sixty (60) days of receiving the customer's notification, the service provider shall either correct the error and refund or credit all taxes, charges, and*

fees incorrectly charged to the customer within four (4) years of the customer's notification, or explain to the customer in writing how the bill was correct and why a refund or credit will not be made.

- (3) *A customer shall not have a cause of action against a service provider for any erroneously collected taxes, charges, or fees until the customer has exhausted the procedure set forth in subsection (2) of this section.*

Section 5. KRS 160.613 is amended to read as follows:

- (1) There is hereby authorized a utility gross receipts license tax for schools not to exceed three percent (3%) of the gross receipts derived from the furnishing, within the county, of telephonic and telegraphic communications services, electric power, water, and natural, artificial, and mixed gas. "Gross receipts" includes all amounts received in money, credits, property, or other money's worth in any form, as consideration for the furnishing of the above utilities, except that "gross receipts" shall not include amounts received for furnishing energy or energy-producing fuels, used in the course of manufacturing, processing, mining, or refining to the extent that the cost of the energy or energy-producing fuels used exceeds three percent (3%) of the cost of production, and shall not include amounts received for furnishing any of the above utilities which are to be resold.
- (2) In the event that any user of telephonic and telegraphic communications services, electrical power, water, and natural, artificial, or mixed gas purchases the telephonic and telegraphic communications services, electrical power, water, and natural, artificial, or mixed gas directly from any supplier who is exempt either by state or federal law from the utility gross receipts license tax under the provisions of subsection (1) of this section, then the consumer, if such tax has been levied in his district, shall be liable for the tax and shall pay directly to the county finance officer, in accordance with the provisions of KRS 160.615, a utility gross receipts license tax for schools computed by multiplying the gross cost of all telephonic and telegraphic communications services, electrical power, water, and natural, artificial, or mixed gas received by the tax rate levied under the provisions of this section.
- (3) "Gross cost" shall mean the total cost of the telephonic and telegraphic communications, electrical power, water, and natural, artificial, or mixed gas including the cost of the tangible personal property and any services associated with obtaining the telecommunication and telegraphic services or tangible personal property, such as gas, electricity, and water, regardless from whom purchased.
- (4) *The tax imposed by this section shall apply to mobile telecommunications services as defined in 4 U.S.C. sec. 124 only if the customer's place of primary use is within the jurisdictional boundaries of the taxing jurisdiction. The provisions of 4 U.S.C. secs. 116 to 126 are hereby adopted and incorporated by reference.*
- (5) *If a customer believes that a tax, charge, fee, or assignment of place of primary use or taxing jurisdiction on a bill is incorrect, the customer shall notify the home service provider about the alleged error in writing. This notification shall include the street address for the customer's place of primary use, the account name and number for which the customer seeks a correction, a description of the alleged error, and any other information that the home service provider reasonably requires. Within sixty (60) days of receiving the customer's notification, the home service provider shall either correct the error and refund or credit all taxes, charges, and fees incorrectly charged to the customer within four (4) years of the customer's notification, or explain to the customer in writing how the bill was correct and why a refund or credit will not be made.*
- (6) *A customer shall not have a cause of action against a home service provider for any erroneously collected taxes, charges, or fees until the customer has exhausted the procedure set forth in subsection (5) of this section.*

Section 6. Sections 1 to 5 of this Act take effect for customer service bills issued after August 1, 2002.

Approved March 26, 2002

CHAPTER 70

(SB 89)

AN ACT relating to domestic violence information.

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

Section 1. KRS 403.7505 is amended to read as follows:

- (1) The Cabinet for Health Services shall, by administrative regulations promulgated pursuant to KRS Chapter 13A, establish certification standards for mental health professionals providing court-mandated treatment services for domestic violence offenders.
- (2) The standards created by the cabinet shall be based on the following principles:
 - (a) Domestic violence is a pattern of coercive control which includes physical, sexual, psychological, and environmental abuse, and is considered to be criminal conduct;
 - (b) The primary goal of treatment programs for domestic violence offenders shall be the cessation of violence which will provide for the safety of victims and their children; and
 - (c) Domestic violence offenders are responsible and shall be held accountable for the violence which they choose to perpetrate.
- (3) The standards created by the cabinet shall address the following:
 - (a) Qualifications of providers of court-mandated domestic violence offender treatment services which shall include appropriate requirements for degree, experience, training, and continuing education;
 - (b) Procedures for application by providers to receive certification which shall include methods of appeal if certification is denied, and sanctions for noncompliance with the standards which may include revocation of certification;
 - (c) Admittance and discharge criteria for domestic violence offenders to enter court-mandated treatment services provided pursuant to this section;
 - (d) Written protocols for referral by a court to certified providers and for progress reports to be made to the court by providers;
 - (e) Contracts for domestic violence offenders to sign prior to entering court-ordered treatment services provided pursuant to this section. The contract shall specify that certified providers may contact the victims of the offender if the victim chooses to be contacted. The contract shall authorize the provider to release information regarding the offender's progress in treatment to the court, victims, probation and parole officers, and other individuals authorized by the court to receive the information;
 - (f) Written procedures in compliance with KRS 202A.400, 209.030, and 620.030;
 - (g) Payment protocols which require the offender to pay the actual cost for any court-mandated evaluation or treatment pursuant to this section, subject to the offender's ability to pay; and
 - (h) Other provisions which shall further the availability and quality of court-mandated domestic violence offender services.
- (4) The cabinet shall:
 - (a) Maintain a list of providers certified pursuant to this section and regularly submit the list to the Administrative Office of the Courts; and
 - (b) Collect data from certified providers, which shall include **demographic information and clinical characteristics on offenders served, number of offenders admitted into treatment and discharge conditions, total clinical services provided to offenders, and other information necessary to monitor the safety and effectiveness of services provided**~~the number of domestic violence offenders served by the certified providers~~, to be compiled annually and submitted to the Governor, the Chief Justice of the Kentucky Supreme Court, and the Legislative Research Commission.
- (5) No person, association, or organization shall conduct, operate, maintain, advise, or advertise any program that provides court-ordered treatment services for domestic violence offenders without first obtaining or maintaining valid certification under this chapter. If the cabinet has cause to believe that court-ordered treatment services for domestic violence offenders are being provided by a person or entity that does not possess valid certification under this chapter, the cabinet may institute proceedings, in the Circuit Court of the county in which the person or entity is located or in Franklin Circuit Court, for injunctive relief to terminate the provision of those services.
- (6) ***Any person certified under this section shall submit quarterly to the cabinet:***

- (a) *Demographic information and clinical characteristics on offenders served;*
- (b) *Number of offenders admitted into treatment and discharge conditions;*
- (c) *Total clinical services provided to offenders; and*
- (d) *Other information as required by administrative regulation.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *Upon receipt of notice that a person barred from purchasing a firearm under 18 U.S.C. sec. 922(g)(8) has purchased or attempted to purchase a firearm, the Justice Cabinet shall make a reasonable effort to provide notice to the petitioner who obtained the domestic violence order issued under KRS 403.750 that the respondent to the order has attempted to purchase a firearm. The Justice Cabinet may contract with a private entity in order to provide notification.*
- (2) *The notification shall be limited to a petitioner who has:*
 - (a) *Received a domestic violence protective order issued or reissued under KRS 403.750 on or after July 15, 2002;*
 - (b) *Received a domestic violence protective order that involves a respondent who is prohibited by 18 U.S.C. sec. 922(g)(8) from possessing a firearm; and*
 - (c) *Provided the Justice Cabinet or the entity with a request for notification.*
- (3) *Any person carrying out responsibilities under this section shall be immune from civil liability for good faith conduct in carrying out those responsibilities. Nothing in this subsection shall limit liability for negligence.*

Section 3. KRS 237.095 is amended to read as follows:

- (1) Upon receiving notice that a person barred from purchasing a firearm under 18 U.S.C. sec. 922(g)(8) has purchased or attempted to purchase a firearm, any agency with the responsibility of entering domestic violence records into the Law Information Network of Kentucky shall notify:
 - (a) The court in the jurisdiction where the domestic violence order was issued under KRS 403.750; and
 - (b) The law enforcement agencies, as designated by the Kentucky State Police, that have jurisdiction in the county where the domestic violence order was issued and in the county of the victim's residence if different from the county where the domestic violence order was issued.
- (2) The Kentucky State Police shall develop a protocol for providing notice to the required court and law enforcement agencies under subsection (1) of this section. Within the protocol, the Kentucky State Police shall designate which local law enforcement agencies are to receive notice in each county. A minimum of one (1) law enforcement agency shall be designated in each county.
- (3) When a designated law enforcement agency for the county where the domestic violence order was issued or where the victim resides receives notice under subsection (1)(b) of this section, that agency shall make reasonable efforts to ensure that the petitioner who obtained the domestic violence order is notified that the respondent has purchased or attempted to purchase a firearm.
- (4) Any person carrying out responsibilities under this section shall be immune from civil liability for good faith conduct in carrying out those responsibilities.
- (5) This section shall apply only to domestic violence orders issued, or reissued, on or after July 14, 2000, *through the effective date of this Act.*

Approved March 26, 2002

CHAPTER 71

(SB 112)

AN ACT relating to the finances of county fee officers.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 64 IS CREATED TO READ AS FOLLOWS:

If a county clerk and sheriff are operating under the procedures applicable to counties equaling or exceeding populations of seventy thousand (70,000), and after the most recent federal decennial census the county population is less than seventy thousand (70,000), the county clerk and sheriff shall continue to operate and shall continue to be treated in the same manner as if the county's population equals or exceeds seventy thousand (70,000).

Section 2. KRS 64.345 is amended to read as follows:

- (1) The county clerk and sheriff of each county having a population of seventy thousand (70,000) or over shall receive an annual salary pursuant to the salary schedule in KRS 64.5275.
- (2) In counties containing a city of the first class and in counties having an urban-county form of government, the amount, if any, allowed for the necessary office expenses of each officer shall be approved by the fiscal court in counties containing a city of the first class and by the legislative body in counties containing an urban-county form of government. This approval shall be signed by the county judge/executive in a county containing a city of the first class and by the executive authority in a county having an urban-county form of government. Approval by the fiscal court or urban-county legislative body under this subsection shall not include oversight of expenditure of the funds. This oversight shall be retained by the Office of the Controller created pursuant to KRS 42.0201. In counties containing a city of the first class, each sheriff's deputy who uses his own automobile in the performance of official duties shall be authorized an allotment for expenses incurred, up to a maximum of three hundred dollars (\$300) per month, to be paid out of the fees and commissions of the sheriff's office. In all other counties with a population of seventy thousand (70,000) or more, the amount, if any, allowed for the necessary office expenses of each officer shall be fixed by the fiscal court by an order entered upon the fiscal court order book no later than January 15 of each year. A certified copy of the orders, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Finance and Administration Cabinet.
- (3) Each officer shall, on the first day of each month, send to the Finance and Administration Cabinet a statement, subscribed and sworn to by him, showing the amount of money received or collected by or for him the preceding month as fees or compensation for official duties and shall, with these statements, send to the Finance and Administration Cabinet the amount so collected or received. The Finance and Administration Cabinet may extend the time for filing the statement and making the payment for a period not exceeding ten (10) days in any month.
- (4) The salary of each officer and his deputies and assistants and his office expenses shall be paid semimonthly by the State Treasurer upon the warrant of the Finance and Administration Cabinet made payable to the officer. If seventy-five percent (75%) of the amount paid into the State Treasury in any month by any of such officers is not sufficient to pay the salaries and expenses of his office for that month, the deficit may be made up out of the amount paid in any succeeding month; but in no event shall the amount allowed by the Finance and Administration Cabinet to any officer for salaries and expenses exceed seventy-five percent (75%) of the amount paid to the Finance and Administration Cabinet by the officer during his official term.
- (5) In counties containing a city of the first class and in counties having an urban-county form of government, the number of deputies and assistants allowed to each officer and the compensation allowed to each deputy and assistant shall be approved at reasonable amounts upon motion of each officer by the fiscal court in counties containing a city of the first class and by the legislative body in counties containing an urban-county form of government. This approval shall be signed by the county judge/executive in a county containing a city of the first class and by the executive authority in a county having an urban-county form of government. Approval by the fiscal court or urban-county legislative body under this subsection shall not include oversight of expenditure of the funds. This oversight shall be retained by the Office of the Controller. In all other counties with a population of seventy thousand (70,000) or more, the number of deputies and assistants allowed to each officer and the compensation allowed to each deputy and assistant shall be fixed at reasonable amounts upon motion of each officer by the fiscal court by an order entered upon the fiscal court order book no later than January 15 of each year. A certified copy of the orders, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Finance and Administration Cabinet.
- (6) ***If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.***

Section 3. KRS 64.346 is amended to read as follows:

- (1) The fiscal court in counties containing a population of seventy thousand (70,000) or over may authorize and pay out of the general fund of the county for any expenditures which, in its discretion, are deemed necessary for the efficient operation of the offices of the county and Circuit Court clerk, sheriff, and jailer.
- (2) ***If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.***

Section 4. KRS 64.350 is amended to read as follows:

- (1) In counties having a population of seventy thousand (70,000) or more, the salaries of the county clerks and sheriffs and of their deputies and all necessary office expenses, including the equipping, furnishing, maintaining, and operation of the offices, shall be paid out of the State Treasury in amounts not to exceed seventy-five percent (75%) of the fees collected by the officers respectively, and received into the treasury; and twenty-five percent (25%) of the fees collected by the officers respectively, and received into the State Treasury shall be paid in the manner provided by law for the payment of other claims against the state to the fiscal courts or urban-county governments of the respective counties. The amount of twenty-five percent (25%) of the fees collected by the jailers during each calendar year shall be paid to the fiscal courts or urban-county governments of the respective counties by April 1 of each year succeeding the calendar year during which the fees were received by the Finance and Administration Cabinet. The amount of twenty-five percent (25%) of the fees collected by the county clerks and sheriffs during each calendar year shall be paid to the fiscal courts or urban-county governments of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. Each payment shall be for the preceding three (3) months during which fees were received by the Finance and Administration Cabinet. Adjustments necessary to insure that exactly twenty-five percent (25%) of fees collected are returned to the fiscal courts or urban-county governments shall be made in the January 15 payment. After payment of the salaries and expenses specified in this subsection, any remaining balance of the seventy-five percent (75%) of the fees collected by the officers respectively at the end of their official term shall be paid by the State Treasurer to the fiscal courts or urban-county government of the respective counties, subject to the provisions of subsection (2) of this section.
- (2) Notwithstanding the provisions of subsection (1) of this section, all sums received into the State Treasury and representing seventy-five percent (75%) of the fees collected by the sheriffs specified in subsection (1) of this section from any county in which a metropolitan correctional services department has been established shall be expended from the State Treasury for the payment of the salaries and costs specified in subsection (1) of this section, and in Section 106 of the Constitution of Kentucky. After payment of the salaries and costs specified in this subsection, the remaining balance representing fees collected by sheriffs shall be paid by the State Treasury to the fiscal court of the county in which a metropolitan correctional services department has been established by April 1 of each year succeeding the calendar year in which the fees were received by the Finance and Administration Cabinet.
- (3) ***If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.***

Section 5. KRS 64.530 is amended to read as follows:

- (1) Except as provided in subsections (5) and (6) of this section, the fiscal court of each county shall fix the compensation of every county officer and employee except the officers named in KRS 64.535 and the county attorney and jailer. The fiscal court may provide a salary for the county attorney.
- (2) For the purposes of this section, justices of the peace and constables in all counties shall be deemed to be county officers and deputies or assistants of county officers shall be deemed to be county employees, but employees of county boards or commissions which are now authorized by law to fix the compensation of their employees shall not be deemed to be county employees for the purposes of this section.
- (3) In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the maximum compensation that any officer except the officers named in KRS 64.535 may receive from both sources. The fiscal court may also fix the maximum amount that the officer may expend each year for expenses of his office. The fiscal court shall fix annually the maximum amount, including fringe benefits, which the officer may expend for deputies and assistants, and allow the officer to determine the number to be hired and the individual compensation of each deputy and assistant.

- (4) In the case of county officers elected by popular vote and the county attorney, in the event the fiscal court provides him a salary, the monthly compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court, consistent with the provisions of subsection (3) of this section, not later than the first Monday in May in the year in which the officers are elected, and the compensation of the officer shall not be changed during the term but the compensation of his deputies or assistants may be reviewed and adjusted by the fiscal court not later than the first Monday in May of any successive year upon the written request of the officer. On or before August 1, 1966, the fiscal court shall fix the salary provided herein for the county attorneys for the term commencing in January, 1966, notwithstanding any other provisions of this section which may be inconsistent herewith.
- (5) Nothing in this section shall apply to property valuation administrators or their deputies, assistants, and expenses, in any county, or to the circuit court clerk, county clerk, sheriff, jailer, and their deputies, assistants, and expenses, in counties having a population of seventy thousand (70,000) or more. ***If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.***
- (6) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county other than one containing a city of the first, second, third, or fourth class, shall be paid for their services, out of the county treasury, not to exceed the maximum compensation allowable under KRS 64.527. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation shall be effective as to any member of a fiscal court during his term of office. The compensation of county commissioners serving on fiscal courts in counties containing a city of the first class shall not exceed nine thousand six hundred dollars (\$9,600) per year; in counties containing cities of the second class it shall not exceed nine thousand dollars (\$9,000) per year; and in counties containing cities of the third or fourth class it shall not exceed twenty percent (20%) more than the annual compensation paid in the county for the calendar year immediately preceding 1974; and all of said annual salaries shall be payable monthly. Justices of the peace and county commissioners shall not receive any compensation for their services on the fiscal court, other than as provided by this section; provided, however, justices of the peace and county commissioners may receive no more than three thousand six hundred dollars (\$3,600) annually or three hundred dollars (\$300) per month as an expense allowance for serving on committees of the fiscal court. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation except as provided in KRS 64.285 shall be effective as to any member of a fiscal court during his term of office.

Section 6. KRS 64.690 is amended to read as follows:

- (1) Except as provided in KRS 64.610 and in this section, KRS 64.480 to 64.740 are intended to supersede any existing statute, fixing the compensation, or authorizing any public officer or body to fix the compensation, of any public officer or employee covered by KRS 64.480 to 64.740.
- (2) Any public officer or body which has authority to fix the compensation of any state officer or employee covered by KRS 64.640 shall exercise such authority, subject to the schedule and limits of compensation for the particular office or position prescribed in KRS 64.640. The secretary of the Personnel Cabinet shall have the authority to monitor and require compliance with the provisions of this section and KRS 64.640 and 64.475.
- (3) KRS 64.480 to 64.740 are not intended to supersede any existing statute, with respect to the compensation of circuit clerks, county clerks, sheriffs, master commissioners, and receivers, and their deputies and assistants, in counties containing a population of seventy thousand (70,000) or more, or property valuation administrators, their deputies, and assistants, in any county.
- (4) ***If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.***

Section 7. KRS 134.215 is amended to read as follows:

- (1) An outgoing sheriff, as soon as his successor has been qualified and inducted into office and his official bond approved, shall immediately vacate his office, deliver to his successor all books, papers, records, and other property held by virtue of his office, and make a complete settlement of his accounts as sheriff, except as otherwise provided in this section.

- (2) All unpaid tax bills and bills upon which partial payments have been accepted in the possession of the sheriff upon the date of expiration of his term shall be turned over to the incoming sheriff, who shall collect and account for them as provided by law. The outgoing sheriff shall take a receipt from the incoming sheriff for the unpaid and partially paid tax bills. This receipt shall show in detail for each unpaid and for each partially paid tax bill the total amount due each taxing district as shown upon the tax bills. Provided, however, in counties containing a population of seventy thousand (70,000) or over, the receipt shall show the total amount due each taxing district as shown upon the unpaid and partially paid tax bills. The receipt shall be signed and acknowledged by the incoming sheriff before the county clerk, filed with the county judge/executive, and recorded in the order book of the county judge/executive in the manner required by law for recording the official bond of the sheriff. A certified copy of the receipt as recorded in the order book of the county judge/executive shall be filed with the Revenue Cabinet. The outgoing sheriff and his bondsmen or sureties shall be relieved in securing his quietus and in the final settlement of his accounts of all responsibility for collecting and accounting for the amounts covered by the receipt, and the incoming sheriff shall be charged with full responsibility for collecting and accounting for these amounts as otherwise provided by law for the collection and accounting for taxes. *If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.*
- (3) Each outgoing sheriff shall make a final settlement with the Revenue Cabinet and the fiscal court and taxing district of his county by March 15 immediately following the expiration of his term of office for all charges of taxes made against him and for all money received by him as sheriff and to obtain his quietus, and immediately thereafter he shall deliver these records to the incumbent sheriff.
- (4) For purposes of accounting for unpaid and partially paid tax bills, either the outgoing sheriff, the incoming sheriff, or both, may, by giving advance notice by publication pursuant to KRS Chapter 424, refuse to accept payment of ad valorem taxes during any or all of that portion of their terms of office from January 1 through January 15. Irrespective of whether the office refuses to accept payment of taxes during any or all of this fifteen (15) day period, both the incoming and outgoing sheriffs shall have working access to the office facilities and to the records and mail of the sheriff's office relating to the payment, collection, and refund of ad valorem taxes on property. Interest shall not be assessed or collected for the period during which payment of taxes is prohibited under the terms of this section.
- (5) The outgoing sheriff shall be allowed and paid in accordance with KRS 64.140 and 64.530 the reasonable expenses actually incurred in preparing the receipt required under this section. Reasonable expenses actually incurred may include office expenses and salaries of himself, deputies, and employees paid in accordance with the schedule of the previous year or the amount paid an auditor necessary in determining, verifying, and recording the unpaid and partially paid tax bills turned over to the incoming sheriff.

Section 8. KRS 134.310 is amended to read as follows:

- (1) The sheriff shall annually settle his accounts for county and district taxes with the fiscal court after making settlement with the Revenue Cabinet. The fiscal court shall appoint some competent person other than the Commonwealth's or county attorney to settle the accounts of the sheriff for money due the county or district. The cabinet, at the request of the fiscal court or any school district, may conduct the local settlement. If no local settlement has been initiated by July 1 of any year, the cabinet may initiate the local settlement on behalf of the local district. Upon completion of the local settlement, the cabinet may receive reasonable reimbursement for expenses incurred. The report of the state and local settlement shall be filed in the county clerk's office and approved by the county judge/executive no later than September 1 of each year. The settlement shall show the amount of ad valorem tax collected, and an itemized statement of the money disbursed.
- (2) The settlement shall be published pursuant to KRS Chapter 424. The report of the settlement shall be subject to objections by the sheriff or by the county attorney, who shall represent the state and county, and the county judge/executive shall determine the objections. Objections shall be submitted to the county judge/executive within fifteen (15) days of the filing of the settlement in the clerk's office. If no objections are submitted, the settlement will become final.
- (3) If the county judge/executive denies the objections, the sheriff may institute an action in Circuit Court within fifteen (15) days of receipt of the denial for review of the settlement and objections. Upon review, the Circuit Court shall issue its determination and the settlement shall become final. The final settlement shall be subject to correction by audit conducted pursuant to KRS 43.070 or 64.810.

- (4) On the final settlement, the sheriff shall pay to the county treasurer all money that remains in his hands, and take receipts as provided in KRS 134.300, and shall pay any additional amounts charged against him as a result of the settlements. If the sheriff fails to remit amounts charged against him the cabinet may issue bills for the subsequent year and may assume all collection duties in the name of and on behalf of the cities, counties, school districts, and other taxing districts to collect the taxes. In the performance of any tax collection duties undertaken by the cabinet, the cabinet shall have all the powers, rights, and authority for the collection of taxes established in Chapters 131, 132, 133, and 134 of the Kentucky Revised Statutes. The fees and commissions which the sheriff would have been entitled to receive from the taxing districts shall be paid to the cabinet.
- (5) In counties containing a population of less than seventy thousand (70,000), the sheriff shall file annually with his final settlement:
 - (a) A complete statement of all funds received by his office for official services, showing separately the total income received by his office for services rendered, exclusive of his commissions for collecting taxes, and the total funds received as commissions for collecting state, county, and school taxes; and
 - (b) A complete statement of all expenditures of his office, including his salary, compensation of deputies and assistants, and reasonable expenses.
- (6) At the time he files the statements required by subsection (5) of this section, the sheriff shall pay to the fiscal court any fees, commissions, and other income of his office, including income from investments, which exceed the sum of his maximum salary as permitted by the Constitution and other reasonable expenses, including compensation of deputies and assistants. The settlement for excess fees and commissions and other income shall be subject to correction by audit conducted pursuant to KRS 43.070 or 64.810, and the provisions of this subsection shall not be construed to amend KRS 64.820 or 64.830.
- (7) ***If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.***

Section 9. KRS 18A.370 is amended to read as follows:

For the purposes of KRS 18A.375 to 18A.385, the term "state employee" shall mean all persons, including elected public officials, who are regularly employed by the executive, judicial, and legislative departments of government, except employees of the Transportation Cabinet and the University of Kentucky who have their own self-insurance fund. The term "state employee" shall also include volunteer firefighters and volunteer ambulance personnel; persons who are regularly employed by the Fayette County Health Department; and persons who are regularly employed by court clerks and sheriffs of counties with a population of seventy thousand (70,000) or more. ***If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.***

Section 10. KRS 64.121 is amended to read as follows:

- (1) "Incapacity" means a condition under which a sheriff or his or her personal representative may apply to the Circuit or District Judge that presides over the sheriff's county for an order to determine that the sheriff is physically or mentally unable to discharge the duties of his or her office. The application to the Circuit or District Judge shall include and be supported by an affidavit by the sheriff's physician documenting the sheriff's incapacitating condition.
- (2) If a sheriff in a county containing a population of less than seventy thousand (70,000) dies or is incapacitated during his or her term of office, the fiscal court of that county shall on or before the first day of March of the year following the death or date of incapacity of the sheriff pay to the sheriff or to the personal representative of the sheriff sufficient money to reimburse the sheriff or his or her estate for the salaries of his deputies and assistants and other necessary expenses of his or her office that were paid by the sheriff during the year of his or her death or incapacity. Additionally, for each month that the sheriff or his or her personal representative performed the duties of sheriff during the year of his or her death or incapacity, the fiscal court shall pay to the sheriff or to the sheriff's personal representative a sum of money equal to one-twelfth (1/12) of the total salary received by the county's sheriff in the year prior to the year of the death or incapacity. The sheriff's salary and all fees and commissions paid to the sheriff during the year of his or her death or incapacity shall be deducted from the amount that the sheriff or his or her personal representative is to receive by this section.

- (3) *If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.*

Section 11. KRS 64.355 is amended to read as follows:

- (1) It is hereby declared to be the intent of the General Assembly that all fees of the office of county clerk and sheriff in counties having a population of seventy thousand (70,000) or more that are paid into the State Treasury pursuant to the provisions of Section 106 of the Constitution of Kentucky are the property of the respective county, and these fees along with those collected by the circuit clerk shall be computed as part of the county's total tax effort for the purpose of determining credit for any federally funded program.
- (2) *If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of Section 1 of this Act shall apply.*

Approved March 26, 2002

CHAPTER 72

(SCR 47)

A CONCURRENT RESOLUTION requesting reauthorization of the Tobacco Task Force.

WHEREAS, tobacco production is at the heart of Kentucky's agricultural economy; and

WHEREAS, loss of tobacco production or the tobacco program would have a devastating effect on Kentucky and its tobacco farmers; and

WHEREAS, the loss of tobacco production would cause failure of many farms and businesses, decreases in land values, the default of loans, and the loss of state and local revenues; and

WHEREAS, shifts in tobacco production from the auction marketing system to contract marketing system, and cuts in tobacco quota continue to change the traditional tobacco program and methods of tobacco production in Kentucky; and

WHEREAS, the Tobacco Task Force was created by the Legislative Research Commission in 1984 to address problems that threaten the tobacco industry and the tobacco price support program; and

WHEREAS, the Task Force has studied contracting in tobacco and many other problems that threaten Kentucky's tobacco economy and been instrumental in helping to resolve these problems; and

WHEREAS, the Kentucky's tobacco industry and tobacco farmers remain in jeopardy because of threats to the tobacco program, increased use of imported tobacco, labor shortages, marginal prices, cuts in tobacco quota, a shift from an auction marketing system to a contract marketing system, possible increases in excise taxes, and other problems;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Kentucky Tobacco Task Force be reauthorized through December 31, 2003, to help resolve the problems facing the tobacco industry and the tobacco program.

Section 2. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved March 26, 2002

CHAPTER 73**(SCR 76)**

A CONCURRENT RESOLUTION encouraging the Governor and the Cabinet for Health Services to respond to and fund the needs of Kentuckians living with HIV and AIDS.

WHEREAS, Kentucky citizens face a terrible pandemic in the form of the human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS); and

WHEREAS, throughout the 1990s, progress was made in the treatment of AIDS patients with the development of medications that fought the most serious of symptoms and that delayed the onset of other serious opportunistic infections; and

WHEREAS, new medications help persons with HIV live longer without developing symptoms of full-blown AIDS; and

WHEREAS, the medications for treating HIV and AIDS are extremely expensive, and many people without health insurance are unable to purchase these medications without state assistance; and

WHEREAS, the Kentucky AIDS Drug Assistance Program (KADAP) is not adequately funded and has over 100 persons on a waiting list for drugs that could prolong life or delay the onset of life-threatening symptoms; and

WHEREAS, Kentucky has developed a network of testing and counseling services to help persons obtain testing for HIV, receive counseling related to the results, and receive counseling on the availability of services for persons who test positive for the human immunodeficiency virus; and

WHEREAS, services are not consolidated in a manner that permits easy access or that maximizes efficiency; and

WHEREAS, only three full-service clinics exist in Kentucky that can provide counseling related to housing, transportation, employment, and medications, and that can provide necessary medical services; and

WHEREAS, the three clinics are located in Louisville (University of Louisville), Lexington (University of Kentucky), and Paducah (Heartland CARES), and these clinics are required to provide services to the majority of the AIDS clients in the state but are not reimbursed for many of the services because the patients frequently are uninsured;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Cabinet for Health Services is encouraged to assist the development of a centers of excellence model of HIV and AIDS health care delivery that would permit patients to receive all medical care at a center or from family physicians who in turn could access the centers' resources when necessary.

Section 2. The Cabinet for Health Services is encouraged to provide an aggressive outreach program to build a statewide network of HIV and AIDS care providers.

Section 3. The Cabinet for Health Services is encouraged to consolidate HIV and AIDS counseling and testing services. Consolidation would create more efficiency within the cabinet and facilitate increased knowledge and expertise among designated counseling and testing staff.

Section 4. The Governor and the Cabinet for Health Services are encouraged to increase state support for the Kentucky AIDS Drug Assistance Program. Priority should be given to eliminating the waiting list currently facing many Kentuckians who need medications to sustain life.

Section 5. The Governor and the Cabinet for Health Services are encouraged to fully fund the activities of the HIV/AIDS Advisory Council, created by the 2000 General Assembly but not given sufficient funding to carry out its mandated responsibilities. Funding over the 2002-2004 biennial budget should allow for planning, administrative, and staff support and expenses for members to attend meetings.

Section 6. The Clerk is directed to transmit a copy of this resolution to Governor Paul Patton, Capitol, Frankfort, Kentucky 40601; Marcia Morgan, Secretary, Cabinet for Health Services, 275 East Main Street, Frankfort, Kentucky 40601; and the Legislative Research Commission.

Kentucky 40621; and Ardis Hoven, M.D., Chair, HIV/AIDS Advisory Council, University of Kentucky Medical Center, Division of Infectious Diseases, Room MN672, Lexington, Kentucky 40536-0298.

Approved March 26, 2002

CHAPTER 74

(SJR 23)

A JOINT RESOLUTION naming the connector road at Virgie, Kentucky, between Kentucky Route 610 and United States Route 23 in honor of former State Representative N. Clayton Little.

WHEREAS, born in Hartley, Pike County, Kentucky, on June 9, 1933, N. Clayton Little has been a longtime resident of Virgie in Pike County; and

WHEREAS, after receiving a Bachelor of Science degree from Pikeville College, N. Clayton Little traveled to Eastern Kentucky University to complete his Master of Arts degree, and then on to Morehead State University where after completing another thirty hours' course work he received a Rank I Certification in Education; and

WHEREAS, N. Clayton Little is a successful businessman in Pike County in addition to being a respected educator; and

WHEREAS, throughout his career N. Clayton Little has been an active member of many civic and professional organizations including the Jaycees; the National and Kentucky Education Associations; the Pike County Teachers Association; the National and Kentucky Directors of Public Personnel Association; and the National and Kentucky Social Workers Organization; and

WHEREAS, from 1974 to 1994, the citizens of the Ninety-Third House of Representatives District selected N. Clayton Little to champion their causes in Frankfort; and

WHEREAS, during his two decades of selfless service in the Kentucky General Assembly, in addition to serving on numerous special legislative committees, N. Clayton Little served on the following standing committees: Education, Highways and Traffic Safety, Judiciary-Courts, Labor and Industry, and Transportation; and

WHEREAS, N. Clayton Little was the distinguished Chair of the House Transportation Committee from 1980 until his retirement in 1994; and

WHEREAS, it is only fitting to honor Pike County's native son who faithfully represented the citizens of the Ninety-Third House of Representatives District;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The members of the General Assembly, both individually and collectively, hereby proclaim N. Clayton Little to be an outstanding statesman and exemplary representative of the Commonwealth.

Section 2. In honor of his many years of service as the Gentleman from Pike 93, the General Assembly hereby directs the Transportation Cabinet to name the connector road at Virgie, Kentucky, between Kentucky Route 610 and United States Route 23 "The N. Clayton Little Highway."

Section 3. The Transportation Cabinet shall, within thirty (30) days of the effective date of this Resolution, erect signs on the connector road at Virgie, Kentucky, between Kentucky Route 610 and United States Route 23 that read "The N. Clayton Little Highway."

Approved March 26, 2002

CHAPTER 75

(HB 152)

AN ACT relating to manufactured housing.

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

Section 1. KRS 227.550 is amended to read as follows:

As used in this section to KRS 227.660, 227.990, and 227.992, unless the context requires a different definition:

- (1) "Board" means the Manufactured Home Certification and Licensure Board or the Recreational Vehicle Certification and Licensure Board.
- (2) "Class A seal" means a device or insignia issued by the office to indicate compliance with the standards, rules, and regulations established by the office or the board for recreational vehicles.
- (3) "Class B seal" means a seal issued pursuant to subsection (3) of KRS 227.600.
- (4) "Dealer" means any person, ~~other than a manufacturer, as defined herein,~~ firm, or corporation, who sells or offers for sale three (3) or more manufactured homes, mobile homes, or recreational vehicles in any consecutive twelve (12) month period. ***The term "dealer" shall not include:***
 - (a) ***A manufacturer, as defined in this section;***
 - (b) ***Any bank, trust company, or lending institution that is subject to state or federal regulation, with regard to the disposition of its own repossessed manufactured housing; or***
 - (c) ***A licensed real estate agent who acts as a negotiator between an owner and a prospective purchaser and does not acquire ownership or possession for resale purposes of three (3) or more manufactured homes in any consecutive twelve (12) month period.***
- (5) "Established place of business" means a fixed and permanent place of business in this state, including an office building and hard surface lot of suitable character and adequate facilities and qualified personnel, for the purpose of performing the functional business and duties of a dealer, which shall include the books, records, files, and equipment necessary to properly conduct such business, or a building having sufficient space therein in which the functional duties of a dealer may be performed. The place of business shall not consist of a residence, tent, temporary stand, or open lot. It shall display a suitable sign identifying the dealer and his business.
- (6) "Federal act" means the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. secs. 5401 et seq., as amended, and rules and regulations issued thereunder.
- (7) "Manufactured home" means a single-family residential dwelling constructed in accordance with the federal act, manufactured after June 15, 1976, and designed to be used as a single-family residential dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein. The manufactured home may also be used as a place of business, profession, or trade by the owner, the lessee, or the assigns of the owner or lessee and may comprise an integral unit or condominium structure. Buildings the construction of which is not preempted by the federal act are subject to building code requirements of KRS Chapter 198B.
- (8) "Manufactured housing" means manufactured homes, mobile homes, recreational vehicles, mobile office or commercial units, add-a-rooms, or cabanas.
- (9) "Manufacturer" means any person who manufactures manufactured homes or recreational vehicles and sells to Kentucky dealers.
- (10) "Mobile home" means a structure manufactured prior to June 15, 1976, which was not required to be constructed in accordance with the federal act, which is transportable in one (1) or more sections, which, in the traveling mode, is eight (8) body feet or more in width and forty (40) body feet or more in length, or, when erected on site, is three hundred twenty (320) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.
- (11) "Office" means the office of the state fire marshal.
- (12) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. It shall include recreational vehicles which are regulated as to length, width, and registration

by KRS Chapter 186. The basic entities are: Travel trailer, camping trailer, truck camper, motor home, and park vehicle.

- (a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.
 - (b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.
 - (c) Truck campers: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pickup truck.
 - (d) Park vehicle: A vehicle which:
 - 1. Is built on a single chassis mounted on wheels;
 - 2. Is primarily designed as temporary living quarters for seasonal or destination camping and which may be connected to utilities necessary for operation of installed fixtures and appliances;
 - 3. Has a gross trailer area not exceeding four hundred (400) square feet in the set-up mode;
 - 4. Has a gross trailer area not less than two hundred forty (240) square feet and is certified by the manufacturer as complying with ANSI A119.5, Park Vehicles.
 - (e) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.
- (13) "Secretary" means the secretary of the Federal Department of Housing and Urban Development.
- (14) "ANSI" means the American National Standards Institute.

Approved March 26, 2002

CHAPTER 76

(HB 728)

AN ACT relating to administrative regulations and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 13A IS CREATED TO READ AS FOLLOWS:

- (1) *The General Assembly finds that certain administrative regulations, as evidenced by the records of the Legislative Research Commission, including, but not limited to, the Kentucky Administrative Regulations Service and the Administrative Register of Kentucky, were found deficient on or after July 15, 1988, and either expired prior to or upon adjournment of the 2001 General Assembly, or were scheduled to expire upon adjournment of the 2002 Regular Session of the General Assembly, under the provisions of KRS Chapter 13A as existing before the issuance of the Opinion and Order of the Franklin Circuit Court in Patton v. Sherman et al., Civil Action No. 01-CI-00660, entered January 11, 2002.*
- (2) *Contrary provisions of any section of the Kentucky Revised Statutes notwithstanding, the administrative regulations identified in subsection (1) of this section shall be null, void, and unenforceable, as follows:*
 - (a) *Those administrative regulations identified in subsection (1) of this section which expired prior to or upon adjournment of the 2001 Regular Session of the General Assembly under the provisions of KRS Chapter 13A existing before the issuance of the court order referenced in subsection (1) of this section shall be null, void, and unenforceable as of their recorded date of expiration, according to the records of the Legislative Research Commission. Administrative bodies and regulated persons and*

entities have relied on the assumption that these administrative regulations have previously expired; therefore, this subsection shall have the retroactive effect necessary to implement its provisions; and

- (b) Those administrative regulations identified in subsection (1) of this section due to expire upon adjournment of the 2002 Regular Session of the General Assembly, under the provisions of KRS Chapter 13A existing before the issuance of the court order referenced in subsection (1) of this section, shall be null, void, and unenforceable upon the effective date of this Act.*
- (3) Contrary provisions of any section of the Kentucky Revised Statutes notwithstanding, an administrative body shall be prohibited from promulgating an administrative regulation that is identical to or substantially the same as any administrative regulation identified in subsection (1) of this section for a period beginning on January 11, 2002, and concluding upon adjournment of the 2003 Regular Session of the General Assembly. This subsection shall have the retroactive effect necessary to implement its provisions.*
- (4) The Legislative Research Commission may file an action in the Franklin Circuit Court for judicial review to determine if any administrative regulation is lawfully promulgated in accordance with the laws and Constitution of the Commonwealth of Kentucky.*

Section 2. A list of the administrative regulations identified in subsection (1) of Section 1 of this Act shall be available to the public on the effective date of this Act, in the office of the Legislative Research Commission's Regulations Compiler.

Section 3. Whereas it is essential for the public and the administrative agencies of state government that the status of previously promulgated administrative regulations be clearly established, so that the regulated activities of citizens and the regulatory actions of agencies can proceed efficiently and within the law, an emergency is declared to exist, and this Act shall take effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

Approved March 27, 2002

CHAPTER 77

(HB 378)

AN ACT relating to elections in cities whose boundaries extend beyond a single county.

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

Section 1. KRS 83A.047 is amended to read as follows:

In a city whose boundaries extend beyond those of a single county, candidates for nomination or election to city office shall be governed by the provisions contained in KRS 83A.045, except that all nomination papers shall be filed with the county clerk of the county in which the candidate resides no later than 4 p.m. local time on the day provided for in KRS 83A.045. On the day following the candidate filing deadline, each county clerk shall certify the names of all candidates for city office that filed nomination papers with him or her to the clerk of the other county into which the boundaries of the city extend. ***In the case of a candidate voted for by the electors of a city whose boundaries extend beyond those of a single county, each county clerk shall certify the vote totals for that candidate to the clerk of the other county into which the boundaries of the city extend.***

Section 2. KRS 118.425 is amended to read as follows:

- (1) The State Board of Elections shall issue certificates of election where the successful candidate was voted for by the state at large, ***was voted for*** by a district greater than one (1) county, ~~by a city whose boundaries extend beyond those of a single county,~~ or was a candidate for member of Congress or the General Assembly.
- (2) The county board of elections shall issue certificates of election where the successful candidate was voted for by the electors of one (1) county, or of a district less than one (1) county, except members of Congress, members of the General Assembly, and designated officers filing with the State Board of Elections. ***The county board of elections of the candidate's residence shall issue certificates of election where the successful candidate was voted for by the electors of a city whose boundaries extend beyond those of a single county.*** The board shall forward the certificate to the elected candidate. If the board finds that two (2) or more candidates have received the highest and equal number of votes for the same office, the board shall determine by lot which of the candidates is elected.

- (3) In the case of all offices voted for, and in the case of public questions submitted to the vote of the people of the state at large or of a district greater than one (1) county, the county board of elections shall make out duplicate certificates of the total number of votes received by each of the candidates for the office and the total number of votes for and against each of the questions. The clerk shall keep one (1) of the certificates in his office. He shall not later than three (3) days after receiving the certificate from the board, forward the other certificate by mail to the Secretary of State who shall deliver it to the State Board of Elections.
- (4) The State Board of Elections shall meet, to count and tabulate the votes received by the different candidates as certified to the Secretary of State, when the returns are all in, or on the third Monday after the election whether they are in or not, but if all the returns are not made, the right to contest an election shall not be impaired. A majority of the members of the board shall constitute a quorum and may act. The board shall make out the certificates of election in the office of the board from the returns made. The board shall make out duplicate certificates of election, in writing, over the signatures of its members. The board shall forward the original certificate, by mail, to the elected candidate. The duplicate shall be retained in the office of the board. In the case of the election of a representative in Congress, an additional certificate shall be made and sent, by mail, to the clerk of the House of Representatives.
- (5) The certificate of election shall be issued to the candidate receiving the highest number of votes in the territory from which the election is to be made. If two (2) or more persons are found to have received the highest and an equal number of votes for the same office, the election shall be determined by lot in the manner the board directs, in the presence of not less than three (3) other persons. In the case of elections for electors of President and Vice President of the United States, the board shall issue a certificate of election to each elector of the political party or organization whose candidates for President and Vice President received the highest number of votes and the determination by the board that the candidates of any political party or organization for President and Vice President have received the highest number of votes shall constitute a determination that the electors nominated by that party have been elected.

Approved March 28, 2002

CHAPTER 78

(HB 332)

AN ACT relating to school employees.

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

Section 1. KRS 161.760 is amended to read as follows:

- (1) The superintendent of schools shall give notice not later than ***forty-five (45) days before the first student attendance day of the succeeding school***~~[July 1 each]~~ year to each teacher who holds a contract valid for the succeeding school year, stating the best estimate as to the salary to be paid the teacher during the year. The salary shall not be lower than the salary paid during the preceding school year, unless the reduction is a part of a uniform plan affecting all teachers in the entire district, or unless there is a reduction of responsibilities. Nothing herein shall prevent increases of salary after the superintendent's annual notice has been given. All teachers who refuse assignment shall notify the superintendent in writing not later than ***thirty (30) days before the first student attendance day of the school year***~~[July 15]~~.
- (2) Transfer or change in appointment of teachers ***later than thirty (30) days before the first student attendance day of the school year***~~[after July 15]~~ shall be made only to fill vacancies created by illness, death, or resignations; to reduce or increase personnel because of a shift in school population; to make personnel adjustments after consolidation or merger; or to assign personnel according to their certification pursuant to KRS 161.010 to 161.120 provided, in the latter instance, that the teacher was appointed to a position outside his or her field of certification in the previous year.
- (3) Reduction of responsibility for a teacher may be accompanied by a corresponding reduction in salary provided that written notification stating the specific reason for the reduction shall be furnished to the teacher not later than ***ninety (90) days before the first student attendance day of the school year***~~[May 15]~~.
- (4) Employment of a teacher, under either a limited or a continuing contract, is employment in the school district only and not in a particular position or school.

Approved March 28, 2002

CHAPTER 79

(HB 57)

AN ACT relating to licensed professional clinical counselors.

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

Section 1. KRS 335.500 is amended to read as follows:

As used in KRS 335.500 to 335.599, unless the context requires otherwise:

- (1) "Board" means the Kentucky Board of ~~Licensed~~~~Certification for~~ Professional Counselors;
- (2) ***"Credential holder" means any person who is regulated by the board;***
- (3) ***"Licensed professional clinical counselor" means a credential holder who has been determined by the board to have met all qualifications set forth in subsection (1) of Section 5 of this Act to engage in the independent practice of professional counseling;***
- (4) ***"Licensed professional counselor associate" means a credential holder who has been determined by the board to have met all qualifications set forth in subsection (2) of Section 5 of this Act to engage in the practice of professional counseling under an approved clinical supervisor as authorized by the board; and***
- (5) ***"Practice of professional counseling" means professional counseling services that involve the application of mental health counseling and developmental principles, methods, and procedures, including assessment, evaluation, treatment planning, amelioration, and remediation of adjustment problems and emotional disorders, to assist individuals or groups to achieve more effective personal, social, educational, or career development and adjustment***~~["Certified professional counselor" means a person who has completed a master's or doctoral degree in counseling from an accredited educational institution, and is certified by the board;~~
- ~~(3) "Certified professional counselor associate" means an individual who has a minimum of four hundred (400) hours of experience under the supervision of an approved supervisor and has met the requirements for certification under KRS 335.525(1)(a) to (d);~~
- ~~(4) "Certificate holder" means a professional counselor who is certified under the provisions of KRS 335.500 to 335.599;~~
- ~~(5) "Approved supervisor" means a person who has been approved by the board to supervise and is qualified under Kentucky law as a licensed psychiatrist, licensed or certified psychologist, licensed clinical social worker, certified professional counselor, nurse with a master's degree and psychiatric certification, certified marriage and family therapist, or certified professional art therapist. The board may approve as supervisor a person from another state with a substantially equivalent certificate or license who is in good standing with the certifying or licensing state and meets, at a minimum, the requirements set out in KRS 335.525]; and~~
- (6) "Relative" means a person's father, mother, brother, sister, husband, wife, son, daughter, aunt, uncle, son-in-law, daughter-in-law, grandparent, grandchild, stepparent, or stepchild.

Section 2. KRS 335.505 is amended to read as follows:

- (1) No person shall ***engage in the practice of professional counseling or present in a way as to imply or would reasonably be deemed to imply licensure to practice professional counseling unless the person has first been issued a valid license***~~use the title "certified professional counselor" or hold himself out to the public using any terms, titles, or abbreviations which express or imply that he is a certified professional counselor unless the person is certified~~ by the board.
- (2) Subsection (1) of this section shall not apply to any person who is licensed, certified, or registered under ***any*** other provisions of the Kentucky Revised Statutes, including, but not limited to, physicians, social workers, psychologists, nurses, professional art therapists,~~certified~~ marriage and family therapists, or students in accredited programs in those professions, and shall not restrict their practice, descriptions of services, or the manner in which they hold themselves out to the public.
- (3) Subsection (1) of this section shall not be construed to alter, amend, or interfere with the practice of those who ***engage in***~~render counseling services, including but not limited to,~~ employment counseling, job placement

counseling, vocational rehabilitation counseling, **victim counseling or advocacy**, pastoral counseling based on any tenet of one's religious beliefs, or school counseling.

- (4) Subsection (1) of this section shall not apply to the activities and services of a student intern or trainee in professional counseling who is pursuing a program of studies in counseling at an accredited institution of higher education, if these activities are performed under the supervision or direction of an approved supervisor and the activities are a part of the supervised program of study **as reflected in an official transcript**, and if the person is designated a professional counselor intern or student in training.
- (5) **Nothing in this section shall be construed to limit the activities of a sexual assault counselor, victim advocate, or crisis response team as provided in KRE 506, or a person certified under KRS Chapter 403 to provide court-ordered domestic violence offender treatment services or a person providing services to sexual offenders under KRS 197.400 to 197.440.**

Section 3. KRS 335.510 is amended to read as follows:

- (1) ~~[There is hereby created]~~ The Kentucky Board of **Licensed**~~[Certification for]~~ Professional Counselors **is created and shall consist**~~[consisting]~~ of seven (7) members who shall **reside in the Commonwealth and** be appointed by the Governor. One (1) of the members shall be a citizen at large and the remaining six (6) members shall be **licensed**~~[certified]~~ professional **clinical** counselors. The **licensed professional clinical**~~[certified]~~ counselor members on the board shall have been **licensed**~~[certified]~~ as professional **clinical** counselors in the Commonwealth for at least two (2) years preceding their appointments. The citizen at large member shall not be associated with or have a relative who is associated with the practice or business of professional counseling. Neither the citizen at large nor his relatives shall have a financial interest in the practice or business of professional counseling.
- (2) ~~[For the initial appointment, the six (6) counselor members shall be appointed by the Governor from a list of eighteen (18) names submitted by the board of directors of the Kentucky Counseling Association. The counselor appointees shall possess the qualifications for certification, as set out in KRS 335.525, but shall not be required to have taken the examination. The counselor appointees shall be deemed certified under the provisions of KRS 335.500 to 335.599, immediately upon their appointment to the board. The Governor shall stagger the initial terms as follows: one (1) member shall be appointed to a one (1) year term, two (2) members to a two (2) year term, two (2) members for a three (3) year term, and two (2) members for a four (4) year term.~~
- (3) ~~After December 31, 1997, each counselor member appointed to the board shall be a certified professional counselor and shall be actively engaged in the practice or teaching of counseling.~~
- (4) ~~All~~_{subsequent} appointments and vacancies to the board shall be filled by the Governor. Appointments and vacancies of counselor members shall be filled by the Governor from a list of three (3) names for each position to be filled that is submitted by the Kentucky **Mental Health** Counseling Association. Vacancies shall be filled for the remainder of the unexpired terms and in the same manner as set out in this subsection.
- (3)~~(5)~~ **The length of a term of board appointment shall be four (4) years.** A board member shall serve no more than two (2) consecutive terms.
- (4)~~(6)~~ ~~[At its first meeting after July 15, 1996,]~~ The board shall elect a chair from its membership, and a chair shall be elected annually **but shall serve no more than two (2) consecutive one (1) year terms**~~[thereafter]~~. Four (4) members of the board shall constitute a quorum.
- (5)~~(7)~~ The board shall hold two (2) meetings annually to give examinations pursuant to KRS 335.515 and may hold additional meetings as the board deems necessary. The additional meetings may be held upon call of the **chair**~~[chairman]~~ or upon the written request of three (3) or more board members.
- (6)~~(8)~~ The Governor shall remove a member from the board, for cause, only.
- (7)~~(9)~~ A member of the board who is a citizen at large shall be disqualified from his **or her** seat on the board if:
 - (a) He **or she**, a member of his **or her** household, or a relative becomes associated with or financially interested in the business of professional counseling;
 - (b) He **or she**, a member of his **or her** household, or ~~a~~_{his} relative becomes, or is in training to become, a **licensed**~~[certified]~~ professional **clinical** counselor; or
 - (c) He **or she** ceases to reside in the Commonwealth.

- (8)~~(10)~~ A counselor member of the board shall be disqualified from his seat on the board if:
- (a) He *or she* has been determined by the board or a court to have violated the code of professional ethics or practice standards established pursuant to KRS 335.500 to 335.599;
 - (b) He *or she* ceases to be a *licensed*~~certified~~ professional *clinical* counselor; ~~or~~~~and~~
 - (c) He *or she* ceases to reside in the Commonwealth.
- (9)~~(11)~~ Each board member shall receive one hundred dollars (\$100) per day for each day of service actually given in carrying out his duties under KRS 335.500 to 335.599, and shall also be reimbursed the necessary traveling, hotel, and contingent expenses *incurred*~~he incurs~~ in attending the meetings of the board and in performing ~~the~~~~his~~ duties *of the board*.

Section 4. KRS 335.515 is amended to read as follows:

- (1) The board shall administer and enforce the provisions of KRS 335.500 to 335.599 and shall evaluate the qualifications of applicants for *licensure*~~certification~~.
- (2) The board may issue subpoenas, examine witnesses, pay appropriate witness fees, administer oaths, and investigate allegations of practices violating the provisions of KRS 335.500 to 335.599.
- (3) The board shall promulgate administrative regulations pursuant to KRS Chapter 13A as necessary to carry out and enforce the provisions of KRS 335.500 to 335.599, including the establishment of fees.
- (4) The board *shall*~~may~~ conduct hearings *as necessary* pursuant to KRS Chapter 13B and *shall* keep records and minutes necessary to carry out the function of KRS 335.500 to 335.599.
- (5) The board *shall*~~may~~ issue *credentials*~~certificates~~ to qualified candidates.
- (6) The board *shall*~~may~~ renew *credentials subject to the provisions of Section 7 of this Act*~~certificates~~ and *shall*~~may~~ require~~up to~~ ten (10) continuing education hours as a condition for renewal each year.
- (7) The board may suspend or revoke *credentials*~~certificates~~, impose supervisory or probationary conditions upon certificate holders, impose administrative disciplinary fines, issue written reprimands and admonishments, or perform any combination thereof.
- (8) The board may seek injunctive relief in Franklin Circuit Court to enjoin violation of KRS 335.505(1).
- (9) The board may grant retired status or inactive status to a *credential*~~certificate~~ holder under conditions set out in administrative regulations promulgated by the board.
- (10) The board may employ persons as necessary to carry on its work and shall define those *persons'*~~person's~~ duties and fix their compensation.
- (11) The board shall promulgate by administrative regulation a code of ethics for and standards of practice *for all credential holders*~~of certified professional counselors~~.
- (12) The board may enter into reciprocal agreements with certified *or licensed* professional counseling boards~~or licensed professional counseling boards~~.

Section 5. KRS 335.525 is amended to read as follows:

- (1) The board shall issue a "professional *clinical* counselor" *license*~~certificate~~ to an applicant who:
 - (a) Has paid the application fee and the appropriate examination fee to the board;
 - (b) Is of good moral character;
 - (c) Has received a master's, specialist, or doctoral degree in counseling or a related field from a regionally-accredited institution;
 - (d) Has completed a minimum of sixty (60) graduate semester hours in the following:
 - 1. The helping relationship, including counseling theory and practice;
 - 2. Human growth and development;
 - 3. Lifestyle and career development;

4. Group dynamics, process, counseling, and consulting;
 5. Assessment, appraisal, and testing of individuals;
 6. Social and cultural foundations, including multicultural issues;
 7. Principles of etiology, diagnosis, treatment planning, and prevention of mental and emotional disorders and dysfunctional behavior;
 8. Research and evaluation; and
 9. Professional orientation and ethics;
- (e) Has completed a minimum of ~~four~~~~three~~ thousand ~~(4,000)~~~~(3,000)~~ hours of experience in the practice of counseling, ~~all~~~~two thousand (2,000) hours~~ of which must have been obtained since obtaining the master's degree and must be under approved supervision and shall include, but not be limited to, a minimum of one thousand ~~six~~~~two~~ hundred ~~(1,600)~~~~(1,200)~~ hours of direct counseling with individuals, couples, families, or groups and a minimum of one hundred (100) hours of individual, face-to-face ~~weekly~~ clinical supervision with an approved supervisor. ***Each applicant is encouraged to include as part of the total hours of experience a minimum of ten (10) hours of direct counseling with individuals in a jail or corrections setting.*** ~~Up to one thousand (1,000) hours of the supervised experience may be obtained from a supervised practicum or internship. After January 1, 2001, the board shall issue certificates only to applicants who have obtained all three thousand (3,000) hours of experience since obtaining the master's degree.~~ All applicants shall complete an organized practicum or internship consisting of at least four hundred (400) hours; and
- (f) Has achieved passing scores on all portions of the examinations required by the board.
- (2) The board may issue a "professional counselor associate" ~~license~~~~certificate~~ to an applicant *who*:
- (a) ***Has completed all requirements under paragraphs (a) to (d) of subsection (1) of this section;***
 - (b) ***Has not met the requirements of paragraphs (e) or (f) of subsection (1) of this section; and***
 - (c) ***Has obtained a board-approved supervisor of record.***
- (3) (a) ***On the effective date of this Act, a previously certified professional counselor in Kentucky shall be entitled to use the term "licensed professional clinical counselor" and shall be issued a professional clinical counselor license upon annual renewal.***
- (b) ***An applicant who has been issued a professional clinical counselor license shall be entitled to use the title "licensed professional clinical counselor."***
- (4) (a) ***On the effective date of this Act, a previously certified professional counselor associate shall be entitled to use the term "licensed professional counselor associate" and shall be issued a professional counselor associate license upon annual renewal.***
- (b) ***An applicant who has been issued a professional counselor associate license shall be entitled to use the title "licensed professional counselor associate."***
- (5) (a) ***A licensed professional counselor associate shall maintain ongoing supervision as approved by the board.***
- (b) ***A licensed professional counselor associate may apply for the credential of licensed professional clinical counselor upon completion of the hours of experience and passing the examinations required under paragraphs (e) and (f) of subsection (1)*** ~~as provided under KRS 335.500. An associate may apply for professional counselor certification upon completion of the hours of experience required under subsection (1)(c) of this section.~~
- ~~(6)(3)~~ The application fee for ~~licensure~~~~certification~~ and the examination fee shall be established pursuant to administrative regulation promulgated by the board.
- Section 6. KRS 335.527 is amended to read as follows:
- (1) The board shall ***grant the appropriate credential under Section 5 of this Act to*** ~~certify~~ an applicant for endorsement who:

- (a) Has received a master's, specialist, or doctoral degree in counseling or a related field from a regionally accredited institution with *a minimum of sixty (60) hours of* graduate coursework *to include*~~[in]~~ the following:
 - 1. The helping relationship, including counseling theory and practice;
 - 2. Human growth and development;
 - 3. Lifestyle and career development;
 - 4. Group dynamics, process, counseling, and consulting;
 - 5. Assessment, appraisal, and testing of individuals;
 - 6. Social and cultural foundations, including multicultural issues;
 - 7. Principles of etiology, diagnosis, treatment planning, and prevention of mental and emotional disorders and dysfunctional behavior;
 - 8. Research and evaluation; and
 - 9. Professional orientation and ethics;
 - (b) Holds an active valid license or certificate from another state to practice as a professional counselor;
 - (c) Is in good standing with the certifying or licensing board of that state;
 - (d) Is of good moral character;
 - (e) Has paid the application fee to the board; and
 - (f) Has provided the board with evidence of a minimum of *five (5)*~~[three (3)]~~ years experience as a certified or licensed professional counselor.
- (2) The applicant shall be exempt from:
- (a) The required hours of supervised experience in the practice of counseling set out in KRS 335.525(1)(e); and
 - (b) The examination requirement set out in KRS 335.525(1)(f).

Section 7. KRS 335.535 is amended to read as follows:

- (1) Each *credential holder*~~[person certified as a professional counselor]~~ shall pay to the board an annual renewal fee on or before the renewal date established in administrative regulations promulgated by the board. All *credentials*~~[certificates]~~ not renewed by the renewal date each year shall expire because they were not timely renewed;
- (2) A person who fails to renew his *or her credential*~~[certificate]~~ on or before the renewal date shall be given a sixty (60) day grace period. During the grace period, *the credential holder*~~[he]~~ may continue to *practice*~~[use the title "certified professional counselor"]~~ and may renew *the credential*~~[his certificate]~~ upon payment of the renewal fee and a late fee.
- (3) All *credentials*~~[certificates]~~ not renewed within sixty (60) days after the renewal date shall terminate. Upon termination, the *credential*~~[certificate]~~ holder shall not be eligible to use the *credential*~~[title "certified professional counselor"]~~ in the Commonwealth.
- (4) After the sixty (60) day grace period, individuals with terminated *credentials*~~[certificates]~~ may reinstate their *credential*~~[certificates]~~ upon payment of the renewal fee and a reinstatement fee.
- (5) A suspended *credential*~~[certificate]~~ shall be renewed as provided in this section; however, the *credential*~~[certificate]~~ holder shall not use the *credential*~~[title "certified professional counselor"]~~ until the suspension has ended~~[,]~~ or *has been*~~[is]~~ removed by the board.
- (6) A revoked *credential*~~[certificate]~~ may not be renewed. However, the *credential*~~[certificate]~~ holder shall pay the reinstatement and renewal fees as set forth in this section before *the credential*~~[his license]~~ is reinstated.

- (7) A person who fails to reinstate his *or her credential*~~[certificate]~~ within three (3) years after its termination may not have it renewed, restored, reissued, or reinstated. This person may apply for and obtain a new *credential*~~[certificate]~~ by meeting the current requirements of KRS 335.525.
- (8) The board may require that a person applying for renewal or reinstatement of his *or her credential*~~[certificate]~~ show proof of having completed continuing education requirements.

Section 8. KRS 335.540 is amended to read as follows:

- (1) The board may refuse to issue a *credential*~~[certificate]~~, or may suspend, revoke, impose probationary conditions upon, impose an administrative fine, or issue a written reprimand or admonishment if the *credential*~~[certificate]~~ holder has:
 - (a) Committed a dishonest or corrupt act. If the act is a crime, conviction in a criminal proceeding shall not be a condition precedent to disciplinary action. Upon conviction of the crime, the judgment and sentence are presumptive evidence at the ensuing disciplinary hearing of the guilt of the *credential*~~[certificate]~~ holder or applicant. Conviction includes all instances in which a plea of no contest is the basis of the conviction;
 - (b) Misrepresented or concealed a material fact in obtaining or reinstating a *credential*~~[certificate]~~;
 - (c) Committed any unfair, false, misleading, or deceptive act or practice;
 - (d) Been incompetent or negligent in the activities he has undertaken *within his or her practice*~~[as a certified professional counselor]~~;
 - (e) Violated any state statute or administrative regulation promulgated pursuant to KRS 335.500 to 335.599;
 - (f) Failed to comply with an order issued by the board or an assurance of voluntary compliance;
 - (g) Violated the code of ethics; or
 - (h) Violated any applicable provisions of federal or state law.
- (2) Any person whose *credential*~~[certificate]~~ has been revoked for at least five (5) or more years may petition the board for reinstatement. The board shall investigate the petition and may reinstate the *credential*~~[certificate]~~ upon a finding that the individual has complied with the terms prescribed by the board and is able to competently engage in *professional practice*~~[the use of the title "certified professional counselor."]~~
- (3) The board may issue a written admonishment to the *credential*~~[certificate]~~ holder if the board determines based on the evidence, that a violation that is not serious has occurred. A copy of the written admonishment shall be placed in the permanent file of the *credential*~~[certificate]~~ holder. The *credential*~~[certificate]~~ holder may respond in writing to the admonishment within thirty (30) days of its receipt and may have it placed in his permanent *credential*~~[certificate]~~ file. Alternatively, the *credential*~~[certificate]~~ holder may file a request for a hearing with the board within thirty (30) days of the admonishment. Upon receipt of this request, the board shall set aside the written admonishment and set the matter for hearing pursuant to the provisions of KRS Chapter 13B.
- (4) At any time during the investigative or hearing processes, the board may enter into an agreed order or accept an assurance of voluntary compliance with the *credential*~~[certificate]~~ holder.
- (5) The board may consider, modify, or reverse its probation, suspensions, or other disciplinary action.

Section 9. KRS 335.545 is amended to read as follows:

Before suspending, revoking, imposing probationary or supervisory conditions upon, imposing an administrative fine, issuing a written reprimand, or performing any combination of these actions regarding any *credential*~~[certificate]~~ issued pursuant to KRS 335.500 to 335.599, the board shall set the matter for hearing pursuant to the provisions of KRS Chapter 13B. After denying an application under KRS 335.500 to 335.599, or issuing a written admonishment, the board shall grant a hearing to the denied applicant pursuant to the provisions of KRS Chapter 13B.

Section 10. KRS 319.015 is amended to read as follows:

Nothing in this chapter shall be construed to limit:

- (1) The activities, services, and use of title on the part of a person in the employ of the federal government;

- (2) Persons in the employ of accredited institutions of higher education from engaging in the teaching of psychology, the conduct of psychological research, the provision of consultation services to organizations or institutions, or the provision of expert testimony, but not including the delivery or supervision of direct psychological services to individuals or groups;
- (3) Persons licensed, certified, or registered under any other provision of the Kentucky Revised Statutes from rendering services consistent with the laws regulating their professional practice and the ethics of their profession. They shall not represent themselves to be psychologists or use the term "psychological" in describing their services;
- (4) The activities of a student, intern, or resident in psychology, pursuing a course of study approved by the department of psychology of an educational institution rated acceptable by the board for qualifying training and experience, provided such activities are recognized by transcript as a part of his or her supervised course of study;
- (5) The recognized educational activities of teachers in accredited public and private schools, the authorized duties of guidance counselors who are certified by the Education Professional Standards Board, or the activities of persons using psychological techniques in business and industrial organizations for employment placement, promotion, or job adjustment of their own officers and employees;
- (6) Persons who are credentialed as school psychologists by the Education Professional Standards Board from using the title "school psychologist" and practicing psychology as defined in KRS 319.010, if their practice is restricted to regular employment within a setting under the purview of the Education Professional Standards Board. These individuals shall be employees of the educational institution and not independent contractors providing psychological services to educational institutions;
- (7) A duly ordained minister, priest, rabbi, Christian Science practitioner, or other clergyman from carrying out his or her responsibilities while functioning in a ministerial capacity within a recognized religious organization serving the spiritual needs of its constituency, if he or she does not hold himself or herself out as a psychologist; or
- (8) Any nonresident temporarily employed in this state from rendering psychological services for not more than thirty (30) days every two (2) years, if he or she holds a valid current license or certificate as a psychologist in his or her home state or country and registers with the board prior to commencing practice in the Commonwealth.
- ~~[(9) Persons in subsection (5) of this section pursuing alternative certification as professional counselors pursuant to the provisions of KRS 335.500 to 335.599 who meet the requirements set out in KRS 335.525 shall be exempt from meeting either subsection (1)(e) or (1)(f) of that section.]~~

Section 11. KRE 506 is amended to read as follows:

- (a) Definitions. As used in this rule:

- (1) A "counselor" includes:

- (A) A certified school counselor who meets the requirements of the Kentucky Board of Education and who is duly appointed and regularly employed for the purpose of counseling in a public or private school of this state;
- (B) A sexual assault counselor, who is a person engaged in a rape crisis center, as defined in KRS Chapter 421, who has undergone forty (40) hours of training and is under the control of a direct services supervisor of a rape crisis center, whose primary purpose is the rendering of advice, counseling, or assistance to victims of sexual assault;
- (C) A certified professional art therapist who is engaged to conduct art therapy pursuant to KRS 309.130 to 309.1399;
- (D) A certified marriage and family therapist as defined in KRS 335.300 who is engaged to conduct marriage and family therapy pursuant to KRS 335.300 to 335.399;
- (E) A ~~licensed~~~~certified~~ professional **clinical** counselor **or a licensed professional counselor associate** as defined in KRS 335.500;

- (F) An individual who provides crisis response services as a member of the community crisis response team or local community crisis response team pursuant to KRS 36.250 to 36.270;
 - (G) A victim advocate as defined in KRS 421.570 except a victim advocate who is employed by a Commonwealth's attorney pursuant to KRS 15.760 or a county attorney pursuant to KRS 69.350; and
 - (H) A certified fee-based pastoral counselor as defined in KRS 335.600 who is engaged to conduct fee-based pastoral counseling pursuant to KRS 335.600 to 335.699.
- (2) A "client" is a person who consults or is interviewed or assisted by a counselor for the purpose of obtaining professional or crisis response services from the counselor.
 - (3) A communication is "confidential" if it is not intended to be disclosed to third persons, except persons present to further the interest of the client in the consultation or interview, persons reasonably necessary for the transmission of the communication, or persons present during the communication at the direction of the counselor, including members of the client's family.
- (b) General rule of privilege. A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of counseling the client, between himself, his counselor, and persons present at the direction of the counselor, including members of the client's family.
 - (c) Who may claim the privilege. The privilege may be claimed by the client, his guardian or conservator, or the personal representative of a deceased client. The person who was the counselor (or that person's employer) may claim the privilege in the absence of the client, but only on behalf of the client.
 - (d) Exceptions. There is no privilege under this rule for any relevant communication:
 - (1) If the client is asserting his physical, mental, or emotional condition as an element of a claim or defense; or, after the client's death, in any proceeding in which any party relies upon the condition as an element of a claim or defense.
 - (2) If the judge finds:
 - (A) That the substance of the communication is relevant to an essential issue in the case;
 - (B) That there are no available alternate means to obtain the substantial equivalent of the communication; and
 - (C) That the need for the information outweighs the interest protected by the privilege. The court may receive evidence in camera to make findings under this rule.

Section 12. The following KRS section is repealed:

335.530 Alternative certification requirements until January 1, 1998.

Section 13. Members of the Kentucky Board of Certification for Professional Counselors as of the effective date of this Act may serve as members of the Kentucky Board of Licensed Professional Counselors created in Section 3 of this Act until the expiration of their terms. Vacancies to the Kentucky Board of Licensed Professional Counselors shall be filled under the provisions of Section 3 of this Act.

Approved March 28, 2002

CHAPTER 80

(HB 67)

AN ACT relating to nursing practice in health facilities.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 212 IS CREATED TO READ AS FOLLOWS:

- (1) *The governing board for each local, district, and independent health department shall have a written policy concerning the distribution of nonscheduled legend drugs at the health department by an advanced registered nurse practitioner or a registered nurse. In a health department, an advanced registered nurse practitioner or a registered nurse may distribute nonscheduled legend drugs from a list that has been*

prepared by the commissioner of the Department for Public Health. Nothing in this section shall be construed to limit advanced registered nurse practitioners from dispensing nonscheduled drug samples under KRS 314.011. Each prescription drug distributed or dispensed at the health department shall be recorded in the patient record. The director of each health department shall be responsible for keeping track of the inventory of stock medications and accounting for the medications dispensed or distributed.

- (2) *Only a health department board having within its membership a pharmacist holding a valid license issued pursuant to KRS 315.030 shall be authorized to permit advanced registered nurse practitioners or registered nurses to dispense nonscheduled legend drugs according to the written policy of the board. If a health department is unable to recruit a licensed pharmacist to serve on the board, the board shall document consultation with a pharmacist licensed pursuant to KRS 315.030 in the public health practice of the health department.*
- (3) *No health department shall dispense any medication or device prescribed for the purpose of causing an abortion as defined in KRS 311.720(1).*

Section 2. KRS 212.020 is amended to read as follows:

- (1) The secretary of the Cabinet for Health Services shall appoint, from a list of nominees, three (3) qualified, licensed, and practicing physicians; one (1) qualified, licensed, and practicing dentist; one (1) qualified, licensed, and practicing registered nurse; one (1) licensed engineer engaged in the practice of civil or sanitary engineering; one (1) qualified, licensed, and practicing optometrist; one (1) qualified licensed and practicing veterinarian; **one (1) licensed pharmacist**; and one (1) lay person knowledgeable in consumer affairs residing in each county who, together with the county judge/executive and one (1) person appointed by the fiscal court in each county, shall constitute a local board of health for the respective counties in which they reside. The list of nominees submitted to the secretary shall be accepted from any source and shall be solicited and obtained from the county judge/executive, fiscal court, and county health department staff; and nominations of physicians, dentists, nurses, engineers, optometrists, ~~and~~ veterinarians, **and pharmacists** shall be solicited and obtained from the county's medical society, dental society, nursing association, engineering association, optometric association, ~~and~~ veterinarian association, **and pharmacists' association**, respectively. If a county does not have three (3) qualified, licensed, and practicing physicians or one (1) qualified, licensed, and practicing dentist or one (1) qualified, licensed, and practicing registered nurse or one (1) qualified, licensed, and practicing civil or sanitary engineer or one (1) qualified, licensed, and practicing optometrist or one (1) qualified, licensed, and practicing veterinarian, **or one (1) licensed pharmacist** residing therein, the secretary of the Cabinet for Health Services may appoint a resident lay person knowledgeable in consumer affairs in lieu thereof for each such vacancy. The members of the local board shall hold office for a term of two (2) years with physicians, dentists, **pharmacists**, and fiscal court appointees appointed in even-numbered years and nurses, engineers, optometrists, veterinarians, and lay appointees appointed in odd-numbered years, for terms from the date of their appointment, beginning on or after January 1, 1993, and until their successors are appointed, except the terms of the first appointment of all physician and fiscal court appointee terms beginning on January 1, 1993, shall expire on December 31, 1993; dentist terms beginning on August 1, 1992, shall expire on December 31, 1993; nurse, engineer, and optometrist appointments beginning on August 1, 1992, shall expire on December 31, 1994; and veterinarian and lay appointments beginning on October 1, 1992, shall expire on December 31, 1994. The members of the board shall receive no compensation for their services.
- (2) The secretary shall remove any member, other than the county judge/executive or fiscal court appointee, who fails to attend three (3) consecutive scheduled meetings, and may remove any board member, except the county judge/executive or fiscal court appointee, as provided by KRS 65.007. The fiscal court may remove its appointee in like fashion.

Section 3. KRS 212.380 is amended to read as follows:

- (1) Said board shall be composed of ten (10) members, two (2) of whom shall be the mayor of such city, and the county judge/executive of such county, as members ex officio, and four (4) of whom shall be appointed by the mayor of such city and four (4) of whom shall be appointed by the county judge/executive of such county with the approval of the fiscal court. Each appointive member shall be not less than thirty (30) years of age, intelligent, discreet, and shall have been a continuous resident of such county for at least two (2) years prior to the date of his or her appointment. At least one (1) and not more than three (3) of said appointive members shall be physicians, one (1) of said appointive members shall be a dentist, **one (1) of said appointive members**

shall be a licensed pharmacist, and at least one (1) of said appointive members shall be a registered nurse. All appointive members shall be eligible for reappointment.

- (2) At the expiration of each of the terms of office of said eight (8) appointive members, the successor to each member shall be appointed by said county judge/executive and said mayor for a term of office of four (4) years and until his successor is appointed and qualified.
- (3) The two (2) appointments which increase the appointed members from six (6) to eight (8) shall both occur on July 1, 1974, one (1) of which shall be for a term expiring on June 30, 1978, the other of which shall be for a term expiring on June 30, 1975. Each subsequent appointment to the board shall be for a term of four (4) years.
- (4) Notwithstanding subsection (2) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the terms of two (2) each of their appointments expire in one (1) year, the term of one (1) each of their appointments expire in two (2) years and the term of one (1) each of their appointments expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years.

Section 4. KRS 212.632 is amended to read as follows:

- (1) The board shall be composed of nine (9) members, one (1) of whom shall be an ex officio member and the mayor of the urban-county government, one (1) of whom shall be an ex officio member and a member of the urban-county government legislative body and appointed by the mayor, and seven (7) of whom shall be appointed by the mayor with the approval of the urban-county government legislative body. Of the seven (7) appointed members, three (3) shall be licensed and practicing physicians, one (1) a licensed and practicing dentist, one (1) a licensed and practicing registered nurse, *one (1) licensed pharmacist*, and *one (1) member*~~two (2) members~~ at large. Appointment of the physician, dentist, *pharmacist*, and nurse shall be made from a list of three (3) nominees submitted by any of the respective county professional societies for which a vacancy exists. All appointed members shall reside in the county of the board to which they are appointed and shall be eligible for reappointment.
- (2) Of the original appointments to fill the seven (7) appointed positions on the board, the mayor shall, within thirty (30) days from July 1, 1977, appoint three (3) members for a term expiring June 30, 1978, and four (4) members for a term expiring June 30, 1979. All seven (7) original appointees shall be appointive members serving on the city-county board of health on July 1, 1977.
- (3) At the expiration of the terms of office of the seven (7) original appointees, the successor to each such member shall be appointed in the manner prescribed under the provisions of subsection (1) of this section for a term of office of two (2) years and until his successor is appointed and qualified.
- (4) All vacancies occurring on the board by reason of death, resignation, disqualification, removal or otherwise, shall be filled for the unexpired term in the manner prescribed under the provisions of subsection (1) of this section.

Section 5. KRS 212.640 is amended to read as follows:

In any county containing a city of the second class the fiscal court of the county and the legislative body of the city of the second class, may by joint action, establish a city-county health department. The department when established shall be governed by a city-county board of health composed of *twelve (12)*~~eleven (11)~~ members, one (1) of whom shall be either the mayor, city manager or the designee of the city manager of the city, whichever is appointed by the city legislative body, one (1) of whom shall be the county judge/executive, one (1) of whom shall be a dentist, one (1) of whom shall be a registered nurse, and three (3) of whom shall be physicians, one (1) of whom shall be a veterinarian, one (1) of whom shall be an engineer engaged in the practice of civil or sanitary engineering, one (1) of whom shall be an optometrist, *one (1) licensed pharmacist*, and one (1) lay person knowledgeable in consumer affairs residing in each county and appointed in the same manner as county board of health members and to hold office as provided in KRS 212.020.

Section 6. KRS 212.786 is amended to read as follows:

- (1) The independent district board of health shall be comprised of the following members: the judge/executive or his designee as an ex officio member from each participating county, the chairman from each participating local board of health as an ex officio member, additional members appointed by the judge/executive with the approval of the local board of health including, at least to the extent practicable, twenty-five percent (25%)

who shall be licensed physicians, ten percent (10%) who shall be licensed dentists, twenty-five percent (25%) who shall be licensed registered nurses, ten percent (10%) who shall be licensed veterinarians, **ten percent (10%) who shall be pharmacists**, and **twenty percent (20%)**~~thirty percent (30%)~~ who shall be consumer members. Each member shall serve a term of two (2) years with a maximum of three (3) consecutive terms, except ex officio members who shall continue to serve.

- (2) The judge/executive, or his designee and the chairman of the local board of health shall serve as ex officio members of the district board of health. Additional appointments shall be based on population. Each county shall have an appointment of one (1) member for fifteen thousand (15,000) population or portion thereof. Additional members shall be at a rate of one (1) member per whole increment of fifteen thousand (15,000) population. The mayor of each city of the second class, or his designee, shall serve as an ex officio member of the district board of health and shall count against the population-based appointees.
- (3) The original appointments by the judge/executive to the board shall be made within thirty (30) days of July 13, 1990. One-half (1/2), or the nearest portion thereof, shall be appointed for a term to expire June 30, 1991 and one-half (1/2), or the nearest portion thereof, shall be appointed for a term to expire June 30, 1992. All subsequent appointments and successors shall be appointed in accordance with the provisions of this section.
- (4) The judge/executive shall fill all vacancies occurring by reason of death, resignation, or disqualification and do so for the unexpired term.

Section 7. KRS 212.855 is amended to read as follows:

- (1) Except for district health departments which serve a county containing a city of the first class, an urban-county government, or which are part of an interstate metropolitan statistical area where the Kentucky population of the metropolitan statistical area exceeded two hundred fifty thousand (250,000) people on July 1, 1989, a district board of health shall consist of the following members:
 - (a) The county judge/executive or his designee from each county in the district as an ex officio voting member; and
 - (b) One (1) additional resident member per county per fifteen thousand (15,000) population or fraction thereof, which shall include the mayor, city manager, or the designee of the city manager of each city of the second class as an ex officio voting member, except that the total number of members from any county in a district shall not exceed seven (7) members.
- (2) All members except for the county judges/executive and the mayors of second class cities shall be appointed by the county or city-county boards of health from the membership of each county or city-county board of health.
 - (a) The secretary of the Cabinet for Health Services shall notify the chairman of each county or city-county board of health in the district of the name of each member from that county whose term is expiring.
 - (b) Upon receipt of the notification, under subsection (a) of this section, each county or city-county board of health shall appoint one (1) of its members to fill each vacant position from that county. At least twenty-five percent (25%) or the nearest whole number to twenty-five percent (25%) of the appointed members of the district board shall be doctors of medicine or osteopathy qualified, licensed, and practicing in the Commonwealth, and there shall be at least one (1) qualified, licensed, and practicing registered nurse, one (1) qualified, licensed, and practicing dentist, **one (1) licensed pharmacist**, one (1) qualified licensed engineer engaged in the practice of civil or sanitary engineering, one (1) qualified, licensed, and practicing optometrist, and one (1) qualified, licensed, and practicing veterinarian, when available, among the membership of the board. The remaining members of the district board shall be concerned community leaders residing within the county from which they are to be representatives.
 - (c) The chairman of the county or city-county board of health shall inform the secretary within forty-five (45) days of receipt of this notification of the names of the county or city-county board of health members appointed to serve on the district board. Appointed members of district boards of health shall not begin to serve on a district board of health until the time the secretary has certified their eligibility to serve on the board.
- (3) If a vacancy exists upon the district board, the vacancy shall be filled in a manner consistent with subsection (2) of this section, with the appointed member to fill the vacant seat coming from the county in which the vacancy occurs and the appointed member resides. If the term of a member on the county board of health expires or the member cannot complete the term on the county board, the seat on the district board of health

shall be declared vacant and the county or city-county board of health shall appoint another of its members to fill any unexpired portion of the term on the district board.

- (4) The appointed members of the district board of health shall hold office for a term of two (2) years ending on December 31 or until their successors are appointed. The terms of the first appointments shall be staggered so that members whose terms expire on June 30, 1992, shall be replaced with appointed members whose terms expire on December 31, 1994. Members whose terms expire on June 30, 1993, shall be replaced with appointed members whose terms expire on December 31, 1995.
- (5) The secretary shall remove any appointed member who fails to attend three (3) consecutive scheduled meetings.

Section 8. KRS 314.011 is amended to read as follows:

As used in KRS 314.011 to 314.161 and KRS 314.991, unless the context thereof requires otherwise:

- (1) "Board" means Kentucky Board of Nursing;
- (2) "Delegation" means directing a competent person to perform a selected nursing activity or task in a selected situation under the nurse's supervision and pursuant to administrative regulations promulgated by the board in accordance with the provisions of KRS Chapter 13A;
- (3) "Nurse" means a person licensed under the provisions of this chapter as a registered nurse or as a licensed practical nurse;
- (4) "Nursing process" means the investigative approach to nursing practice utilizing a method of problem-solving by means of:
 - (a) Nursing diagnosis, a systematic investigation of a health concern, and an analysis of the data collected in order to arrive at an identifiable problem; and
 - (b) Planning, implementation, and evaluation based on nationally accepted standards of nursing practice;
- (5) "Registered nurse" means one who is licensed under the provisions of this chapter to engage in registered nursing practice;
- (6) "Registered nursing practice" means the performance of acts requiring substantial specialized knowledge, judgment, and nursing skill based upon the principles of psychological, biological, physical, and social sciences in the application of the nursing process in:
 - (a) The care, counsel, and health teaching of the ill, injured, or infirm;
 - (b) The maintenance of health or prevention of illness of others;
 - (c) The administration of medication and treatment as prescribed by a physician, physician assistant, dentist, or advanced registered nurse practitioner and as further authorized or limited by the board, and which are consistent either with American Nurses' Association Standards of Practice or with Standards of Practice established by nationally accepted organizations of registered nurses. Components of medication administration include, but are not limited to:
 1. Preparing and giving medications in the prescribed dosage, route, and frequency, ***including dispensing medications only as defined in paragraph (b) of subsection (17) of this section;***
 2. Observing, recording, and reporting desired effects, untoward reactions, and side effects of drug therapy;
 3. Intervening when emergency care is required as a result of drug therapy;
 4. Recognizing accepted prescribing limits and reporting deviations to the prescribing individual;
 5. Recognizing drug incompatibilities and reporting interactions or potential interactions to the prescribing individual; and
 6. Instructing an individual regarding medications;
 - (d) The supervision, teaching of, and delegation to other personnel in the performance of activities relating to nursing care; and

- (e) The performance of other nursing acts which are authorized or limited by the board, and which are consistent either with American Nurses' Association Standards of Practice or with Standards of Practice established by nationally accepted organizations of registered nurses;
- (7) "Advanced registered nurse practitioner" means one who is registered and designated to engage in advanced registered nursing practice including the nurse anesthetist, nurse midwife, clinical nurse specialist, and nurse practitioner pursuant to KRS 314.042;
- (8) "Advanced registered nursing practice" means the performance of additional acts by registered nurses who have gained added knowledge and skills through an organized postbasic program of study and clinical experience and who are certified by the American Nurses' Association or other nationally established organizations or agencies recognized by the board to certify registered nurses for advanced nursing practice. The additional acts shall, subject to approval of the board, include, but not be limited to, prescribing treatment, drugs, devices, and ordering diagnostic tests. Advanced registered nurse practitioners who engage in these additional acts shall be authorized to issue prescriptions for and dispense nonscheduled legend drugs as defined in KRS 217.905, under the conditions set forth in KRS 314.042. Nothing in this chapter shall be construed as requiring an advanced registered nurse practitioner designated by the board as a nurse anesthetist to obtain prescriptive authority pursuant to this chapter or any other provision of law in order to deliver anesthesia care. The performance of these additional acts shall be consistent with the certifying organization or agencies' scopes and standards of practice recognized by the board by administrative regulation;
- (9) "Licensed practical nurse" means one who is licensed under the provisions of this chapter to engage in licensed practical nursing practice;
- (10) "Licensed practical nursing practice" means the performance of acts requiring knowledge and skill such as are taught or acquired in approved schools for practical nursing in:
 - (a) The observing and caring for the ill, injured, or infirm under the direction of a registered nurse, a licensed physician, or dentist;
 - (b) The giving of counsel and applying procedures to safeguard life and health, as defined and authorized by the board;
 - (c) The administration of medication or treatment as authorized by a physician, physician assistant, dentist, or advanced registered nurse practitioner and as further authorized or limited by the board which is consistent with the National Federation of Licensed Practical Nurses or with Standards of Practice established by nationally accepted organizations of licensed practical nurses;
 - (d) Teaching, supervising, and delegating except as limited by the board; and
 - (e) The performance of other nursing acts which are authorized or limited by the board and which are consistent with the National Federation of Practical Nurses' Standards of Practice or with Standards of Practice established by nationally accepted organizations of licensed practical nurses;
- (11) "School of nursing" means a nursing education program preparing persons for licensure as a registered nurse or a practical nurse;
- (12) "Continuing education" means offerings beyond the basic nursing program that present specific content planned and evaluated to meet competency based behavioral objectives which develop new skills and upgrade knowledge;
- (13) "Nursing assistance" means the performance of delegated nursing acts by unlicensed nursing personnel for compensation under supervision of a nurse;
- (14) "Sexual assault nurse examiner" means a registered nurse who has completed the required education and clinical experience and been credentialed by the board as provided under KRS 314.142 to conduct forensic examinations of victims of sexual offenses under the medical protocol issued by the State Medical Examiner pursuant to KRS 216B.400(4);
- (15) "Competency" means the application of knowledge and skills in the utilization of critical thinking, effective communication, interventions, and caring behaviors consistent with the nurse's practice role within the context of the public's health, safety, and welfare;

- (16) "Credential" means a current license, registration, or certificate that is issued by the board and that permits the practice of nursing;
- (17) "Dispense" means:
 - (a) To receive and distribute noncontrolled legend drug samples from pharmaceutical manufacturers to patients at no charge to the patient or any other party; *or*
 - (b) *To distribute noncontrolled legend drugs from a local, district, and independent health department, subject to the direction of the appropriate governing board of the individual health department;*
- (18) "Dialysis care" means a process by which dissolved substances are removed from a patient's body by diffusion, osmosis, and convection from one (1) fluid compartment to another across a semipermeable membrane; and
- (19) "Dialysis technician" means a person who is not a nurse, a physician assistant, or a physician and who provides dialysis care in a licensed renal dialysis facility under the direct, on-site supervision of a registered nurse or a physician.

Approved March 28, 2002

CHAPTER 81

(HB 98)

AN ACT relating to the area comprising the West Kentucky Corporation.

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

Section 1. KRS 154.85-010 is amended to read as follows:

As used in KRS 154.85-001 to 154.85-085, unless the context otherwise requires:

- (1) "Area" or "region" means the geographical area represented by the West Kentucky Corporation, including all the following counties: Allen, Ballard, Barren, Breckinridge, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Edmonson, Fulton, ***Green***, Graves, Grayson, Hancock, Hardin, Hart, Henderson, Hickman, Hopkins, Larue, Livingston, Logan, Lyon, Marion, Marshall, McCracken, McLean, Meade, Metcalfe, Monroe, Muhlenberg, Nelson, Ohio, Simpson, Spencer, Taylor, Todd, Trigg, Union, Warren, Washington, Webster;
- (2) "Board" means the board of directors of the corporation;
- (3) "Bonds" or "notes" means revenue bonds, commercial paper revenue bonds, refunding revenue bonds, variable rate revenue bonds, bond anticipation notes, or other obligations issued by the corporation under the authority of KRS 154.85-035 and 154.85-045;
- (4) "Committee" means the executive committee of the board of directors of the corporation, possessing all powers, duties, and responsibilities as provided in KRS 154.85-035 and 154.85-040, and as may be otherwise provided by the board;
- (5) "Commonwealth" means the Commonwealth of Kentucky;
- (6) "Corporation" means the West Kentucky Corporation;
- (7) "Executive officer" or "president" means the chief administrator of the corporation having responsibility for its day-to-day operations, and possessing all duties, responsibilities, and authorities as specified by the board or executive committee;
- (8) "Fund" means the West Kentucky economic development fund as provided by KRS 154.85-050;
- (9) "Local governing body" means the fiscal court of any county within the area or the legislative body of any city represented on the board of the corporation; and
- (10) "Project" means any economic or job development activity or program or facility or undertaking located within the area which is planned, developed, implemented, operated, financed, or otherwise assisted by the corporation pursuant to KRS 154.85-001 to 154.85-085.

Approved March 28, 2002

CHAPTER 82

(HB 258)

AN ACT relating to the Department of Military Affairs and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO READ AS FOLLOWS:

Sections 2, 3, 4, and 5 of this Act may be cited as the Antiterrorism Act of 2002.

SECTION 2. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO READ AS FOLLOWS:

The General Assembly hereby finds that:

- (1) *No government by itself can guarantee perfect security from acts of war or terrorism.*
- (2) *The security and well-being of the public depend not just on government, but rest in large measure upon individual citizens of the Commonwealth and their level of understanding, preparation, and vigilance.*
- (3) *The safety and security of the Commonwealth cannot be achieved apart from reliance upon Almighty God as set forth in the public speeches and proclamations of American Presidents, including Abraham Lincoln's historic March 30, 1863, Presidential Proclamation urging Americans to pray and fast during one of the most dangerous hours in American history, and the text of President John F. Kennedy's November 22, 1963, national security speech which concluded: "For as was written long ago: 'Except the Lord keep the city, the watchman waketh but in vain.' "*

Section 3. KRS 39A.050 is amended to read as follows:

- (1) The Division of Emergency Management shall coordinate for the Governor all matters pertaining to the comprehensive emergency management program and disaster and emergency response of the Commonwealth. The division shall be the executive branch agency of state government having primary jurisdiction, responsibility, and authority for the planning and execution of disaster and emergency assessment, mitigation, preparedness, response, and recovery for the Commonwealth; the coordination of all disaster and emergency response by and between all state agencies, all agencies of city, county, and urban-county or charter county government, all local entities, and all political subdivisions of the Commonwealth for an emergency, declared emergency, disaster, or catastrophe as contemplated in KRS 39A.010, 39A.020, or 39A.030; the coordination of, and liaison with, related or concerned federal government agencies, elected officials of other states, private organizations or private sector companies dealing with disaster and emergency response; the coordination of all recovery operations and mitigation initiatives subsequent to disasters or emergencies; and the coordination of all public information activities regarding state government disaster and emergency response operations.
- (2) The Division of Emergency Management shall have and exercise the following powers, authorities, and duties:
 - (a) To develop, administer, and maintain a statewide comprehensive emergency management program for the Commonwealth, and through it an integrated emergency management system for the disaster and emergency response of the Commonwealth, which shall be coordinated with the emergency management programs, and other related public safety, emergency response, mitigation, or disaster recovery programs, of all appropriate federal government agencies including the Federal Emergency Management Agency, *the Office of Homeland Security, the State Department, the Federal Aviation Administration, the Centers for Disease Control and Prevention*, the Department of Transportation, the Environmental Protection Agency, the Occupational Safety and Health Administration, the Department of Defense, the National Oceanic and Atmospheric Administration, the Department of Justice, the Bureau of Alcohol, Tobacco, and Firearms, the National Transportation Safety Board, the Chemical Safety and Hazard Investigation Board, the Army Corps of Engineers, the National Security Council, the Department of Health and Human Services, the Federal Railroad Administration, the United States Geological Survey, the Department of Energy, the Nuclear Regulatory Commission, the Department of Agriculture, the Department of Housing and Urban Development, the American Red Cross, the other states, and other appropriate public or private agencies, to the fullest appropriate extent;
 - (b) To coordinate the development, implementation, and maintenance of comprehensive emergency management programs by local emergency management agencies in the cities, counties, and urban-

county or charter county governments of the Commonwealth to ensure that all such programs, agencies, and organizations are organized, administered, and operated as functional components of the integrated emergency management system of the Commonwealth;

- (c) To develop and maintain a comprehensive, risk-based, all-hazards disaster and emergency response plan entitled "Kentucky Emergency Operations Plan," the provisions of which shall establish the organizational structure to be utilized by state government for managing disaster and emergency response, and set forth the policies, procedures, and guidelines for the coordination and execution of all disaster and emergency response for an emergency, declared emergency, disaster, or catastrophe in the Commonwealth. The Kentucky Emergency Operations Plan shall be submitted to the Governor for approval when the Governor assumes office following each gubernatorial election, or at other times as the director deems appropriate. The Governor shall provide written approval of the Kentucky Emergency Operations Plan through issuance of an executive order and the division shall file a copy of the executive order with the Legislative Research Commission. The Kentucky Emergency Operations Plan shall be the primary strategic disaster and emergency response planning component of the integrated emergency management system of the Commonwealth, and shall be utilized and followed by all state agencies, all local government agencies, all local public agencies or entities, and all other political subdivisions of the Commonwealth which may be involved in disaster and emergency response in the Commonwealth. The Kentucky Emergency Operations Plan shall be updated by the division not less than annually;
- (d) To maintain and operate the State Emergency Operations Center facility, which shall be the official and primary state government twenty-four (24) hour warning point, communications, and command center, from which the Governor, cabinet secretaries, department heads, and other state agency officials can, at any time, rapidly, adequately, and effectively manage the disaster and emergency response of the Commonwealth. The State Emergency Operations Center facility shall be the primary state direction and control component of the integrated emergency management system of the Commonwealth for the coordination of all disaster and emergency response in the Commonwealth;
- (e) To develop, monitor, and operate, on a twenty-four (24) hour per day basis, the appropriate alerting or warning systems, public safety telecommunications systems or radio networks; any state trunked, fiber, or interactive communication systems; computer, fax, other telecommunications or information networks; and systems needed for communication and coordination with all necessary or appropriate federal, state, or local public safety, law enforcement, emergency management, or other disaster and emergency response agencies, and state or local dispatch centers in the Commonwealth, and other appropriate interests, and through these agencies and systems to receive or disseminate emergency information, or to receive timely notification of, and continual assessment of, all threatened or actual emergency incidents or disaster situations occurring anywhere in or near the Commonwealth;
- (f) To immediately notify the Governor and the Adjutant General, in the event of any major emergency incidents or disaster occurrences, or the threatened or impending occurrence of any of these events, and to keep the Governor and the Adjutant General informed of all actions being taken in response to these events;
- (g) To respond to the scenes of emergencies or disasters, or their threatened or impending occurrence and to directly and immediately investigate, analyze, and assess the nature and seriousness of these situations; to convene meetings, gather information, conduct briefings, and evaluate ongoing emergency response activities; take actions to execute the appropriate provisions of the Kentucky Emergency Operations Plan; coordinate the establishment and operation of a state incident management system; establish or manage sub-state or area emergency operations centers, or on-scene command posts; and fully expedite and coordinate the disaster and emergency response of the Commonwealth;
- (h) To establish and operate area field offices of the division, each office to be headed by an area manager, responsible for administering the policies, plans, programs, and duties of the division in specific geographic areas of the Commonwealth, including the coordination of comprehensive emergency management programs developed by the cities, counties, urban-county, or charter county governments in the areas;
- (i) To provide funds to the cities, counties, and urban-county or charter county governments of the Commonwealth to support the development, administration, operation, and maintenance of local emergency management agencies created pursuant to KRS Chapters 39A to 39F;

- (j) To require the regular submission of program administration data, records, materials, reports, or documents from local emergency management agencies as may be necessary and sufficient to conduct performance reviews and assessments to ensure compliance with all state or federal funding and program requirements, and to ensure local program compatibility and consistency with the mission, goals, and objectives of the comprehensive emergency management program and integrated emergency management system of the Commonwealth;
- (k) To ascertain the requirements of the Commonwealth and its cities and counties for emergency resources and the necessities of life in the event of disaster or emergency; institute an emergency resource management plan and procure emergency supplies, materials, and equipment; and use or employ in time of emergency any of the property, services, and resources of state or local government in the Commonwealth for the purposes set forth in KRS Chapters 39A to 39F;
- (l) To institute public information and education programs, emergency management training programs, and exercise programs to test and evaluate emergency operations plans and disaster and emergency response and recovery capabilities;~~and~~
- (m) *To assess the threat of and the Commonwealth's capacity for responding to acts of war or terrorism, including but not limited to nuclear, biological, chemical, agro, eco, electromagnetic pulse, or cyber terrorism;*
- (n) *To develop a statewide plan and needs assessment for responding to acts of war or terrorism, including but not limited to nuclear, biological, chemical, agro, eco, electromagnetic pulse, or cyber terrorism;*
- (o) *Develop a comprehensive strategy addressing how state and federal funds and other U.S. Department of Justice assistance will be allocated within the state to purchase specialized equipment required to respond to terrorist incidents effectively and safely; and*
- (p) *Establish as a goal to exceed the minimum requirements established by the U.S. Department of Justice, under congressional direction, for state and local governments receiving assistance needed to enhance their capabilities to respond to terrorist attacks. This goal is established in order for the Commonwealth to emerge as a preeminent national leader in preparation and training to address terrorist incidents involving weapons of mass destruction; and*
- (q) To promulgate administrative regulations to carry out the provisions of KRS Chapters 39A to 39F.

Section 4. KRS 39A.070 is amended to read as follows:

The director, with the approval of the Adjutant General, shall exercise the following powers, responsibilities, and duties:

- (1) To represent the Governor on all matters pertaining to the comprehensive emergency management program and the disaster and emergency response of the Commonwealth;
- (2) To coordinate the development of a statewide comprehensive emergency management program, and through it, an integrated emergency management system for the disaster and emergency response of the Commonwealth;
- (3) To promulgate administrative regulations and issue orders, directives, standards, rules, procedures, guidance, or recommended practices necessary to coordinate the development, administration, organization, operation, implementation, and maintenance of the statewide comprehensive emergency management program and the integrated emergency management system of the Commonwealth;
- (4) To coordinate the development of comprehensive emergency management programs by the cities, counties, and urban-county or charter county governments as functional components of the integrated emergency management system of the Commonwealth;
- (5) To supervise the development and maintenance of the Kentucky Emergency Operations Plan, and to review and give concurrence to local emergency operations plans required pursuant to KRS Chapters 39A to 39F;
- (6) To coordinate the comprehensive emergency management program of the Commonwealth with the emergency management or other emergency response-related programs of the federal government, and of other states, to the fullest appropriate extent;

- (7) To advise the Governor and the Adjutant General immediately of the occurrence or threatened or impending occurrence of any disaster or emergency, and to recommend to the Governor any emergency actions, written orders, emergency powers, or executive orders that the Governor should execute;
- (8) To serve as the Governor's primary liaison with local officials in the event of the occurrence, or threatened or impending occurrence, of any disaster or emergency in the cities, counties, urban-counties, or charter counties of the Commonwealth;
- (9) To take any other preparedness or response actions deemed necessary for adequate response to a disaster or emergency situation to include: requesting increased readiness activities by state or local agencies in advance of an actual disaster or emergency; requesting implementation of local emergency operations plans or the activation of local emergency operations centers; requesting reports from state or local agencies regarding emergency situations, damage assessments, or the taking of emergency response actions; and requesting the mobilization or deployment of any trained and equipped forces of state or local government for the disaster and emergency response purposes set forth in KRS Chapters 39A to 39F;
- (10) To request and utilize the personnel, equipment, services, and facilities of existing officers and agencies of the Commonwealth and of all political subdivisions and special districts. All these officers and agencies shall fully cooperate with and extend their resources to the director as requested to the extent that local public safety is not unreasonably compromised;
- (11) To employ measures and give directions to the state or local boards of health as necessary for the purpose of securing compliance with the provisions of KRS Chapters 39A to 39F, or with the findings or recommendations of the boards of health, because of conditions arising from disasters, emergency situations, national security emergencies, or the threat thereof;
- (12) To request and utilize the services of state and local law enforcement officers for the purpose of securing compliance with the provisions of KRS Chapters 39A to 39F, or any order of the Governor pertaining to disaster and emergency response;
- (13) On behalf of this Commonwealth, with the approval of the Governor or act of the General Assembly, to enter into reciprocal aid agreements or compacts with other states and the federal government, either on a statewide, local, county, or city basis, or with other states or a province of a foreign country. The mutual aid agreements shall be limited to the furnishing or exchange of food, clothing, medicine, and other supplies; engineering services; emergency housing; police services; national guard personnel and resources while under the control of the state; health, medical, and related services; firefighting; rescue; search and rescue or recovery; urban search and rescue; hazardous materials response services, transportation and construction services and equipment; personnel necessary to provide or conduct these services and other supplies, equipment, facilities, personnel, and services as needed; the reimbursement of costs and expenses for equipment, supplies, personnel, and similar items for mobile support units, firefighting, search and rescue, and police units, and health units; and on the terms and conditions deemed necessary;
- (14) To sponsor and develop mutual aid plans and agreements among the urban-county or charter county governments, counties, cities, and other political subdivisions and special districts of the Commonwealth, similar to the mutual aid arrangements with other states referred to in subsection (13) of this section;
- (15) To procure motor vehicles, radio and telecommunications equipment, protective clothing, safety equipment, and other necessary supplies and materials to meet the emergency response, operational, and administrative needs of the division;
- (16) To identify deficiencies existing in the emergency management program organization, facilities, and capabilities of the Commonwealth, including but not limited to: personnel and administrative resources; state, sub-state, area, or local emergency operations centers; mobile command posts; emergency telecommunications and computer systems; alerting and warning systems; stockpiles of critical resources; or any other necessary elements, and to recommend to the Adjutant General, for consideration by the Governor or the General Assembly or other appropriate funding authority, the administrative or operational funding requirements, and long-range capital construction or improvement projects needed to meet the emergency management infrastructure needs of the Commonwealth;
- (17) To serve as the state coordinating officer and notify the Governor of the appropriations necessary to fund the expected emergency operational or response costs of the division, and the Commonwealth's share of the grants provided by Pub.L.No. 93-288, Title V, Federal Disaster Assistance Programs as amended by Pub.L.No. 100-

707, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, or successor Acts or Titles, and further, take action necessary to ensure entitlement to all other federal relief or assistance programs;

- (18) To cooperate with the President of the United States, the Federal Emergency Management Agency, and other appropriate federal offices and agencies, and the offices and agencies of other states in matters pertaining to the comprehensive emergency management program of the Commonwealth and nation; and in connection with these, to take any measures considered necessary to implement any request of the President and the appropriate federal offices and agencies, for any action requiring effective disaster and emergency response, including the direction or control and mobilization of disaster and emergency response forces; tests and exercises, warnings, and signals for drills or other emergency response activities and the mechanical devices to be used in connection with these; the shutting off of water mains, gas mains, electric power connections, and the suspension of all other utility services; the conduct of civilians and the movement and cessation of movement of pedestrians and vehicular traffic during, prior, and subsequent to a drill, emergency, declared emergency or disaster; public meetings or gatherings; and the evacuation and sheltering of the civilian population; ~~and~~
- (19) *To develop a statewide plan and needs assessment for responding to acts of war or terrorism, including nuclear, biological, chemical, agro, eco, electromagnetic pulse, or cyber terrorism; and*
- (20) To delegate any authority vested in the director under KRS Chapters 39A to 39F and to provide for the subdelegation of any such authority.

SECTION 5. A NEW SECTION OF KRS CHAPTER 39A IS CREATED TO READ AS FOLLOWS:

The Adjutant General, as executive head of the Department of Military Affairs and the Division of Emergency Management, utilizing federal funds and existing agency funds, shall:

- (1) *Establish and chair an interagency working group comprised of state and private agencies to help identify risks and needs and make a complete assessment of the preparedness of the Commonwealth to respond to acts of war or terrorism, including nuclear, biological, chemical, agro, eco, electromagnetic pulse, or cyber terrorism;*
- (2) *Collaborate with state and participating private agencies to submit a written preliminary report prior to December 31, 2002, to the Governor, the Legislative Research Commission and the Interim Joint Committee on Seniors, Military Affairs, and Public Safety regarding the findings of the assessment of the preparedness of the Commonwealth to respond to acts of war or terrorism, including nuclear, biological, chemical, agro, eco, electromagnetic pulse, or cyber terrorisms;*
- (3) *Develop and implement statewide strategies to respond to acts of war or terrorism, including nuclear, biological, chemical, agro, eco, electromagnetic pulse, or cyber terrorism based upon the information obtained in the needs assessment;*
- (4) *Provide information explaining how individuals and private organizations, including volunteer and religious organizations, can best prepare for and respond to incidents contemplated by this section and to other threatened, impending, or declared emergencies and whom to contact should they desire to volunteer help or services during such an emergency. The program shall identify and encourage these private organizations to specifically commit to provide food, shelter, personnel, equipment, materials, consultation and advice, or any other services needed to respond to these incidents; and*
- (5) *Annually assess and update the capability for readiness specified in this section, subject to the continued availability of federal and agency funds. The assessment shall identify the priority of needs, areas of improvement, and the overall progress made in attaining the goals and needs identified in the initial study and in its annual report. The report shall be submitted to the parties specified in subsection (2) of this section not later than December 31 of each year.*

Section 6. Whereas the tragic events of September 11, 2001, have demonstrated the immediate need for insuring that the Commonwealth is prepared to deal with terrorism and extraordinary emergencies, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

Approved March 28, 2002

CHAPTER 83

(HB 260)

AN ACT relating to motor vehicles.

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

Section 1. KRS 190.033 is amended to read as follows:

A motor vehicle dealer's license, motor vehicle auction dealer's license, or wholesaler's license shall not be issued or renewed unless the applicant or holder of the license shall have on file with the commission an approved indemnifying bond or insurance policy issued by a surety company or insurance carrier authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until canceled under proper notice. All bonds or policies shall be issued in the name of the holder or applicant for the dealer's license or wholesaler's license. The bond or policy for all dealers except automotive recycling dealers shall provide public liability and property damage coverage for the operation of any vehicle owned or being offered for sale by the dealer or wholesaler when being operated by the owner or seller, his agents, servants, employees, prospective customers, or other persons. ***In circumstances where a customer's or other person's vehicle is out of use because of breakdown, repair, or servicing and a motor vehicle is loaned, with or without consideration, the coverage mandated by this section shall be in excess of, and be deemed secondary to, the collision, bodily injury, and property damage liability coverage under a customer's or other person's own coverage for that person's own negligence, otherwise the coverage mandated by this section shall be primary.*** ~~The property damage coverage mandated by this section shall be in excess of the property damage coverage under a customer's or other person's own coverage for that person's own negligence.~~ The amount of insurance shall be one hundred thousand dollars (\$100,000) for bodily injury or death of any one (1) person; three hundred thousand dollars (\$300,000) for bodily injury or death in any one (1) accident; and fifty thousand dollars (\$50,000) property damage. The bond or policy for automotive recycling dealers shall provide commercial general liability coverage in the amount of one hundred thousand dollars (\$100,000) for bodily injury or death of any one (1) person; three hundred thousand dollars (\$300,000) for bodily injury or death in any one (1) accident; and fifty thousand dollars (\$50,000) property damage. A bond or insurance policy shall not be canceled unless fifteen (15) days' notice by the bondsman or insurance carrier has been given in writing to the commission. Upon the cancellation of any bond or insurance policy required, the right to engage in the business of a motor vehicle dealer or wholesaler shall immediately abate. If the bond or insurance policy is reinstated within thirty (30) days from the date of cancellation, the rights granted by the license shall again be in force and effect; otherwise, the license shall become void.

Section 2. KRS 304.20-065 is amended to read as follows:

Every motor vehicle insurance policy insuring a motor vehicle with ***coverage for collision, bodily injury, and property damage liability, or all three (3).*** ~~coverage~~ licensed in this state shall extend ***these coverages*** ~~its property damage coverage~~ to cover the insured ***individual's negligence*** ~~individual~~ while operating a motor vehicle which is loaned, with or without consideration, to the insured individual as a replacement vehicle while the insured's vehicle is out of use because of breakdown, repair, or servicing and if the other motor vehicle is loaned by a person, firm or corporation engaged in the business of selling, repairing, ~~and for~~ servicing motor vehicles. Such extension of ~~property damage~~ coverage shall include coverage for damage to or loss of the loaned vehicle as a result of the negligence of the insured.

Approved March 28, 2002

CHAPTER 84

(HB 334)

AN ACT changing the classification of the City of Crestwood, in Oldham County.

WHEREAS, satisfactory information has been presented to the General Assembly that the population of the City of Crestwood, in Oldham County, is such as to justify its being classified as a city of the fifth class;

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

Section 1. The City of Crestwood, in Oldham County, is transferred from the sixth to the fifth class of cities.

Approved March 28, 2002

CHAPTER 85

(HB 339)

AN ACT relating to continuing care retirement communities and declaring an emergency.

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

Section 1. KRS 216B.335 is amended to read as follows:

The establishment of continuing care retirement community nursing home beds under KRS 216B.015, 216B.020, 216B.330, and 216B.332 shall be limited to the time period commencing upon July 14, 2000, and ending **July 31, 2004**~~upon the adjournment of the 2002 General Assembly~~. No further continuing care retirement community nursing home beds shall be established under KRS 216B.015, 216B.020, 216B.330, and 216B.332 without affirmative actions of the General Assembly.

Section 2. KRS 216B.339 is amended to read as follows:

- (1) The cabinet shall monitor the establishment of continuing care retirement communities' nursing home beds closely. The cabinet shall collect the following data regarding continuing care retirement communities' nursing home beds:
 - (a) The number of applications for a certificate of need to convert nursing home beds to nursing facility beds, the number of beds included in each application, and the number of beds approved;
 - (b) The number of applications for Medicaid certification for continuing care retirement communities' nursing home beds, the number of beds included in each application, and the number of beds certified as Medicaid eligible;
 - (c) The payor sources for continuing care retirement communities' nursing home beds; and
 - (d) The number of each type of bed or living unit within each continuing care retirement community on July 14, 2000, and the number of each type of bed or living unit within each continuing care retirement community on October 31, **2003**~~2001~~.
- (2) Prior to the beginning of the **2004**~~2002~~ Regular Session of the General Assembly, the secretary shall issue a report to the President of the Senate and the Speaker of the House of Representatives, the chair of the Senate Standing Committee on Health and Welfare, and the chair of the House Standing Committee on Health and Welfare addressing the impact of KRS 216B.015, 216B.020, 216B.330, and 216B.332 upon the state's Medicaid budget, consumer access issues, and providers of long-term care.

Section 3. Whereas many seniors desire to continue living in a continuing care retirement community instead of moving to a nursing home, and the current statute permitting continuing care retirement communities to add nursing home beds sunsets at the end of the 2002 Regular Session of the General Assembly, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved March 28, 2002

CHAPTER 86

(HB 383)

AN ACT relating to the Court of Justice.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 23A IS CREATED TO READ AS FOLLOWS:

In any judicial circuit where a family court is established or has been established the position of domestic relations commissioner is abolished and no commissioner shall be appointed to hear or determine any matter within the jurisdiction of the family court.

SECTION 2. A NEW SECTION OF KRS CHAPTER 24A IS CREATED TO READ AS FOLLOWS:

In any judicial district where a family court is established or has been established the position of domestic relations commissioner is abolished and no commissioner shall be appointed to hear or determine any matter within the jurisdiction of the family court.

Section 3. This Act takes effect January 1, 2003.

Approved March 28, 2002

CHAPTER 87

(HB 393)

AN ACT relating to children's advocacy centers.

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

Section 1. KRS 620.020 is amended to read as follows:

The definitions in KRS Chapter 600 shall apply to this chapter. In addition, as used in this chapter, unless the context requires otherwise:

- (1) "Case permanency plan" means a document identifying decisions made by the cabinet, for both the biological family and the child, concerning action which needs to be taken to assure that the child in foster care expeditiously obtains a permanent home;
- (2) "Case progress report" means a written record of goals that have been achieved in the case of a child;
- (3) "Case record" means a cabinet file of specific documents and a running record of activities pertaining to the child;
- (4) "Children's advocacy center" means an agency that advocates on behalf of children alleged to have been abused; that assists in the coordination of the investigation of child abuse by providing a location for forensic interviews *and medical examinations*, and *by* promoting the coordination of services for children alleged to have been abused; and that provides, *directly or by formalized agreements*, services that include, but are not limited to, forensic *interviews*, medical examinations, mental health and related support services, court advocacy, consultation, training, and staffing of multidisciplinary teams;
- (5) "Foster care" means the provision of temporary twenty-four (24) hour care for a child for a planned period of time when the child is:
 - (a) Removed from his parents or person exercising custodial control or supervision and subsequently placed in the custody of the cabinet; and
 - (b) Placed in a foster home or private child-caring facility or child-placing agency but remains under the supervision of the cabinet;
- (6) "Local citizen foster care review board" means a citizen board which provides periodic permanency reviews of children placed in the custody of the cabinet by a court order of temporary custody or commitment under this chapter;
- (7) "Multidisciplinary teams" means local teams operating under protocols governing roles, responsibilities, and procedures developed by the Kentucky Multidisciplinary Commission on Child Sexual Abuse pursuant to KRS 431.600;
- (8) "Permanence" means a relationship between a child and an adult which is intended to last a lifetime, providing commitment and continuity in the child's relationships and a sense of belonging;
- (9) "Preventive services" means those services which are designed to help maintain and strengthen the family unit by preventing or eliminating the need for removal of children from the family;

- (10) "Reasonable efforts" means the exercise of ordinary diligence and care by the department to utilize all preventive and reunification services available to the community in accordance with the state plan for Public Law 96-272 which are necessary to enable the child to safely live at home;
- (11) "Reunification services" means remedial and preventive services which are designed to strengthen the family unit, to secure reunification of the family and child where appropriate, as quickly as practicable, and to prevent the future removal of the child from the family; and
- (12) "State citizen foster care review board" means a board created by KRS 620.310.

Section 2. KRS 620.050 is amended to read as follows:

- (1) Anyone acting upon reasonable cause in the making of a report or acting under KRS 620.030 to 620.050 in good faith shall have immunity from any liability, civil or criminal, that might otherwise be incurred or imposed. Any such participant shall have the same immunity with respect to participation in any judicial proceeding resulting from such report or action. However, any person who knowingly makes a false report and does so with malice shall be guilty of a Class A misdemeanor.
- (2) ***Any employee or designated agent of a children's advocacy center shall be immune from any civil liability arising from performance within the scope of the person's duties as provided in KRS 620.030 to 620.050. Any such person shall have the same immunity with respect to participation in any judicial proceeding. Nothing in this subsection shall limit liability for negligence. Upon the request of an employee or designated agent of a children's advocacy center, the Attorney General shall provide for the defense of any civil action brought against the employee or designated agent as provided under KRS 12.211 to 12.215.***
- (3) Neither the husband-wife nor any professional-client/patient privilege, except the attorney-client and clergy-penitent privilege, shall be a ground for refusing to report under this section or for excluding evidence regarding a dependent, neglected, or abused child or the cause thereof, in any judicial proceedings resulting from a report pursuant to this section. This subsection shall also apply in any criminal proceeding in District or Circuit Court regarding a dependent, neglected, or abused child.
- ~~(4)(3)~~ Upon receipt of a report of an abused, neglected, or dependent child pursuant to this chapter, the cabinet as the designated agency or its delegated representative shall initiate a prompt investigation or assessment of family needs, take necessary action, and shall offer protective services toward safeguarding the welfare of the child. The cabinet shall work toward preventing further dependency, neglect, or abuse of the child or any other child under the same care, and preserve and strengthen family life, where possible, by enhancing parental capacity for adequate child care.
- ~~(5)(4)~~ The report of suspected child abuse, neglect, or dependency and all information obtained by the cabinet or its delegated representative, as a result of an investigation or assessment made pursuant to this chapter, ***except for those records provided for in subsection (6) of this section***, shall not be divulged to anyone except:
 - (a) Persons suspected of causing dependency, neglect, or abuse;
 - (b) The custodial parent or legal guardian of the child alleged to be dependent, neglected, or abused;
 - (c) Persons within the cabinet with a legitimate interest or responsibility related to the case;
 - (d) Other medical, psychological, educational, or social service agencies, child care administrators, corrections personnel, or law enforcement agencies, including the county attorney's office, the coroner, and the local child fatality response team, that have a legitimate interest in the case;
 - (e) A noncustodial parent when the dependency, neglect, or abuse is substantiated;
 - (f) Members of multidisciplinary teams as defined by KRS 620.020 and which operate pursuant to KRS 431.600~~[- Members may include staff from a children's advocacy center];~~~~[- or]~~
 - (g) ***Employees or designated agents of a children's advocacy center; or***
 - (h) Those persons so authorized by court order.
- (6) (a) ***Files, reports, notes, photographs, records, electronic and other communications, and working papers used or developed by a children's advocacy center in providing services under this chapter are confidential and shall not be disclosed except to the following persons:***

1. *Staff employed by the cabinet, law enforcement officers, and Commonwealth's and county attorneys who are directly involved in the investigation or prosecution of the case;*
 2. *Medical and mental health professionals listed by name in a release of information signed by the guardian of the child, provided that the information shared is limited to that necessary to promote the physical or psychological health of the child or to treat the child for abuse-related symptoms; and*
 3. *The court and those persons so authorized by a court order.*
- (b) *The provisions of this subsection shall not be construed as to contravene the Rules of Criminal Procedure relating to discovery.*
- (7) *Nothing in this section shall prohibit a parent or guardian from accessing records for his or her child providing that the parent or guardian is not currently under investigation by a law enforcement agency or the cabinet relating to the abuse of a child.*
- (8) *Nothing in this section shall prohibit employees or designated agents of a children's advocacy center from disclosing information during a multidisciplinary team review of a child sexual abuse case as set forth under KRS 620.040. Persons receiving this information shall sign a confidentiality statement consistent with statutory prohibitions on disclosure of this information.*
- (9) *Employees or designated agents of a children's advocacy center may confirm to another children's advocacy center that a child has been seen for services. If an information release has been signed by the guardian of the child, a children's advocacy center may disclose relevant information to another children's advocacy center.*
- (10) (a) *An interview of a child recorded at a children's advocacy center shall not be duplicated except that the Commonwealth's or county attorney prosecuting the case may:*
1. *Make and retain one (1) copy of the interview; and*
 2. *Make one (1) copy for the defendant's counsel that the defendant's counsel shall not duplicate.*
- (b) *The defendant's counsel shall file the copy with the court clerk at the close of the case.*
- (c) *Unless objected to by the victim or victims, the court, on its own motion, or on motion of the attorney for the Commonwealth shall order all recorded interviews that are introduced into evidence or are in the possession of the children's advocacy center, law enforcement, the prosecution, or the court to be sealed.*
- (d) *The provisions of this subsection shall not be construed as to contravene the Rules of Criminal Procedure relating to discovery.*
- ~~(11)(5)~~ Identifying information concerning the individual initiating the report under KRS 620.030 shall not be disclosed except:
- (a) To law enforcement officials that have a legitimate interest in the case;
 - (b) To the agency designated by the cabinet to investigate or assess the report;
 - (c) To members of multidisciplinary teams as defined by KRS 620.020 that operated under KRS 431.600; or
 - (d) Under a court order, after the court has conducted an in camera review of the record of the state related to the report and has found reasonable cause to believe that the reporter knowingly made a false report.
- ~~(12)(6)~~ Information may be publicly disclosed by the cabinet in a case where child abuse or neglect has resulted in a child fatality or near fatality.
- ~~(13)(7)~~ When an adult who is the subject of information made confidential by subsection ~~(5)(4)~~ of this section publicly reveals or causes to be revealed any significant part of the confidential matter or information, the confidentiality afforded by subsection ~~(5)(4)~~ of this section is presumed voluntarily waived, and confidential information and records about the person making or causing the public disclosure, not already disclosed but related to the information made public, may be disclosed if disclosure is in the best interest of the child or is necessary for the administration of the cabinet's duties under this chapter.

~~(14)(8)~~ As a result of any report of suspected child abuse or neglect, photographs and X-rays or other appropriate medical diagnostic procedures may be taken or caused to be taken, without the consent of the parent or other person exercising custodial control or supervision of the child, as a part of the medical evaluation or investigation of these reports. These photographs and X-rays or results of other medical diagnostic procedures may be introduced into evidence in any subsequent judicial proceedings. The person performing the diagnostic procedures or taking photographs or X-rays shall be immune from criminal or civil liability for having performed the act. Nothing herein shall limit liability for negligence.

Section 3. KRS 610.127 is amended to read as follows:

Reasonable efforts as defined in KRS 620.020~~(9)~~ shall not be required to be made with respect to a parent of a child if a court of competent jurisdiction determines that the parent has:

- (1) Subjected the child to aggravated circumstances as defined in KRS 600.020;
- (2) Been convicted in a criminal proceeding of having caused or contributed to the death of another child of the parent;
- (3) Committed a felony assault that resulted in serious bodily injury to the child or to another child of the parent;
- (4) Had their parental rights to another child terminated involuntarily;
- (5) Engaged in a pattern of conduct due to alcohol or other drug abuse as defined in KRS 222.005(12) for a period of not less than ninety (90) days that has rendered the parent incapable of caring for the immediate and ongoing needs of the child, and the parent has refused or failed to complete available treatment for alcohol or other drug abuse;
- (6) Mental illness as defined in KRS 202A.011(9) or mental retardation as defined in KRS 202B.010(9) or other developmental disability as defined in KRS 387.510(7) that places the child at substantial risk of physical or emotional injury even if the most appropriate and available services were provided to the parent for twelve (12) months; or
- (7) Other circumstances in existence that make continuation or implementation of reasonable efforts to preserve or reunify the family inconsistent with the best interests of the child and with the permanency plan for the child.

Approved March 28, 2002

CHAPTER 88

(HB 470)

AN ACT relating to farm operations and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 150 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Agriculture in cooperation with the Department of Fish and Wildlife shall promulgate administrative regulations pertaining to health requirements, eradication of diseases, and identification of privately owned and farm raised cervids maintained for the production of meat and other products. The Department of Fish and Wildlife in cooperation with the Department of Agriculture shall promulgate administrative regulations pertaining to the importation and holding of cervids.*
- (2) *If any person imports a diseased animal into the Commonwealth in violation of the statutes and administrative regulations, then that person shall be responsible to the Department of Agriculture and the Department of Fish and Wildlife for all costs incurred in the investigation, response, and eradication of that disease.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 246 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Agriculture in cooperation with the Department of Fish and Wildlife shall promulgate administrative regulations pertaining to health requirements, eradication of diseases, and identification of privately owned and farm raised cervids maintained for the production of meat and other products. The Department of Fish and Wildlife in cooperation with the Department of Agriculture shall promulgate administrative regulations pertaining to the importation and holding of cervids.*

- (2) *If any person imports a diseased animal into the Commonwealth in violation of the statutes and administrative regulations, then that person shall be responsible to the Department of Agriculture and the Department of Fish and Wildlife for all costs incurred in the investigation, response, and eradication of that disease.*

Section 3. KRS 246.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Board" means the state Board of Agriculture;
- (2) "Commissioner" means the Commissioner of Agriculture;
- (3) "Department" means the Department of Agriculture;
- (4) ~~"Owner" means any individual, firm, partnership, corporation, organization, association, or any combination thereof who owns a business for the purpose of applying paint to structures of any nature by means of spray equipment of any kind;~~
- (5) "Structure" means a building erected as a shelter for human beings, animals or agricultural products, equipment, or supplies;
- (5) ~~(6)~~ "Agriculture" means the business of raising or producing:
 - (a) Crops, the products of which are used for food, feed, fiber, energy, or pharmaceuticals;
 - (b) Horticulture products;
 - (c) Tobacco;
 - (d) Aquaculture products;
 - (e) Livestock, poultry, and ratite birds and eggs;
 - (f) Milk and milk products;
 - (g) Eggs and egg products;
 - (h) Bees and bee products; and
 - (i) Timber;
- (6) ~~(7)~~ "Horticulture" means the business of raising fruits, nuts, vegetables, flowers, ornamental plants, shrubs, trees, herbs, and the starts or transplants needed to produce these items;
- (7) ~~(8)~~ "Aquaculture" means the science, art, and business of producing and raising aquatic organisms under controlled or semicontrolled conditions;
- (8) ~~(9)~~ "Livestock" means cattle, sheep, swine, goats, horses, llamas, buffaloes, or any other animals of the bovine, ovine, porcine, caprine, or equine species, *deer and elk, whose regulatory requirements are under KRS Chapters 150 and 246, that are privately owned and raised in a confined area for breeding stock, food, fiber, and other products*; and
- (9) ~~(10)~~ "Poultry" means chickens, ducks, turkeys, or other domestic fowl being raised or kept on any premises in the Commonwealth for profit.

Section 4. KRS 246.040 is amended to read as follows:

- (1) The Commissioner shall be the head of the department. He shall keep his office at the seat of government and devote his entire time to the duties of his office.
- (2) The Commissioner may employ necessary *personnel to assist in carrying out his duties* ~~{clerical help}~~.

Section 5. KRS 246.070 is amended to read as follows:

- (1) The Commissioner shall promote and encourage, as far as practicable, the organization of agricultural *organizations and associations* ~~{and horticultural societies and other associations and ascertain the agricultural, horticultural, mechanical, commercial and educational condition of every county}~~. He shall ascertain in detail the quality and quantity of land under cultivation; the kinds, amounts and value of the annual field crops; the annual production of orchards, gardens, *and* dairies ~~{and mines; the quantity and value of domestic manufactures}~~; the kinds, value, and increase of livestock; ~~{the annual products of mechanical industry and~~

~~skill; the character and wages of labor employed in mines, factories and the cultivation of the soil; and the value of **agricultural** exports and imports; the number of miles and names of railroads, navigable streams and post offices in each county; how and by whom public roads are operated and kept in repair; the name, location and population of cities and villages; the number and value of school houses and churches; the names, capital and purposes of charitable institutions, and such other vital, social, physical and political statistics as he may deem proper and expedient.~~

- (2) The Commissioner may, if he thinks it will promote the objects of the department, expend such sums as are available in ~~for~~
 - (a) ~~the payment of premiums that he offers to encourage the agricultural industry of the state;~~
 - (b) ~~The distribution of seeds that the United States government desires to introduce into this state;~~
 - (c) ~~The purchase, importation and exchange of any seeds that he deems of value to the agricultural interests of the state; and~~
 - (d) ~~The analyzation of soils in different parts of the state in the interest of agriculture.~~

Section 6. KRS 246.080 is amended to read as follows:

All officers of the state and counties shall furnish the Commissioner with such information within their power as he may require in regard to the matters connected with the department. **The Commissioner**~~He~~ shall also put himself in communication with the different agricultural **associations and organizations**~~, horticultural and labor societies, manufacturing and mining companies~~ and such other organizations or persons in or out of the state, as he may deem proper, in order to secure information.

Section 7. KRS 246.130 is amended to read as follows:

The board shall meet in Frankfort at least once every two (2) months, or at any other place it may determine, to consider the general agricultural, horticultural, **and** forestry~~, and industrial~~ interests of the state, and to take the necessary steps for carrying out the purpose of the board. The Commissioner may, and at the request of six (6) of its voting members shall, call its meetings and the board may adjourn any meeting to a time and place as may be determined. Six (6) voting members shall constitute a quorum. Six (6) members may call the board together for the transaction of business if the Commissioner, upon their request, refuses to do so.

Section 8. KRS 246.160 is amended to read as follows:

The board shall act as an advisory board to the Commissioner~~, and shall aid him in the distribution of seed, in the collection of information concerning crops and in the promulgation of industrial information generally.~~

Section 9. KRS 246.210 is amended to read as follows:

- (1) The department or its agents **or employees** shall have free access within reasonable hours to any farm, orchard, garden, elevator, warehouse, building, cellar, freight or express office or car, freight yard, vehicle, vessel, boat, container, or any other place which, for probable cause, it may be necessary or desirable for the agents to enter in order to enforce a quarantine against the European corn borer (*Pyrausta nubilalis*).
- (2) The **department or any of its agents or employees**~~board or any of its members or representatives~~ may after reasonable notice enter any premises for the purpose of inspecting or testing livestock to determine the existence of, or to combat in any way, communicable diseases. The owner of the livestock to be tested or inspected shall, after reasonable notice, confine and present the livestock to the **agents or employees of the department**~~representatives of the board~~. When the **department or any of its agents or employees**~~board or any of its members or representatives~~ determines through inspection or testing that any livestock is infected with a communicable disease, they may enter any premises after reasonable notice and remove the diseased livestock, and have the livestock destroyed or slaughtered and the owner indemnified as provided in KRS 257.120 to 257.150. When necessary the **department or any of its agents or employees**~~board or any of its members or representatives~~ may call upon peace officers for assistance.~~The officers shall render assistance when ordered to do so by the board or any of its members, representatives, agents, or employees.~~
- (3)~~A sealer of agricultural warehouses appointed under KRS 251.120 may at all times enter upon any premises to inspect grain in storage or the granary, crib, bin, or other receptacle in which it has been stored.~~

~~(4)}~~ The state entomologist or his authorized agent shall, upon previous application, have free access within reasonable hours to any premises or containers for purposes of trapping, inspecting for, investigating, or treating the premises for the control of Japanese beetles (*Popillia japonica*). ~~[In the capacity of state inspector of apiaries, He may, personally or by deputy, at his discretion, visit private premises during reasonable business hours and inspect any apiary to ascertain the existence of, or to treat or destroy any disease in the egg, larval, pupal, or adult stages among bees or brood.]~~

~~(4)(5)}~~ The director of the agricultural experiment station and his agents shall have free access at all reasonable hours to any premises, vehicle, elevator, or steamship company, in the discharge of his duties under KRS 250.081.

Section 10. KRS 246.220 is amended to read as follows:

- (1) No person shall in any way hinder, refuse or defeat entrance or inspection by an agent *or employee* of the department who is performing the duties of his office for the purpose of combating the European corn borer under subsection (1) of KRS 246.210.
- (2) No person shall interfere in any way with the *department or any of its agents or employees* ~~[board or any of its members or representatives]~~ in the inspection of premises and livestock, or in the testing of livestock on any premises when the object of the inspection or testing is to determine the existence of or to combat in any way, communicable disease in livestock. No person shall interfere in any way with the *department or any of its agents or employees* ~~[board or any of its members or representatives]~~ in the removal from any premises of livestock found to be infected with a communicable disease.
- (3) No person shall hinder the efforts of the state entomologist or his agents in combating Japanese beetles under KRS 246.210.
- (4) No person shall hinder the entomologist in the performance of any of his duties ~~[as state inspector of apiaries]~~.
- (5) No person shall interfere in any way with inspectors or assistants while they are discharging their duties under KRS 250.021 to 250.111.
- (6) No person shall hinder, prevent, or attempt to prevent any person from discharging his duties under KRS 250.491 to 250.631.
- (7) No person shall in any way impersonate, hinder, or obstruct the department or its inspectors in the performance of their official duties under KRS 248.280 to 248.440 or 261.220.

Section 11. KRS 246.990 is amended to read as follows:

- (1) Any person who violates subsection (2) of KRS 246.210 or subsection (2) of KRS 246.220 shall be fined not less than fifty dollars (\$50) nor more than two hundred dollars (\$200) for the first offense; he shall be fined not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1,000) and be confined in the county jail for not less than sixty (60) days nor more than one hundred and twenty (120) days, for each subsequent offense.
- (2) Any person who violates subsection (3) of KRS 246.220 shall be fined not less than five dollars (\$5) nor more than one hundred dollars (\$100) or be imprisoned for not more than ten (10) days, or both. Each day's hindering or refusal of access shall constitute a separate offense.
- (3) Any person who violates subsection (4) of KRS 246.220 shall be fined not less than two dollars (\$2) nor more than fifty dollars (\$50).
- (4) Any person who violates subsection (5) of KRS 246.220 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).
- (5) Any person who violates subsection (6) of KRS 246.220 shall be fined not less than ten dollars (\$10) nor more than fifty dollars (\$50).
- (6) Any person who violates subsection (7) of KRS 246.220 shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500), or imprisoned for not more than three (3) months, or both.
- (7) Any owner or operator of a dairy plant who shall fail to comply with the provisions of KRS 246.240 or any part thereof shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than one hundred dollars (\$100).

~~(8) Any person violating any of the provisions of KRS 246.510 to 246.590 shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500), and imprisoned not more than one (1) year, or both. Each violation shall be deemed a separate offense.~~

~~(9)~~ Any person who violates any administrative regulation promulgated by the department under the provisions of KRS 246.660 shall have a civil fine imposed of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).

Section 12. KRS 257.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Board" means the Board of Agriculture;
- (2) "Commissioner" means the Commissioner of Agriculture;
- (3) "Communicable disease" includes hog cholera, brucellosis, leptospirosis, anthrax, black leg, catarrhal influenza of cattle, contagious pleuro-pneumonia, foot and mouth disease or aphthous fever, glanders, hemorrhagic septicemia, maladie du coit or dourine, mange of cattle, necrobacillosis and foot rot in sheep, hydrophobia, rinderpest, scabies in cattle, Texas tick or southern cattle fever, tuberculosis, equine viral arteritis, or any other disease proclaimed by the board to be of a transmissible character;
- (4) "Compost" means the humus-like product of the process of composting domestic livestock, poultry, or fish, which may be used as a soil conditioner or enhancer;
- (5) "Composting" means the biological decomposition of organic matter which inhibits pathogens;
- (6) "Experiment station" means the agricultural experiment station;
- (7) "Fish" means the bodies and parts of bodies of all animal aquatic life being raised, or kept for sale to a wholesaler or retailer, or for direct sale to the public;
- (8) "Livestock" means cattle, sheep, swine, *deer and elk, whose regulatory requirements are under KRS Chapters 150 and 246, that are privately owned and raised in a confined area for breeding stock, food, fiber, and other products*, goats, horses, or any other animals of the bovine, ovine, porcine, caprine, or equine species;
- (9) "Owner" means any person owning or leasing from another, or having in charge any domestic animal;
- (10) "Poultry" means all chickens, ducks, turkeys, or other domestic fowl being raised or kept on any premises in the Commonwealth for profit; and
- (11) "Premises" means any portion of land, or any structure erected on land, and any vehicle or vessel used in the transportation of passengers, goods or animals.

Section 13. The following KRS sections are repealed:

246.050 Department may engage in field demonstration and educational work.

246.090 Commissioner to issue monthly reports -- Publication.

246.100 Annual report on state, to induce immigration.

246.110 Report to General Assembly.

246.170 Board to report to General Assembly.

246.510 License required.

246.520 Rules and regulations.

246.530 Power of departmental agents.

246.540 Grounds for suspension or revocation of licenses.

246.550 Hearing.

246.560 Notice of revocation, suspension, or refusal to issue license -- Appeal -- Bond.

246.570 Change in ownership -- Duty of new owner.

246.580 Exceptions to license requirement.

246.590 Disposition of fees.

Section 14. Whereas the incidence of chronic wasting disease (CWD) is increasing and eight (8) states currently have cervid populations affected by the disease; and whereas agencies in the Commonwealth charged with the duty of protecting the health of the livestock and wildlife in the Commonwealth must coordinate with each other and with agencies from other states for the importation of cervids, an emergency is declared to exist and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Approved March 28, 2002

CHAPTER 89

(HB 448)

AN ACT relating to property taxes.

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

Section 1. KRS 96.810 is amended to read as follows:

- (1) The board shall devote all moneys derived from any source other than the issuance of bonds to or for the payment of all operating expenses; bond interest and retirement and sinking fund payments; the acquisition and improvement of the electric plant; contingencies; other obligations incurred in the operation and maintenance of the electric plant and the furnishing of electric service; the state, any county, any school district, any municipality, and any other special taxing district in which the board operates, of the same respective amounts as provided in KRS 96.820, or any other additional amounts which the board pursuant to its contract with the Tennessee Valley Authority or other governmental agencies collects as tax equivalents for any taxing jurisdiction if the board contracts with the Tennessee Valley Authority or any governmental agency for the purchase and resale of electrical energy, or if the board does not contract with the Tennessee Valley Authority or any other governmental agency for the purchase or resale of any electrical energy and if it has met all obligations imposed on it by KRS 96.550 to 96.900 it may at the end of any twelve (12) months ending June 30 transfer any surplus to the general fund of the municipality which authorized it; the redemption and purchase of electric plant bonds, in which case the bonds should be canceled; the creation and maintenance of a cash working fund; and the payment of an amount to the general funds of the municipality.
- (2) After the establishment of proper reserves, if any, and after complying with the above provisions of this section, any surplus of proceeds shall be devoted solely to the reduction of rates. The equity of the municipality contracting with the Tennessee Valley Authority or other governmental agency for the purchase and resale of electrical power or energy shall be the purchase price of the electric plant, less the face value of outstanding bonds, or, if there is no purchase price, the original cost of the plant as defined by the Federal **Energy Regulatory** ~~power~~ Commission, less accrued depreciation, less the face value of the outstanding bonds. The payment of bonds or the acquisition or improvement of property from the receipts derived from electric service or any other operation of the board shall not be considered to increase the equity or investment of the municipality.

Section 2. KRS 96.820 is amended to read as follows:

- (1) For the purposes of this section, unless the context requires otherwise:
 - (a) "Taxing jurisdiction" shall mean each county, each school district, each municipality, and each other special taxing district located within the state.
 - (b) "State" shall mean the Commonwealth of Kentucky.
 - (c) "Tax equivalent" shall mean the amount in lieu of taxes computed according to this section which is required to be paid by each board to the state and to each taxing jurisdiction in which the board operates and required by subsection (11) of KRS 96.570 to be included in resale rates.
 - (d) "Tax year" shall mean the twelve (12) calendar-month period ending with December 31.
 - (e) "Current tax rate" shall mean the actual levied ad valorem property tax rate of the state and of each taxing jurisdiction which is applicable to all property of the same class as a board's property subject to taxation for the tax year involved.

- (f) "Book value of property" or "book value of property owned by the board" shall mean the sum of:
1. The original cost (less reasonable depreciation or retirement reserve) of a board's electric plant in service on December 31 of the immediately preceding calendar year located within the state, used and held for use in the transmission, distribution, and generation of electric energy, and
 2. The cost of the material and supplies owned by a board on December 31 of the immediately preceding calendar year. For the purpose of this definition, "electric plant in service" shall mean those items included in the "electric plant in service" account prescribed by the Federal **Energy Regulatory Power** Commission uniform system of accounts for electric utilities, and "material and supplies" shall mean those items included in the accounts grouped under the heading "material and supplies" in the said system of accounts.
- (g) "Adjusted book value of property" or "adjusted book value of property owned by the board" shall mean the book value of property owned by the board excluding manufacturing machinery as interpreted by the Revenue Cabinet for franchise tax determination purposes.
- (h) The "adjustment factor" shall be one hundred twenty-five percent (125%) for the tax year 1970. For each tax year thereafter, it shall be the duty of the Revenue Cabinet to compute the adjustment factor for that tax year as follows: For each five (5) percentage points or major fraction thereof by which the adjustment ratio for electric utility property for the immediately preceding tax year exceeded or was less than one hundred sixteen percent (116%), five (5) percentage points shall be added to or subtracted from one hundred twenty-five percent (125%). For the purposes of this computation, "adjustment ratio for electric utility property" shall mean the ratio of total assessed value to total property value for all public service corporations distributing electric energy to more than fifty thousand (50,000) retail electric customers within the state. "Total assessed value" shall mean the total actual cash value assigned by the Revenue Cabinet for ad valorem property tax purposes to the property of such corporations located within the state (properly adjusted for property under construction). "Total property value" shall mean the sum of:
1. The depreciated original cost of the total utility plant in service of such corporations within the state, and
 2. The book value of material and supplies of such corporations located within the state, both as derived from published reports of the Federal **Energy Regulatory Power** Commission, or in the absence thereof, from information provided to the Revenue Cabinet by such corporations.
- (i) "Electric operations" shall mean all activities associated with the establishment, development, administration, and operation of any electric system and the supplying of electric energy and associated services to the public, including without limitation the generation, purchase, sale, and resale of electric energy and the purchase, use, and consumption thereof by ultimate consumers.
- (2) It shall be the duty of each board, on or before ~~April 30~~ **March 31**, to certify to the Revenue Cabinet the book value of property owned by the board and the adjusted book value of property owned by the board and located within the state and within each taxing jurisdiction in which the board operates. A copy of the certification shall also be sent by the board to each such taxing jurisdiction. The book value of property and adjusted book value of property shall be determined, and the books and records of the board shall be kept in accordance with standard accounting practices, and the books and records of each board shall be subject to inspection by the Revenue Cabinet and by representatives of the affected taxing jurisdictions and to adjustment by the Revenue Cabinet if found not to comply with the provisions of this section. Upon the receipt of the required certification from a board, the Revenue Cabinet shall make any inspection and adjustment, hereinabove authorized, as it deems necessary, and no earlier than September 1 of each year the Revenue Cabinet shall certify to the board and to the county clerk of each county in which the board operates the book value of property owned by the board and the adjusted book value of property owned by the board, located within each taxing jurisdiction in which the board operates and within the state. At the same time, the Revenue Cabinet shall certify to the board and to the county clerk the adjustment factor for the tax year. The county clerk shall promptly certify the book value of property, the adjusted book value of property, and the adjustment factor certified by the Revenue Cabinet, to the respective taxing jurisdiction in which the board operates.

- (3) (a) Each board shall pay for each tax year, beginning with the tax year 1970, to the state and to each taxing jurisdiction in which the board operates, a tax equivalent from the revenues derived from the board's electric operations for that tax year, computed according to this subsection.
- (b) The tax equivalent for each tax year payable to the state shall be the total of:
1. The book value of the property owned by the board within the state, multiplied by the adjustment factor, multiplied by the current tax rate of the state, less thirty cents (\$0.30), plus
 2. The state's portion of the amount payable under paragraph (d) of this subsection.
- (c) The tax equivalent for each tax year payable to each taxing jurisdiction in which the board operates shall be the total of:
1. The adjusted book value of property owned by the board within the taxing jurisdiction, multiplied by the adjustment factor, multiplied by the current tax rate of the taxing jurisdiction; provided, however, for the purpose of this calculation the tax rate for school districts shall be increased by thirty cents (\$0.30), plus
 2. The taxing jurisdiction's portion of the amount payable under paragraph (d) of this subsection.
- (d) For purposes of this subsection, "amount payable" shall mean four-tenths of one percent (0.4%) of the book value of property owned by the board located within the state. The state shall be paid the same proportion of the amount payable as the payment to the state under subparagraph 1 of paragraph (b) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection. Each taxing jurisdiction in which the board operates shall be paid the same proportion of the amount payable as the payment to the taxing jurisdiction under subparagraph 1 of paragraph (c) of this subsection represents of the total payments to the state and all taxing jurisdictions in which the board operates required by subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection. Under the regulations the Revenue Cabinet may prescribe, upon the board's receipt from the state and taxing jurisdictions of notice of the amount due under subparagraph 1 of paragraph (b) and subparagraph 1 of paragraph (c) of this subsection, the board shall compute the portion of the amount payable which is due the state and each taxing jurisdiction in which the board operates.
- (e) Payment of the tax equivalent under this section for each tax year shall be made by each board to the state within thirty (30) days after receipt by the board of the certification from the Revenue Cabinet required by subsection (2) of this section and shall be made directly to each taxing jurisdiction in which the board operates within thirty (30) days from the date of the certifications by the county clerk required by subsection (2) of this section. The state and each taxing jurisdiction in which a board operates shall have a superior lien upon the proceeds of the sale of electric energy by that board for the amounts required by this section to be paid to it.
- (4) Except as hereinafter provided, the tax equivalents computed under this section shall be in lieu of all state, municipal, county, school district, special taxing district, other taxing district, and other state and local taxes or charges on the tangible and intangible property, the income, franchises, rights, and resources of every kind and description of any municipal electric system operating under KRS 96.550 to 96.900 and on the electric operations of any board established pursuant thereto, and the tax equivalent for any tax year computed and payable under this section to the state or to any taxing jurisdiction in which any board operates shall be reduced by the aggregate amount of any tax or charge within the meaning of this sentence which is imposed by the state, or by any taxing jurisdiction in which a board operates, on the board, the electric system, or the board's electric operations. Provided, however, that if any school district in which property of a board is located has elected, or does hereafter elect, to apply the utility gross receipts license tax for schools to all utility services as provided by KRS 160.613 through KRS 160.617, or as may hereafter be provided by other statutes, the amount of such utility gross receipts license tax shall not reduce, or in any manner affect, the amount payable to any such board or boards under the provisions of this section. It is the intent and purpose of this provision to eliminate all sums received by any such board or boards by reason of the utility gross receipts license tax from any computation of the amount payable under this section to any such board or boards, irrespective of the manner in which that payment is computed, so that, in no event, shall any sum received by any school district by reason of the utility gross receipts license tax reduce, directly or indirectly, the amount payable to such district under this chapter. Provided, further, that if the state shall levy a statewide retail sales or use tax on electric power or energy, collected by retailers of the energy from the vendees or users thereof,

and imposed at the same rate or rates as are generally applicable to the sale or use of personal property or services, including natural or artificial gas, fuel oil, and coal as well as electric power or energy, the retail sales or use tax shall not be deemed to be a tax or charge within the meaning of the first sentence of this subsection, and the tax equivalent payable for the tax year to the state under this section shall not be reduced on account of such retail sales or use tax.

- (5) (a) Notwithstanding subsection (3) of this section, until the first tax year in which the total of:
 1. The tax equivalent payable to the state, or to any taxing jurisdiction in which the board operates, computed under subsection (3) of this section, plus
 2. The additional amounts permitted to be paid to the state or taxing jurisdiction without deduction under the second and third sentences of subsection (4) of this section, exceeds the minimum payment to the state or taxing jurisdiction specified in paragraph (b) of this subsection, the tax equivalent for each tax year payable to the state or taxing jurisdiction shall be an amount equal to the minimum payment computed under paragraph (b) of this subsection.
- (b) For purposes of this subsection, the minimum payment to the state or to any taxing jurisdiction in which the board operates shall mean an amount equal to the total of:
 1. The largest actual payment made by the board pursuant to this section to the state or to the taxing jurisdiction for any of the tax years 1964, 1965, or 1966, plus
 2. The state's or taxing jurisdiction's pro rata share of an amount equal to four-tenths of one percent (0.4%) of the increase since July 1, 1964, in the book value of property owned by the board within the state. For the purposes of this paragraph "pro rata share" shall mean the same proportion of the amount computed under this subparagraph as the largest actual payment in lieu of taxes made by the board to the state or taxing jurisdiction for the applicable tax year under subparagraph 1. of this paragraph represents of the total amount of the largest actual payments in lieu of taxes made by the board to the state and to all taxing jurisdictions in which it operated for any of the applicable tax years.
- (c) The provisions of paragraph (e) of subsection (3) of this section shall apply to all payments required under this subsection.
- (d) This subsection shall not be applicable for the first tax year specified in paragraph (a) of this subsection or for any tax year thereafter, except however, that tax year 1977 shall not be deemed as the "first tax year" as specified in paragraph (a) and this subsection shall continue to apply in such cases.

Section 3. KRS 100.324 is amended to read as follows:

- (1) All other provisions of this chapter to the contrary notwithstanding, public utilities operating under the jurisdiction of the Public Service Commission, except as specified in KRS 100.987 and subsection (5) of this section, or the Department of Vehicle Regulation or Federal **Energy Regulatory**~~[Power]~~ Commission, any municipally-owned electric system, and common carriers by rail shall not be required to receive the approval of the planning unit for the location or relocation of any of their service facilities. Service facilities include all facilities of such utilities and common carriers by rail other than office space, garage space, and warehouse space and include office space, garage space, and warehouse space when such space is incidental to a service facility. The Public Service Commission and the Department of Vehicle Regulation shall give notice to the planning commission of any planning unit of any hearing which affects locations or relocations of service facilities within that planning unit's jurisdiction.
- (2) The nonservice facilities excluded in subsection (1) of this section must be in accordance with the zoning regulations.
- (3) Upon the request of the planning commission, the public utilities referred to in this section shall provide the planning commission of the planning unit affected with information concerning service facilities which have been located on and relocated on private property.
- (4) Any proposal for acquisition or disposition of land for public facilities, or changes in the character, location, or extent of structures or land for public facilities, excluding state and federal highways and public utilities and common carriers by rail mentioned in this section, shall be referred to the commission to be reviewed in light of its agreement with the comprehensive plan, and the commission shall, within sixty (60) days from the date of

its receipt, review the project and advise the referring body whether the project is in accordance with the comprehensive plan. If it disapproves of the project, it shall state the reasons for disapproval in writing and make suggestions for changes which will, in its opinion, better accomplish the objectives of the comprehensive plan. No permit required for construction or occupancy of such public facilities shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its report, whichever occurs first.

- (5) Every utility which proposes to construct an antenna tower for cellular telecommunications services or personal communications services within a county containing a city of the first class shall submit the proposal to the planning commission of the affected planning unit. The planning commission shall review the proposal in light of its agreement with the comprehensive plan and locally-adopted zoning regulations and shall, within sixty (60) days from the date the proposal is submitted, make its final decision and advise the utility in writing whether the proposed construction is in accordance with the comprehensive plan and locally-adopted zoning regulations. If the planning commission fails to issue a final decision within sixty (60) days, it is presumed to have approved the proposal, and may not later appeal a decision of the Public Service Commission under KRS 278.650(3). If the planning commission disapproves of the proposed construction, it shall state the reasons for disapproval in its written decision and may make suggestions which, in its opinion, better accomplish the objectives of the comprehensive plan and the locally-adopted zoning regulations. No permit for construction of a cellular or personal communications services antenna tower, including any certificate of convenience and necessity required to be issued by the Kentucky Public Service Commission, shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its final decision on the utility proposal, whichever occurs first.

Section 4. KRS 132.040 is amended to read as follows:

Each financial institution, as defined in KRS 136.500, shall file with the cabinet on or before **March 1**~~[January 21]~~ of each year, a report setting forth the total amount of its deposits as of the preceding January 1 that are taxable in the name of the depositor under the laws of this state, and shall, on or before March 1 of each year, pay to the cabinet one-thousandth of one percent (.001%) of the amount of the deposits, and may charge to and deduct from the deposit of each depositor the amount of the tax paid on his behalf. Financial institutions shall have liens on the funds belonging to the respective depositors on which the tax has been paid. Any claim for taxes against the depositor by the financial institution paying the taxes shall be asserted within six (6) months after the payment of the taxes to the cabinet, and no claims or liens shall be asserted after that time.

Section 5. KRS 132.180 is amended to read as follows:

- (1) Any person having custody of distilled spirits in a bonded warehouse or premises on the day as of which the assessment is made shall be liable for all taxes due thereon, together with all interest and penalties that may accrue. Any owner, proprietor, or custodian of such distilled spirits who pays the taxes, interest and penalties on the distilled spirits shall have a lien thereon for the amount paid, with legal interest from day of payment.
- (2)~~[(a)]~~ Taxes on distilled spirits which are subject to the provisions of KRS 132.160(1)(a) shall become due and payable in the manner provided by KRS 134.020 except that taxes due the state shall be paid directly to the Revenue Cabinet.

~~[(b) Any owner or proprietor of a bonded warehouse or premises in which distilled spirits are stored upon which taxes have accrued who fails to pay the taxes and interest on distilled spirits within fifteen (15) days after they are due shall be deemed delinquent, and a penalty of eight percent (8%) of each year's taxes due on the distilled spirits shall attach. The officer authorized to collect the taxes shall immediately cause special proceedings to be instituted for the collection of the taxes with such interest and penalties as may be provided by law for the collection of delinquent taxes.]~~

Section 6. KRS 132.290 is amended to read as follows:

- (1) Any real property which has not been listed for taxation, for any year in which it is taxable, by the time the board of assessment appeals completes its work for that year shall be deemed omitted property. Any personal property which has not been listed for taxation, for any year in which it is taxable, by **the due date**~~[April 15]~~ of that year shall be deemed omitted property.
- (2) All omitted property shall be assessed retroactively in the manner provided by law at any time within five (5) years from the date when it became omitted, but the lien thereby accruing on any such property, except real property, shall not prejudice the rights of bona fide purchasers acquired in the meantime.

- (3) All omitted property voluntarily listed shall be subject to a penalty of ten percent (10%) of the amount of taxes, and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is ***paid***~~prepared in accordance with KRS 133.230~~.
- (4) All omitted property not voluntarily listed shall be subject to a penalty of twenty percent (20%) of the amount of taxes, and interest at the tax interest rate as defined in KRS 131.010(6) from the date when the taxes would have become delinquent had the property been listed as required by law, until the date the tax bill is ***paid***~~prepared in accordance with KRS 133.230~~.
- (5) When the property is assessed retroactively by action prosecuted in the manner provided by KRS 132.330 and 132.340, an additional penalty of twenty percent (20%) of the amount of the original tax, interest and penalty may be collected for the purpose provided in KRS 134.400 and paid into the State Treasury. All other penalties and interest shall be distributed in the same manner as the tax.

Section 7. KRS 132.360 is amended to read as follows:

- (1) Any assessment of accounts receivable, notes, or bonds or other intangible or tangible personal property that were listed with the property valuation administrator or with the Revenue Cabinet as provided by KRS 132.220 may be reopened by the Revenue Cabinet within five (5) years after the ***due*** date~~as~~ of ***the return***~~which they were assessed~~, unless the assessed value thereof is the face value in the case of accounts receivable and notes or the quoted value in the case of bonds, or has been established by a court of competent jurisdiction. If upon reopening the assessment the cabinet finds that the assessment was less than the fair cash value and should be increased, it shall give notice thereof to the taxpayer, who may within ***forty-five (45)***~~thirty (30)~~ days thereafter protest to the cabinet and offer evidence to show that no increase should be made. After the cabinet has disposed of the protest, the taxpayer may appeal from any such additional assessment as provided by KRS 131.110 and 131.340.
- (2) Upon such assessment becoming final the cabinet shall certify the amount due to the taxpayer. The tax bill shall be handled and collected as an omitted tax bill, and the additional tax shall be subject to the same penalties and interest as the tax on omitted property voluntarily listed.

Section 8. KRS 136.140 is amended to read as follows:

- (1) If a public service corporation, foreign or domestic, operates and conducts its business in other states as well as in this state, the report required by KRS 136.130 shall show the following additional facts: the cost and year acquired of the operating property operated, owned, or leased, including property under construction, property held for future use, and depreciation attributable thereto for the property in this state as of December 31; and such other facts as the cabinet may require.
- (2) All public service corporations included in KRS 136.120 shall file with the report required by KRS 136.130 and this section a copy of all reports to their stockholders and a complete copy of their report to the federal regulating agency if their operations are interstate.
- ~~{(3) Companies assessed under subsection (4) of KRS 136.120 shall annually, between December 31 and March 31 following, make and deliver to the Revenue Cabinet a report verified by an officer of the corporation in such form as the cabinet may prescribe, showing the following facts: The name and principal place of business of the corporation; the kind of business engaged in; the cost of its rolling stock by types and the depreciation attributable thereto; the average age of the rolling stock by types; the rolling stock mileage made by the rolling stock in Kentucky and the rolling stock mileage made by the rolling stock everywhere for twelve (12) months next preceding December 31 of the year for which the report is required; and such other facts as the cabinet may require.}~~

Section 9. KRS 136.150 is amended to read as follows:

If any corporation fails to report as required by KRS 136.130 and 136.140 on or before ***April 30***~~March 31~~ of each year, ***or May 30 if the Revenue Cabinet has granted the corporation an extension***, the Revenue Cabinet shall ascertain the required facts and values in such manner and by such means as it deems proper, at the cost of the corporation failing to make the report.

Section 10. Section 6 of this Act takes effect January 1, 2003.

Approved March 28, 2002

CHAPTER 90**(HB 590)**

AN ACT relating to the Kentucky Judicial Form Retirement System.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky Judicial Retirement Plan excess benefit plan established in Section 2 of this Act shall be administered by the board of trustees of the Kentucky Judicial Form Retirement System. The board shall have the same authority in its administration as it has in the administration of the Kentucky Judicial Retirement Plan.*
- (2) *The plan shall constitute a qualified governmental excess benefit plan as provided in 26 U.S.C. sec. 415(m).*
- (3) *All retired members and beneficiaries of the Kentucky Judicial Retirement Plan whose effective retirement dates are July 1, 1998, or after, and whose retirement allowances have been limited by 26 U.S.C. sec. 415 shall be participants in the plan. Each member's participation in the plan shall be determined each fiscal year and shall cease for any year in which the retirement allowance is not limited by 26 U.S.C. sec. 415.*
- (4) *A participant shall receive a benefit equal to the difference between the retirement allowance otherwise payable from the plan prior to any reduction or limitation required by 26 U.S.C. sec. 415 and the actual retirement allowance payable as limited by 26 U.S.C. sec. 415. The benefit shall be subject to withholding for applicable state and federal taxes. The benefit shall be paid in accordance with the retirement payment option selected by the member for the retirement allowance.*
- (5)
 - (a) *The board, in accordance with the recommendation of the actuary, shall determine the required contribution to pay benefits each fiscal year. The required contribution for each fiscal year shall be the total amount of benefits payable under this section to all participants plus the amount required to pay any employment taxes on the benefits paid from the plan.*
 - (b) *The required contribution shall be paid from state appropriations.*
 - (c) *The required contribution shall be deposited into the separate fund. The plan is intended to be exempt from federal income tax under 26 U.S.C. sec. 115 and 26 U.S.C. sec. 415 (m)(1).*
 - (d) *The benefit liability shall be determined on a fiscal year basis, and contributions shall not be accumulated to pay benefits in future fiscal years. Any assets not used to pay benefits in the current fiscal year shall be paid to the Retirement Plan.*
- (6) *The benefits payable from the plan shall be treated in accordance with KRS 21.470.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 21 IS CREATED TO READ AS FOLLOWS:

- (1) *There is created and established:*
 - (a) *An excess benefit plan to be known as the Kentucky Judicial Retirement Plan excess benefit plan. The plan is created for the purpose of providing retirement allowances payable from the retirement plan under KRS 21.345 to 21.580 that would otherwise be limited by 26 U.S.C. sec. 415; and*
 - (b) *A state fund to be known as the Kentucky Judicial Retirement Plan excess benefit fund which shall consist of all the assets of the plan.*
- (2) *The administration and assets of the plan created under this section shall be as set forth in Section 1 of this Act.*

Section 3. KRS 21.370 is amended to read as follows:

- (1) Except as provided in subsection (2) of KRS 21.410 and in subsection (2) of KRS 21.420, no benefits shall be payable under KRS 21.350 to 21.480 to any member or to his surviving spouse, unless he has completed at least eight (8) years of service, including service before becoming a member. No surviving spouse of a retired member shall be entitled to any benefits unless the person was the spouse of the member at the time he retired.
- (2) A member who has qualified for benefits under this section may transfer to the Judicial Retirement Plan up to ten (10) years of service credit which he has earned in a retirement system administered by Kentucky

Retirement Systems, and he may transfer to the Judicial Retirement Plan up to ten (10) years of service credit which he has earned in the Kentucky Legislators' Retirement Plan. If the member elects to transfer his service credit, the system or plan from which the transfer is made shall transfer to the judicial retirement fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to the date of transfer at the actuarially assumed interest rate of the system or plan from which the transfer is made in effect at the time the contributions were made, compounded annually at that same interest rate. The member shall be entitled to the transferred service credit, at the rate at which he qualifies under KRS 21.400, when he pays the total difference between the amount of the funds transferred and the cost of the credit to the Judicial Retirement Plan, as determined by the actuary for the Judicial Retirement Plan. The member may pay by transfer, if authorized under subsection (5)(d) of this section, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

- (3) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for a maximum of four (4) years for his period of service as a city police judge for a city within the Commonwealth of Kentucky, if the service was performed prior to the first Monday in January, 1978, and if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records of the city for which the service was performed. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).
- (4) (a) 1. Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, or his beneficiary acting in his place if the member dies prior to retirement, shall receive service credit for a maximum of four (4) years for his period of service in the Armed Forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service by any other retirement system administered by the Commonwealth of Kentucky, by paying the retirement system thirty-five percent (35%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan.
2. Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan may purchase and receive service credit for one (1) month of service for each six (6) months of service in the reserves or the National Guard by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question as provided in KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The service in the military reserves or the National Guard shall be treated as service earned prior to participation in the plan. The purchase can be made by the member in a transfer, if authorized under subsection (5)(d) of this section, or by a lump-sum payment or installment payments. The payment shall not be picked up by the employer as provided in KRS 21.360(6).
- (b) ~~{The beneficiary may purchase military service credit only at one (1) time by lump sum payment for the amount of service he wishes to purchase, and the payment shall be made within thirty (30) days of the death of the active member.}~~The member may purchase all of his military service credit at one (1) time, or in increments of no less than one (1) year, unless there is a fraction remaining after all full years have been paid for. Payment of the total or the increment may be made by lump sum or by monthly installments through payroll deduction. If the member chooses to pay by installment, the cost of the

service credit shall be computed in the same manner as for a lump-sum payment, which shall be the principal. Interest, at the annual actuarial rate in effect at the time each payment is made, shall be added to each monthly payment at the rate of one-twelfth (1/12) of the annual interest rate applied to the declining principal amount. Installment purchases shall be for no less than twelve (12) nor more than sixty (60) months. If the member leaves office before completing his installment payments, he may satisfy his contract by a lump-sum payment of the remaining principal amount, but no further installment payments shall be accepted thereafter. In this case, the member shall be credited with the military service credit for which he has paid, in years or months but no fraction less than a full month, and any payment remaining after credit for full months has been awarded shall be returned to the member.

- (c) The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

~~[(d) No veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for a military pension in the future, unless the military pension is for service primarily on inactive duty in a reserve component of the Armed Forces, or is a disability pension which does not exceed five hundred dollars (\$500) monthly.]~~

- (5) (a) ~~[Any provision of law to the contrary notwithstanding, paragraphs (a), (b), (c), and (d) of this subsection shall apply only to applicable officials who are in office on June 21, 2001, and who are in active contributing status to the applicable retirement plan on June 21, 2001.]~~

~~(a)~~ Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for a maximum of four (4) years each for his period of service as a Domestic Relations Commissioner, a Master Commissioner, or a District Court Trial Commissioner of the Commonwealth of Kentucky, or a combination thereof, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

- (b) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for his period of service to the United States Government, other than service in the Armed Forces, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

- (c) Any member of the Judicial Retirement Plan, who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years retirement service credit that is not otherwise purchasable, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments

made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

- (d) A member of the Judicial Retirement Plan may purchase service credit under the provisions of this section by transferring funds *through a direct trustee-to-trustee transfer permitted under the applicable sections of the Internal Revenue Code and any regulations or rulings issued thereunder, or through a direct rollover as contemplated by and permitted* under ~~the rules in~~ 26 U.S.C. sec. 401(a)(31) ~~directly from a retirement plan or a deferred compensation arrangement maintained by his employer that is a qualified plan under 26 U.S.C. sec. 401(a)).~~ Service credit may also be purchased by a rollover of funds *pursuant to and permitted* ~~from a qualified retirement plan~~ under the rules specified in 26 U.S.C. sec. 402(c) *and 26 U.S.C. sec. 408(d)(3).* The Judicial Retirement Fund shall accept the transfer or rollover to the extent permitted under the rules specified in *the applicable provisions of the Internal Revenue Code and any regulations and rulings issued thereunder* ~~26 U.S.C. secs. 402(c) and 401(a)(31)).~~ The amount shall be credited to the individual member's contribution account and shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

Section 4. KRS 6.515 is amended to read as follows:

- (1) Service credit in the Legislators' Retirement Plan shall be acquired only by service as a legislator after July 1, 1980, while a member of the plan, by transfer of credit as provided in KRS 6.505, or by purchase or transfer of credit as provided in this section.
- (2) (a)
 1. Any active member of the Legislators' Retirement Plan who has at least five (5) years of service credit in the Legislators' Retirement Plan, or his beneficiary acting in his place if the member dies prior to retirement, shall receive service credit for a maximum of four (4) years for his period of service in the Armed Forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service by any other retirement system administered by the Commonwealth of Kentucky, by paying the retirement system thirty-five percent (35%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the legislator in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators' Retirement Plan, to other service credit earned in the plan.
 2. Any active member of the Legislators' Retirement Plan who has at least five (5) years of service credit in the Legislators' Retirement Plan may purchase and receive service credit for one (1) month of service for each six (6) months of service in the reserves or the National Guard by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on the assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the legislator in question under KRS 6.520. Service credit awarded as provided in this subsection shall be equivalent, for all purposes of the Legislators' Retirement Plan, to other service credit earned in the plan. The service in the military reserves or the National Guard shall be treated as service earned prior to participation in the plan. The purchase can be made by the member by transfer, if authorized under subsection (7)(d) of this section, or in a lump-sum payment or by installment payments, as set forth in paragraph (b) of this subsection. The payment shall not be picked up by the employer as provided in KRS 6.505(2).
- (b) ~~{The beneficiary may purchase military service credit only at one (1) time by lump sum payment for the amount of service he wishes to purchase, and the payment shall be made within thirty (30) days of the death of the active member.}~~ The member may purchase all of his military service credit at one (1) time, or in increments of no less than one (1) year, unless there is a fraction remaining after all full years have been paid for. Payment of the total or the increment may be made by lump-sum or by monthly installments through payroll deduction. If the member chooses to pay by installment, the cost of the service credit shall be computed in the same manner as for a lump-sum payment, which shall be the principal. Interest, at the annual actuarial rate in effect at the time each payment is made, shall be added to each monthly payment at the rate of one-twelfth (1/12) of the annual interest rate applied to the declining principal amount. Installment purchases shall be for no less than twelve (12) nor more than sixty (60) months. If the member leaves office before completing his installment payments, he may

satisfy his contract by a lump-sum payment of the remaining principal amount, but no further installment payments shall be accepted thereafter. In this case, the member shall be credited with the military service credit for which he has paid, in years or months but no fraction less than a full month, and any payment remaining after credit for full months has been awarded shall be returned to the member.

- (c) The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
- ~~[(d) No veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for a military pension in the future, unless the military pension is for service primarily on inactive duty in a reserve component of the Armed Forces, or is a disability pension which does not exceed five hundred dollars (\$500) monthly.]~~
- (3) If spouses both serve in the General Assembly, but not simultaneously, they may combine their service credit in the Legislators' Retirement Plan for all purposes of that plan into a single account, and may jointly designate to whom the service retirement allowance shall be paid. The designation shall not be changed once it is made. Assuming equal service credit, the benefits paid, under this section, to a legislator and his or her spouse who also served as a legislator shall not exceed the benefits that the same legislator and his or her spouse would receive if the spouse had not served as a legislator.
- (4) In the event of divorce, rights to benefits shall be considered marital property subject to the provisions of KRS 403.190.
- (5) A former legislator whose spouse currently serves in the General Assembly and who received a refund of contributions under KRS 21.460 may repurchase service credit which he or she previously had by repaying the amount refunded with interest at six percent (6%) per annum, and the service credit shall become part of the single account authorized by subsection (3) of this section.
- (6) A member who has qualified for benefits under KRS 6.525(1) may transfer to the Legislators' Retirement Plan up to ten (10) years of service credit which he has earned in a retirement system administered by Kentucky Retirement Systems. If the member elects to transfer his service credit, the system from which the transfer is made shall transfer to the legislators' retirement fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to date of transfer at the actuarially assumed interest rate of the system from which the transfer is made in effect at the time the contributions were made, compounded annually at that same interest rate. The member shall be entitled to the transferred service credit, at the rate at which he qualifies under KRS 6.520, when he pays the total difference between the amount of the funds transferred and the cost of the credit to the Legislators' Retirement Plan, as determined by the actuary for the Legislators' Retirement Plan. The member may pay by transfer, if authorized under subsection (7)(d) of this section, by lump sum, or by increments, as provided for in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
- (7) (a) ~~[Any provision of law to the contrary notwithstanding, paragraphs (a), (b), (c), and (d) of this subsection shall apply only to applicable officials who are in office on June 21, 2001, and who are in active contributing status to the applicable retirement plan on June 21, 2001.]~~
- ~~(a)~~ Any active member of the Legislators Retirement Plan who is vested in the Legislators Retirement Plan under KRS 6.525, shall receive service credit for a maximum of four (4) years each for his period of service as a Domestic Relations Commissioner, a Master Commissioner, or a District Court Trial Commissioner of the Commonwealth of Kentucky, or a combination thereof, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

- (b) Any active member of the Legislators Retirement Plan who is vested in the Legislators Retirement Plan under KRS 6.525, shall receive service credit for his period of service to the United States Government, other than service in the Armed Forces, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
- (c) Any member of the Legislators Retirement Plan, who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years of retirement service credit that is not otherwise purchasable, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The member shall be entitled to the service credit at the rate at which he qualifies under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
- (d) A member of the Legislators Retirement Plan may purchase service credit under the provisions of this section by transferring funds *through a direct trustee-to-trustee transfer as permitted under the applicable sections of the Internal Revenue Code and any regulations or rulings issued thereunder or through a direct rollover as contemplated by and permitted under* ~~the rules in~~ 26 U.S.C. sec. 401(a)(31) *and any regulations or rulings issued thereunder* ~~directly from a retirement plan or a deferred compensation arrangement maintained by his employer that is a qualified plan under 26 U.S.C. sec. 401(a)).~~ Service credit may also be purchased by a rollover of funds *pursuant to and permitted* ~~from a qualified retirement plan~~ under the rules specified in 26 U.S.C. sec. 402(c) *and 26 U.S.C. sec. 408(d)(3).* The Legislators Retirement Fund shall accept the transfer or rollover to the extent permitted under the rules specified in *the applicable provisions of the Internal Revenue Code and any regulations and rulings issued thereunder* ~~26 U.S.C. secs. 402(c) and 401(a)(31)).~~ The amount shall be credited to the individual member's contribution account and shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

Section 5. KRS 6.525 is amended to read as follows:

The Legislators' Retirement Plan shall be governed by KRS 21.560 and by provisions identical in terms with those provided in KRS 21.345(1) and (3), 21.360(1), 21.370 ~~to~~ ~~21.375, 21.380, 21.385,~~ 21.410, 21.420, 21.425, 21.450, 21.460, 21.470, 21.480, 21.525, and 61.552 for the Judicial Retirement Plan, except that:

- (1) Five (5) years of service as a legislator will be sufficient for vesting; and
- (2) A member of the Legislators' Retirement Plan may combine his service credit with his service credit in the Teachers' Retirement System, Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System at the time of his retirement, according to the procedure of KRS 61.680(2)(a). A member of the Legislators' Retirement Plan may retire at the completion of thirty (30) or more years of combined service credit, so long as at least fifteen (15) years of such credit were earned after January 1, 1960, and there shall be no reduction in the retirement allowance because of retirement before the age of sixty-five (65). For the purposes of this section, any reference in the KRS sections listed above to the Judicial Retirement Plan shall also be read as a reference to the Legislators' Retirement Plan, and any reference to the Legislators' Retirement Plan shall also be read as a reference to the Judicial Retirement Plan.
- (3) Any other statute to the contrary notwithstanding, a member of any state-administered retirement system who has ceased to qualify for membership but subsequently returns to a qualified status, shall, for the purposes of

determining the date of entry into the state-administered retirement system for the subsequent period or periods of service, be deemed to have never left the retirement system.

Approved March 28, 2002

CHAPTER 91

(HCR 56)

A CONCURRENT RESOLUTION confirming the appointment of John R. Hall to the Council on Postsecondary Education.

WHEREAS, KRS 164.011 requires the Governor to appoint the thirteen citizen members of the Council on Postsecondary Education, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 164.011, the Governor has appointed John R. Hall as a citizen member of the Council on Postsecondary Education for a term expiring December 31, 2002; and

WHEREAS, the Senate and the House of Representatives find that Mr. Hall meets the requirements of KRS 164.011, being a resident and qualified voter of Kentucky, not holding an official relationship to any institution of higher education in Kentucky, and not engaging in any occupation or business inconsistent with his duties as a member of the Council on Postsecondary Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 164.011, do confirm the appointment of Mr. John R. Hall to the Council on Postsecondary Education for a term expiring December 31, 2002.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, with written notification of its adoption, to Mr. John R. Hall, 101 Idle Hour Drive #4, Lexington, Kentucky 40502 and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved March 28, 2002

CHAPTER 92

(HCR 65)

A CONCURRENT RESOLUTION confirming the reappointment of Willa H. Poynter to the Kentucky Agricultural Development Board.

WHEREAS, KRS 248.707 requires the Governor to appoint members to the Agricultural Development Board subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, KRS 248.707(7) allows the reappointment of board members; and

WHEREAS, on August 27, 2001, by Executive Order 2000-1095, the Governor reappointed Willa Poynter to the Agricultural Development Board for a term expiring July 6, 2005; and

WHEREAS, Willa H. Poynter meets the requirements of KRS 248.707, being an active farmer from a substantially tobacco impacted county, who otherwise meets the requirements of KRS 11.160;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. Consent is given to the reappointment of Willa H. Poynter to the Agricultural Development Board for a term to expire on July 6, 2005.

Section 2. The Clerk of the House of Representatives shall forward a copy of this resolution and notification of its adoption to Willa H. Poynter, 7229 Taylor Mill Road, Maysville, Kentucky 41056 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved March 28, 2002

CHAPTER 93

(HJR 77)

A JOINT RESOLUTION naming various highways.

WHEREAS, the recent attacks on our nation have reminded Americans once again how much this great country depends on our Armed Forces; and

WHEREAS, it is the Armed Forces that defend our great nation from those who perpetrate evil; and

WHEREAS, at home and on foreign battlefields, row upon row of headstones stand as mute testimony to the courage and sacrifice of America's sons and daughters; and

WHEREAS, thousands of patriotic men and women of Clay County have answered their nation's call to service in times of great need, often giving the ultimate sacrifice; and

WHEREAS, our veterans deserve our gratitude and recognition for their devotion and service to our nation and its citizens; and

WHEREAS, the Order of the Purple Heart for military merit is the oldest military decoration in the world in present use; and

WHEREAS, established by General George Washington on August 7, 1782, to honor the common soldier, the Purple Heart is bestowed upon only those individuals who have demonstrated outstanding valor, merit, and unusual gallantry; and

WHEREAS, today the Order of the Purple Heart is awarded in the name of the President of the United States to any member of an Armed Force or any civilian national of the United States who, while serving under competent authority in any capacity with one of the United States Armed Forces, is wounded or killed, or who subsequently dies from wounds received in any action against an enemy of the United States; in any action with an opposing armed force of a foreign country in which the United States Armed Forces are or have been engaged; while serving with friendly foreign forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party; as a result of an act of any such enemy of opposing armed forces; as the result of an act of any hostile foreign force; as a result of an international terrorist attack against the United States or a foreign nation friendly to the United States; or as a result of military operations while serving outside the territory of the United States as part of a peacekeeping force; and

WHEREAS, a Purple Heart will be issued to the next of kin of each person entitled to a posthumous award; and

WHEREAS, the Purple Heart is the costliest military decoration awarded with nineteen separate operations required to make it from the rough heart stamped from bronze to the finished medal, plated with gold and enameled in various colors, suspended from a purple and white ribbon; and

WHEREAS, the true price of a Purple Heart is found in the eyes of the wounded who survived to accept the decoration, as well as in the rows of plain white headstones, both here at home and around the world, where they stand as a testimony to the ultimate sacrifice made to protect our freedom and our way of life; and

WHEREAS, every citizen of the Commonwealth owes a great debt of gratitude to the patriotic men and women killed and wounded in service to their country in times of great need; and

WHEREAS, these recipients of the Purple Heart deserve our thanks, recognition, and respect for their devotion and service to our Commonwealth and our nation;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet is directed to name United States Route 421 from the southern city limits of Manchester to the Daniel Boone Parkway the "Veterans Memorial Highway."

Section 2. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs that read "Veterans Memorial Highway" at each end of the route specified in Section 1 of this Resolution.

Section 3. The Transportation Cabinet is directed to designate Interstate 64 from Ashland to Louisville "The Purple Heart Trail."

Section 4. The Transportation Cabinet shall immediately begin preparing the appropriate highway signs naming "The Purple Heart Trail" to facilitate their erection upon the effective date of this Resolution at the Kentucky/West Virginia state line, at the Kentucky/Indiana state line, as well as in each county traversed by Interstate 64.

Section 5. In erecting signs on the highways identified in this Resolution, the Transportation Cabinet shall use sheeting signs in lieu of panel signs.

Section 6. The Clerk of the Senate shall transmit a copy of this Resolution to Secretary James Codell, Kentucky Transportation Cabinet, Tenth Floor, State Office Building, Frankfort, KY 40622.

Approved March 28, 2002

CHAPTER 94

(SB 4)

AN ACT relating to assistance dogs.

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

Section 1. KRS 189.575 is amended to read as follows:

The operator of a vehicle shall yield the right-of-way to any blind pedestrian carrying a clearly visible white cane or accompanied by ***an assistance***~~a guide~~ dog.

Section 2. KRS 258.500 is amended to read as follows:

- (1) ***As used in subsections (1) to (11) of this section, "person" means a "person with a disability" as defined by KRS 210.770. "Person" also includes a trainer of an assistance dog.***
- (2) ~~If~~***When*** a ~~blind~~ person is accompanied by ***an assistance***~~a guide~~ dog, neither the ~~blind~~ person nor the dog shall be denied admittance to any hotel, motel, restaurant, or eating establishment, nor shall the ~~blind~~ person be denied full and equal accommodations, facilities, and privileges of all public places of amusement, theater, or resort when accompanied by ***an assistance***~~a guide~~ dog.
- (3)~~(2)~~ Any ~~blind~~ person accompanied by ***an assistance***~~a guide~~ dog shall be entitled to full and equal accommodations on all public transportation, if the ~~guide~~ dog ~~does~~***shall*** not occupy a seat in any public conveyance, nor endanger the public safety.
- (4)~~(3)~~ ~~No~~***The blind*** person shall ~~not~~ be required to pay additional charges or fare for the transportation of any accompanying ***assistance***~~guide~~ dog.
- (5)~~(4)~~ ~~No~~***Any blind*** person accompanied by ***an assistance***~~a guide~~ dog shall ~~not~~ be denied admittance and use of any public building, nor denied the use of any elevator operated for public use.
- (6)~~(5)~~ Any ~~blind~~ person accompanied by ***an assistance***~~a guide~~ dog may keep the ~~dog~~***animal*** in his ~~or her~~ immediate custody while a tenant in any apartment, or building used as a public lodging.
- (7)~~(6)~~ The provisions of this section shall not apply unless the ***assistance***~~guide~~ dog has been trained ***or is being trained*** by a recognized training agency or school, and is properly harnessed.
- (8)~~(7)~~***(a)*** ***Except as provided in paragraph (b) of this subsection, all***~~blind~~ persons accompanied by ***an assistance***~~a trained guide~~ dog shall have in their personal possession a certificate issued by the ***assistance***~~guide~~ dog training agency or school establishing that their dogs have been so trained.
- (b)*** ***All trainers accompanied by an assistance dog shall have in their personal possession identification verifying that they are trainers of assistance dogs.***

~~(9)(8)~~ The provisions of this section shall not apply unless the *person*~~[blind master]~~ complies with the legal limitations applicable to *nondisabled*~~[sighted]~~ persons and unless all requirements of KRS 258.015, 258.135 and 258.145 have been complied with.

~~(9)~~ The provisions of this section shall also apply to any deaf person accompanied by a dog trained to aid the deaf. As used in this section, "deaf person" means a person described in KRS 30A.410(1)(a).

~~(10)~~ The provisions of this section shall also apply to any mobility impaired person accompanied by a dog trained to provide support or assistance for a mobility impaired person. As used in this section, "mobility impaired person" means any person, regardless of age, who is subject to a physiological defect or deficiency, regardless of its cause, nature or extent, that renders the person unable to move about without the aid of crutches, a wheelchair, or any other form of support, or that limits the person's functional ability to ambulate, climb, descend, sit, rise, or to perform any related function.

~~(11)~~ No person, firm, or corporation, or agent thereof, shall willfully or maliciously interfere with a guide dog or guide dog user.

~~(12)~~ *Assistance*~~[Guide]~~ dogs are exempt from all state and local licensing fees.

~~(11)(13)~~ Licensing authorities shall accept that the dog for which the license is sought is *an assistance*~~[a guide]~~ dog~~[,]~~ when a copy of the certificate, as required under subsection ~~(8)(7)~~ of this section, is attached to the ~~animal~~ licensing form.

(12) No person shall willfully or maliciously interfere with an assistance dog or the dog's user.

Section 3. KRS 258.991 is amended to read as follows:

Any person~~[, firm, or corporation, or agent thereof,]~~ violating *subsection (2), (3), (4), (5), (6), or (12) of Section 2 of this Act*~~[KRS 258.500]~~ shall be punished by a fine of not less than two hundred and fifty dollars (\$250), nor more than one thousand dollars (\$1,000), or by imprisonment in the county jail for not less than 10 nor more than 30 days, or both. *No person shall be charged with a violation of subsection (2), (3), (4), (5), (6), or (12) of Section 2 of this Act if the requirements of subsection (8) of Section 2 of this Act are not met.*

Section 4. KRS 525.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

- (1) "Desecrate" means defacing, damaging, polluting or otherwise physically mistreating in a way that the actor knows will outrage the sensibilities of persons likely to observe or discover his action.
- (2) "Public" means affecting or likely to affect a substantial group of persons.
- (3) "Public place" means a place to which the public or a substantial group of persons has access and includes but is not limited to highways, transportation facilities, schools, places of amusements, parks, places of business, playgrounds and hallways, lobbies and other portions of apartment houses and hotels not constituting rooms or apartments designed for actual residence. An act is deemed to occur in a public place if it produces its offensive or proscribed consequences in a public place.
- (4) "Transportation facility" means any conveyance, premises, or place used for or in connection with public passenger transportation by air, railroad, motor vehicle, or any other method. It includes aircraft, watercraft, railroad cars, buses, and air, boat, railroad, and bus terminals and stations and all appurtenances thereto.
- (5) "Riot" means a public disturbance involving an assemblage of five (5) or more persons which by tumultuous and violent conduct creates grave danger of damage or injury to property or persons or substantially obstructs law enforcement or other government function.
- (6) "Service animal" includes a:
 - (a) "Bomb detection dog," which means a dog that is trained to locate bombs or explosives by scent;
 - (b) "Narcotic detection dog," which means a dog that is trained to locate narcotics by scent;
 - (c) "Patrol dog," which means a dog that is trained to protect a peace officer and to apprehend a person;
 - (d) "Tracking dog," which means a dog that is trained to track and find a missing person, escaped inmate, or fleeing felon;

- (e) "Search and rescue dog," which means a dog that is trained to locate lost or missing persons, victims of natural or man-made disasters, and human bodies;
- (f) "Accelerant detection dog," which means a dog that is trained for accelerant detection, commonly referred to as arson canines;
- (g) "Cadaver dog," which means a dog that is trained to find human remains;
- (h) "~~Assistance~~~~Guide~~ dog," which means any dog that is trained to meet the requirements of KRS 258.500;
- (i) Any dog that is trained in more than one (1) of the disciplines specified in paragraphs (a) to (h) of this subsection; or
- (j) "Police horse," which means any horse that is owned, or the service of which is employed, by a law enforcement agency for the principal purpose of aiding in detection of criminal activity, enforcement of laws, and apprehension of offenders.

Approved March 28, 2002

CHAPTER 95

(SB 14)

AN ACT relating to state employee leave time.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

- (a) **"Disaster" means disasters designated at level III and above in the American National Red Cross Regulations and Procedures; and**
- (b) **"State agency" means all departments, offices, commissions, boards, institutions, and political and corporate bodies of the state, including the offices of the clerk of the Supreme Court, clerks of the appellate courts, the several courts of the state, and the legislature, its committees or commissions.**

(2) An employee of a state agency who is a certified disaster services volunteer of the American Red Cross may be granted leave from work with pay for not to exceed thirty (30) work days in any twelve (12) month period to participate in specialized disaster relief services for the American Red Cross for the services of that employee and upon the approval of that employee's agency, without loss of seniority, pay, vacation time, sick time, compensatory time, or earned overtime accumulation. The agency shall compensate an employee granted leave under this section at the regular rate of pay for those regular work hours during which the employee is absent from work.

(3) This section may be cited as the Disaster Services Volunteer Leave Act.

Section 2. KRS 61.394 is amended to read as follows:

All officers and employees of this state, or of any department or agency thereof who are members of the national guard or of any reserve component of the Armed Forces of the United States, or of the reserve corps of the United States Public Health Service, shall be entitled to leave of absence from their respective duties, without loss of time, pay, regular leave, impairment of efficiency rating, or of any other rights or benefits to which they are entitled, while in the performance of duty or training in the service of this state or of the United States under competent orders, for a period in any **one (1) federal fiscal**~~calendar~~ year not to exceed that specified in this section. Officers or employees while on leave shall be paid their salaries or compensations for a period or periods not exceeding fifteen (15) calendar days or ten (10) working days if the employee's position is based upon a five (5) day work week; twelve (12) days if the employee's position is based upon a six (6) day work week; fifteen (15) days if the employee's position is based upon a seven (7) day work week~~[-, in any one (1) federal fiscal year].~~

Approved March 28, 2002

CHAPTER 96**(SB 36)**

AN ACT relating to organ donation.

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

Section 1. KRS 186.412 is amended to read as follows:

- (1) A person under the age of twenty-one (21) at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least one hundred eighty (180) days. A person who is at least twenty-one (21) years of age at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least thirty (30) days. The person shall apply for an operator's license in the office of the circuit clerk of the county where he lives. The application form shall require the applicant's full legal name and signature, date of birth, Social Security number, sex, present resident address, other information necessary to permit the application to also serve as an application for voter registration, and brief physical description of the applicant. If the person is not a United States citizen, the application form shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services and, if applicable, a photographic copy of the person's international driving permit. All applications shall state:
 - (a) If the applicant has previously been licensed as an operator and by what nation or state; and
 - (b) Other information the cabinet may require by administrative regulation promulgated pursuant to KRS Chapter 13A.
- (2) The Transportation Cabinet shall issue a plastic laminated operator's license bearing a color photograph of the applicant. The photograph shall be taken by the circuit clerk so that one (1) exposure will photograph the applicant and the application simultaneously, using the process determined under provisions of KRS 186.413. When taking the photograph, the applicant shall be prohibited from wearing sunglasses or any other attire that obscures any features of the applicant's face as determined by the clerk. The clerk shall require an applicant to remove sunglasses or other obscuring attire before taking the photograph required by this subsection. Any person who refuses to remove sunglasses or other attire prohibited by this section as directed by the clerk shall be prohibited from receiving an operator's license. The plastic laminated operator's license issued by the cabinet shall not contain the applicant's Social Security number. The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A that develop a numbering system that uses an identification system other than Social Security numbers. The license shall also designate by color coding and use the phrase "under 21" if the licensee is under the age of twenty-one (21); "CDL" if the license is issued pursuant to KRS Chapter 281A; or "under 21 CDL" if the licensee holds a commercial driver's license issued pursuant to KRS Chapter 281A and is under the age of twenty-one (21).
- (3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.
- (4) The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. The temporary license shall be valid in lieu of the permanent license during the certification period and shall be destroyed upon receipt of the permanent operator's license.
- (5) The circuit clerk shall issue a color photo nondriver's identification card to any person who resides in the county who applies in person in the office of the circuit clerk. A nondriver's identification card shall be subject to the provisions of this section. An application for a nondriver's identification card shall be accompanied by a signed Social Security card and a birth certificate, or other proof of the applicant's date of birth provided under subsection (1) of this section. If the person is not a United States citizen, an application for a nondriver's identification card shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services. The application shall require the applicant to provide his or her full legal name and most current resident address that may include, but is not limited to, a mailing address, post office box, or an

address provided on a voter registration card. If an applicant for a nondriver's identification card is under the age of twenty-one (21), the applicant's most current resident address shall be required unless a current resident address is not available, in which case a mailing address, post office box, or an address provided on a voter registration card may be used. Every applicant for a nondriver's identification card shall make an oath to the circuit clerk as to the truthfulness of the statements contained on the application form. If the applicant is not the legal possessor of the address provided on the application form, the applicant shall swear that he has permission from the legal possessor to use the address for purposes of obtaining the nondriver's identification card. The nondriver's identification card shall designate by color coding and by use of the phrase "under 21" if the applicant is under the age of twenty-one (21).

- (6) Licensed drivers temporarily out-of-county may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature."
- (7) If a citizen of the Commonwealth currently serving in the United States military is stationed or assigned to a base or other location outside the boundaries of the Commonwealth, the citizen may renew a Class D operator's license issued under this section by mail. If the citizen was issued an "under 21" operator's license, upon the date of his or her twenty-first birthday, the "under 21" operator's license may be renewed for an operator's license that no longer contains the outdated reference to being "under 21".
- (8) A citizen of the Commonwealth renewing an operator's license by mail under subsection (7) of this section may have a personal designee apply to the circuit clerk on behalf of the citizen to renew the citizen's operator's license. An operator's license being renewed by mail under subsection (7) of this section shall be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature".
- (9) If a citizen of the Commonwealth has been serving in the United States military and has allowed his operator's license to expire, he shall, within ninety (90) days of returning to the Commonwealth, be permitted to renew his license without having to take a written test or road test. A citizen who does not renew his license within ninety (90) days of returning to the Commonwealth shall be required to comply with the provisions of this chapter governing renewal of a license that has expired. If a citizen of the Commonwealth has been issued an "under 21" or "under 21 CDL" operator's license and the person is unable to renew the license on the date of his twenty-first birthday, the "under 21" or "under 21 CDL" operator's license shall be valid for ninety (90) days beyond the date of the person's twenty-first birthday.
- (10) The cabinet shall provide on each license to operate motor vehicles, motorcycles, and mopeds a space for the licensed driver's:
 - (a) Blood type;
 - (b) Medical insignia if the person provides evidence that a medical identification bracelet noting specific physical ailments or a drug allergy is being worn or other proof as may be required by the cabinet; and
 - (c) A statement whereby the owner of the license may certify in the presence of two (2) witnesses his willingness to make an anatomical gift under KRS 311.195.
- (11) If the motor vehicle operator denotes a physical ailment or drug allergy on the operator's license, he may apply for and shall receive, for a fee of one dollar (\$1) paid to the circuit clerk, a medical insignia decal that may be affixed to the lower left side of the front windshield of a motor vehicle.
- (12) An operator's license pursuant to this section shall be designated a Class D license.
- (13) A person shall not have more than one (1) license.
- (14) Upon marriage, a woman applying for an operator's license or a color photo nondriver's identification card shall provide the circuit clerk with her marriage license and complete an affidavit form provided by the circuit court clerk. She shall have the following choices in regard to her full legal name as required in subsections (1) and (5) of this section:
 - (a) Use her husband's last name;
 - (b) Retain her maiden name;
 - (c) Use her maiden name hyphenated with her husband's last name;
 - (d) Use her maiden name as a middle name and her husband's last name as her last name; or

(e) In the case of a previous marriage, retain that husband's last name.

- (15) *Upon issuing an operator's license or nondriver's identification card, the clerk shall draw the recipient's attention to the location on the license relating to anatomical gifts under subsection (10)(c) of this section and offer to allow personnel in the clerk's office to serve as the witnesses to the recipient's certification of willingness to make an anatomical gift if the recipient is the person to whom the license is issued.*

Section 2. KRS 186.531 is amended to read as follows:

- (1) The cost of operators' licenses and permits shall be as follows:
- (a) The fee for a four (4) year original or renewal motor vehicle license shall be eight dollars (\$8);
 - (b) The fee for a four (4) year original or renewal motorcycle operator's license shall be twelve dollars (\$12) and a combination motor vehicle-motorcycle operator's license shall be eighteen dollars (\$18);
 - (c) The fee for an instruction permit for a motor vehicle shall be two dollars (\$2) plus four dollars (\$4) for preparing and acknowledging the application;
 - (d) The fee for an instruction permit for a motorcycle shall be five dollars (\$5) plus one dollar (\$1) for preparing and acknowledging the application;
 - (e) The fee for a duplicate license shall be six dollars (\$6);
 - (f) The fee for an identification card shall be four dollars (\$4). The fee for a duplicate identification card shall be two dollars (\$2); and
 - (g) Any applicant under the age of twenty-one (21) who meets the requirements for the issuance of a valid driver's license shall be issued a license valid until the date the applicant attains the age of twenty-one (21). The fee for the license shall be two dollars (\$2) per year for the requisite number of years as set forth herein. The applicant shall have thirty (30) days after his twenty-first birthday in which to renew his driver's license.
- (2) Except as provided in subsection (3) of this section, the circuit clerk shall deposit in the State Treasury to the credit of the general fund except as provided in paragraph (a), paragraph (f), and paragraph (g) of this subsection fees pertaining to applications and license fees in the following manner:
- (a) Twenty-two per cent (22%) of the cost for the issuance of any original and renewal license shall be deposited in a trust and agency account to the credit of the Administrative Office of the Courts and shall be used to assist circuit clerks in hiring additional employees and providing salary adjustments for employees;
 - (b) One dollar (\$1) for issuance of any instruction permit;
 - (c) One dollar (\$1) for preparing and acknowledging an application for an instruction permit;
 - (d) One dollar and twenty-five cents (\$1.25) for preparing and acknowledging an application for a duplicate;
 - (e) One dollar and twenty-five cents (\$1.25) for each identification card;
 - (f) For each original or renewal license one dollar (\$1) shall be credited to a special account within the state road fund and shall be used by the Transportation Cabinet exclusively for the purpose of issuing a photo license. For each original or renewal motorcycle operator's license and each motorcycle instruction permit, four dollars (\$4) shall be credited to a special account within the state road fund and shall be used exclusively for the purpose of the motorcycle safety education program fund pursuant to KRS 186.890;
 - (g) An applicant for an original or renewal motor vehicle operator's license, commercial driver's license, ~~or~~ motorcycle operator's license, **or nondriver's identification card** shall **be requested by the clerk** ~~have the opportunity~~ to make a donation of one dollar (\$1) to promote an organ donor program. The one dollar (\$1) donation shall be added to the regular fee for an original or renewal motor vehicle operator's license, commercial driver's license, ~~or~~ motorcycle operator's license, **or nondriver's identification card**. One (1) donation may be made per issuance or renewal of a license or any combination thereof. The fee shall be paid to the circuit clerk and shall be retained by the clerk to be

used exclusively for the purpose of promoting an organ donor program. Organ donation shall be voluntary and may be refused by the applicant at the time of issuance or renewal of a license; and

- (h) Three dollars (\$3) for a combination motor vehicle-motorcycle operator's license.
- (3) The following fees shall be deposited in a trust and agency account to the credit of the Administrative Office of the Courts and shall be used to assist circuit clerks in hiring additional employees, providing salary adjustments for employees, providing training for employees, and purchasing additional equipment used in administering the issuance of driver's licenses:
 - (a) One dollar (\$1) for issuing of an instruction permit;
 - (b) Three dollars (\$3) for preparing and acknowledging an application for an instruction permit;
 - (c) Four dollars (\$4) for preparing and acknowledging an application for a duplicate license;
 - (d) Ten dollars (\$10) for preparing and acknowledging an application for a reinstatement fee; and
 - (e) These fees shall be in addition to other funds provided to the circuit clerk through the regular appropriation made by the General Assembly to the Administrative Office of the Courts.
- (4) The remainder of all fees, and other moneys collected by the circuit clerk shall be forwarded to the state.

Approved March 28, 2002

CHAPTER 97

(SB 74)

AN ACT relating to college preparatory educational programs.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

As used in KRS Chapter 158 unless the context requires otherwise:

- (1) *"Advanced placement" means a college-level course for the College Board Advanced Placement examination that incorporates all topics and instructional strategies specified by the College Board on its standard syllabus for a given subject area.*
- (2) *"Board" means the Kentucky Board of Education.*
- (3) *"College Board Advanced Placement examination" means the advanced placement test administered by the College Entrance Examination Board.*
- (4) *"College Board" means the College Entrance Examination Board, a national nonprofit association that provides college admission guidance and advanced placement examinations.*
- (5) *"Core curriculum" means at least one (1) course in at least four (4) of the six (6) following subject areas: English, science, mathematics, social studies, foreign language, and the arts.*
- (6) *"Department" means the Kentucky Department of Education.*
- (7) *"Dual credit" means a college-level course of study developed in accordance with Section 5 of this Act in which a high school student receives credit from both the high school and postsecondary institution in which the student is enrolled upon completion of a single class or designated program of study.*
- (8) *"Dual enrollment" means a college-level course of study developed in accordance with Section 5 of this Act in which a student is enrolled in a high school and postsecondary institution simultaneously.*
- (9) *"International Baccalaureate" means the International Baccalaureate Organization's Diploma Programme, a comprehensive two (2) year program designed for highly motivated students.*
- (10) *"Kentucky Virtual High School" means secondary-level instructional programs or courses offered by the Kentucky Department of Education through the Internet and other on-line, computer-based methods.*
- (11) *"Kentucky Virtual University" means a college-level instructional program offered by the Council on Postsecondary Education through the Internet or other on-line, computer-based methods.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

- (1) *By December 31, 2002, the Kentucky Board of Education shall promulgate administrative regulations establishing the criteria a school shall meet in order to designate a course an advanced placement course, including content and program standards concerning student admission criteria, data collection, and reporting.*
- (2) *Upon receipt of adequate federal funding for these purposes, by December 31, 2002, the Department of Education shall:*
 - (a) *Expand advanced placement teacher training institutes, including offering advanced placement teacher training instruction and assistance through the Kentucky Virtual High School or in conjunction with the Council on Postsecondary Education through the Kentucky Virtual University;*
 - (b) *Require teachers who are planning to participate in advanced placement teacher training and complete advanced placement training at advanced placement institutes facilitated by the department to sign an agreement to teach at least one (1) advanced placement course in a Kentucky public school or the Kentucky Virtual High School when assigned by the school principal;*
 - (c) *Develop the Kentucky Virtual Advanced Placement Academy which shall offer school districts and their students access to a core advanced placement curriculum through the Kentucky Virtual High School;*
 - (d) *Identify, in conjunction with the Council on Postsecondary Education, resources at the secondary and postsecondary levels that can be directed toward advanced placement or dual enrollment instruction;*
 - (e) *Compare the costs of offering advanced placement courses through traditional on-site instruction, the Kentucky Virtual High School, and other methods and shall offer each school district assistance, if requested, in analyzing how the school district can most cost-effectively offer the largest number of advanced placement courses;*
 - (f) *Identify current and future funding sources for advanced placement or dual enrollment instructional programs and the amount of funds available or anticipated from those sources; and*
 - (g) *Submit a report to the Kentucky General Assembly outlining compliance with this section.*
- (3) *Beginning with the 2002-2003 school year and thereafter, each school district shall :*
 - (a) *Accept for credit toward graduation any course a student successfully completes through the Kentucky Virtual High School and incorporate the grade the student receives in a Kentucky Virtual High School course in calculating that student's grade point average without distinction between the grade received in the Kentucky Virtual High School course and courses taught within the school district for which the student receives a grade;*
 - (b) *Accept for credit toward graduation and completion of high school course requirements an advanced placement, a high school equivalent, or a Kentucky Virtual High School course taken by a student in grades 5, 6, 7, or 8 if that student attains performance levels expected of high school students in that district as determined by achieving a score of "3" or higher on a College Board Advanced Placement examination or a grade of "B" or better in a high school equivalent or a Kentucky Virtual High School course; and*
 - (c) *Pay tuition and other costs for students from their districts who are enrolled in a Kentucky Virtual High School course for credit that is part of the student's regular school day coursework by proportionately sharing funds generated under KRS 157.360 or other funding sources.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

- (1) *Beginning with the 2003-2004 school year and thereafter, each secondary school-based decision making council shall offer a core curriculum of advanced placement, International Baccalaureate, dual enrollment, or dual credit courses, using either or both on-site instruction or electronic instruction through the Kentucky Virtual High School or other on-line alternatives. In addition, each school-based decision making council shall comply with any additional requirements for advanced placement, International Baccalaureate, dual enrollment, and dual credit courses that may be established cooperatively by the*

Kentucky Department of Education, the Education Professional Standards Board, and the Council on Postsecondary Education in accordance with the definitions in Section 1 of this Act.

- (2) *Each secondary school-based decision making council shall establish a policy on the recruitment and assignment of students to advanced placement, International Baccalaureate, dual enrollment, and dual credit courses that recognizes that all students have the right to be academically challenged and should be encouraged to participate in these courses.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

As used in KRS Chapter 164, unless the context requires otherwise:

- (1) *"Advanced placement" means a college-level course for the College Board Advanced Placement examination that incorporates all topics and instructional strategies specified by the College Board on its standard syllabus for a given subject area.*
- (2) *"Board" means the Kentucky Board of Education.*
- (3) *"College Board Advanced Placement examination" means the advanced placement test administered by the College Entrance Examination Board.*
- (4) *"College Board" means the College Entrance Examination Board, a national nonprofit association that provides college admission guidance and advanced placement examinations.*
- (5) *"Department" means the Kentucky Department of Education.*
- (6) *"Dual credit" means a college-level course of study developed in accordance with Section 5 of this Act in which a high school student receives credit from both the high school and postsecondary institution in which the student is enrolled upon completion of a single class or designated program of study.*
- (7) *"Dual enrollment" means a college-level course of study developed in accordance with Section 5 of this Act in which a student is enrolled in a high school and postsecondary institution simultaneously.*
- (8) *"International Baccalaureate" means the International Baccalaureate Organization's Diploma Programme, a comprehensive two (2) year program designed for highly motivated students.*
- (9) *"Kentucky Virtual High School" means secondary-level instructional programs or courses offered by the Kentucky Department of Education through the Internet and other on-line, computer-based methods.*
- (10) *"Kentucky Virtual University" means a college-level instructional program offered by the Council on Postsecondary Education through the Internet or other on-line, computer-based methods.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

By December 31, 2002:

- (1) *The Council on Postsecondary Education shall promulgate administrative regulations that require public postsecondary educational institutions, beginning with the 2003-2004 school year, to grant credit toward graduation to a student who scores at least "3" on a College Board Advanced Placement examination.*
- (2) *The Council on Postsecondary Education shall publish information, in print and electronic format, about the scores required on College Board Advanced Placement examinations at which credit toward graduation and completion of degree requirements will be granted at all Kentucky public and private postsecondary educational institutions.*
- (3) *The Council on Postsecondary Education, in conjunction with the Kentucky Board of Education and the Education Professional Standards Board, shall develop guidelines for content knowledge and teacher training in dual enrollment and dual credit programs offered in Kentucky.*

Approved March 28, 2002

CHAPTER 98

(SB 86)

AN ACT relating to tobacco research.

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) *The Kentucky Tobacco Research and Development Center is hereby created.*
- (2) *The Kentucky Tobacco Research and Development Center is to be overseen by the Kentucky Tobacco Research Board and shall undertake not only research into tobacco but also other research having related or complementary interests, including but not limited to commercialization potential of tobacco and plant research, plant natural products research and research into development of new crops based on tobacco and other plants.*
- (3) *The Kentucky Tobacco Research and Development Center may share its physical facility with other research operations having these and similar interests, subject to approval of the Kentucky Tobacco Research Board.*
- (4) *State funds appropriated by the General Assembly under KRS 248.510 to 248.570 shall be used solely for research conducted by, or operations of, the Kentucky Tobacco Research and Development Center and the Kentucky Tobacco Research Board.*

Section 2. KRS 248.510 is amended to read as follows:

- (1) The Kentucky Tobacco Research Board is hereby created. The board shall be composed of **thirteen (13) voting**~~fourteen (14)~~ members **and one (1) nonvoting member** as follows:
 - (a) Ten (10) permanent members who shall be the following officeholders or shall be designated by the following organizations: the Kentucky Farm Bureau Federation; the Kentucky **Innovations Commission**~~division of the National Farmers Organization~~; the commissioner of the Kentucky Department of Agriculture; the dean of the University of Kentucky College of Agriculture; the Burley Growers Cooperative Association; the **Council for Burley Tobacco** ~~Warehouse Association~~; the Dark Fired Tobacco Association; the Kentucky **Science and Technology Corporation**~~Medical Association~~; the chairman of the Senate Committee on Agriculture and Natural Resources; and the chairman of the House Committee on Agricultural and **Small Business**~~Natural Resources~~. Each officeholder and organization shall designate an alternate who is authorized to serve when the member cannot be present at a meeting.
 - (b) Three (3) members at large, **at least one (1) of whom is a tobacco farmer in Kentucky and at least one (1) of whom has research and development experience in the public or private sector**, who shall be appointed by the Governor with the advice and consent of the Legislative Research Commission.
 - (c) One (1) **nonvoting member from the University of Kentucky, who shall be the University of Kentucky Vice President for Research, or the Vice President's designee. The nonvoting member of the board may be counted in determining a quorum, but the nonvoting member shall not vote on matters before the board**~~who shall be selected by the ten (10) permanent members of the board, and who shall be the president or member of the board of directors of a tobacco company incorporated to do business in Kentucky~~.
- (2) No member of the board shall receive any salary, fee or other remuneration for his services as a member of the board but each member shall be reimbursed for his ordinary travel expenses, including meals and lodging, incurred in the performance of his duties incident to implementation of the provisions of KRS 248.510 to 248.570.
- (3) The term of the ten (10) members designated in paragraph (a) of subsection (1) of this section shall not change but they shall be permanent members in terms of the organizations and offices named. At-large members and the tobacco industry member shall serve two (2) year terms.
- (4) The board shall elect, by a majority vote of the **thirteen (13) voting**~~fourteen (14)~~ members, a chairman **and a vice chair. The chairman**~~who~~ shall be the presiding officer of the board, shall preside at all meetings, and coordinate the functions and activities of the board. The chairman shall be elected or reelected annually and shall be a permanent member or an at-large member of the board. **The vice chair shall conduct meetings in the absence of the chairman.** The board shall have such other organization as deemed necessary and approved by the board.
- (5) Meetings of the board shall be held at least quarterly but may be held more frequently as deemed necessary subject to call by the chairman or by request of a majority of the board members. Board meetings shall

concern, among other things, policy matters relating to ~~tobacco~~ research projects and programs, research progress reports, authorization of projects and financial plans, and such other matters as necessary to carry out the intent of KRS 248.510 to 248.570.

- (6) **Seven** ~~(Eight (8))~~ members of the board shall constitute a quorum for doing business. Each member shall have one (1) vote and a majority vote of the members present shall control on all questions.

Section 3. KRS 248.520 is amended to read as follows:

The Kentucky Tobacco Research Board shall:

- (1) Formulate policies and procedures as necessary to carry out the provisions of KRS 248.510 to 248.570.
- (2) Promulgate rules and regulations as necessary to carry out the provisions of KRS 248.510 to 248.570 and to ensure proper expenditure of state funds appropriated for the purposes of KRS 248.510 to 248.570.
- (3) Review and authorize ~~tobacco~~ research projects and programs to be undertaken and financed under the provisions of KRS 248.510 to 248.570.
 - (a) *The facilities designated the Tobacco and Health Research Institute before the effective date of this Act shall be retained and operated by the University of Kentucky exclusively for the program and activities described in Section 1 of this Act.*
 - (b) *In addition to the research and development funded by authority of the Kentucky Tobacco Research Board, the board is authorized to allow other research operations having related or complementary interests to share this physical facility with the Kentucky Tobacco Research and Development Center, subject to approval of the board.* ~~When, after diligent search, it is determined by the board that adequate facilities for a particular research project are not available at the University of Kentucky or any other suitable location, the board may use funds appropriated to it to construct research facilities for the project.~~
- (4) Review and approve all progress and final research reports on projects authorized under the provisions of KRS 248.510 to 248.570.
- (5) Ensure that state funds, appropriated by KRS 248.510 to 248.570 or any other act for tobacco research, are not diverted to any other use and that all authorized research projects are directed toward:
 - (a) *Preserving and strengthening tobacco agriculture in Kentucky;*
 - (b) *Facilitating the progress of commercial endeavors in crop agriculture which have potential to provide entirely new market opportunities for tobacco growers; and*
 - (c) *Applying, when appropriate, previously authorized research initially conducted with tobacco to other plants which might be grown commercially in Kentucky, thus obtaining the fullest possible practical benefit from the research progress.* ~~improvements in the tobacco industry, and more specifically toward proving or disproving questions of health hazards to tobacco users and toward preserving and strengthening the tobacco industry in Kentucky.~~
- (6) Provide the Governor, the General Assembly, and the Legislative Research Commission an annual report by January 30 of each year showing the status of funds appropriated under KRS 248.510 to 248.570 for tobacco research and the progress of the board in terms of the results of its tobacco research efforts.
- (7) Advise the General Assembly by January 30 during each even-numbered-year regular session of the need for continuation of the Kentucky Tobacco Research Board and the tax levied by Chapter 255 of the Acts of 1970 for the purpose of financing tobacco **and related new crops** research programs as provided by KRS 248.510 to 248.570.
- (8) Approve and release public statements relating to the progress and results of ~~tobacco~~ research projects.

Section 4. KRS 248.540 is amended to read as follows:

- (1) The tax revenues received from the additional one-half cent (\$0.005) tax levied by Chapter 255 of the Acts of 1970 shall be credited to a tobacco research-trust fund which is hereby created.
- (2) Federal funds which may be made available to supplement or match state funds for ~~tobacco~~ research programs provided for by KRS 248.510 to 248.570 shall be credited to the trust fund created in subsection (1) of this section.

- (3) Funds deposited to the credit of the tobacco research-trust fund shall be used to finance the ~~the tobacco~~ research programs authorized under the provisions of KRS 248.510 to 248.570 and for no other purpose.
- (4) Funds unexpended at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year or biennium, provided, however, that such surplus shall be included in the budget considered and approved by the board for the ensuing period.

Section 5. KRS 248.550 is amended to read as follows:

- (1) The amount of revenues collected and/or credited to the tobacco research-trust fund shall be appropriated each year to the ***Kentucky Tobacco Research and Development Center*** ~~University of Kentucky Tobacco and Health Research Institute~~ to finance ~~the tobacco~~ research projects and programs as provided in KRS 248.510 to 248.570 and shall be expended by the institute only on those projects and programs authorized by the Kentucky Tobacco Research Board.
- (2) The Office of State Budget Director shall supply revenue estimates of the amount of revenue anticipated to be collected during each fiscal year by the added one-half cent (\$0.005) tax on cigarettes which estimate, along with any federal funds available, shall be the basis for preparing tobacco research programs and budget requests for each fiscal year.

Section 6. KRS 248.560 is amended to read as follows:

- (1) The ***Kentucky Tobacco Research and Development Center*** ~~University of Kentucky Tobacco and Health Research Institute~~ shall prepare a proposed ~~the tobacco~~ research program and budget request for each fiscal year and shall present such documents to the Kentucky Tobacco Research Board for consideration and approval. The budget shall be based on revenue estimates as provided in KRS 248.550.
- (2) The budget shall provide for payment of expenses incurred by Kentucky Tobacco Research Board members as provided in subsection (2) of KRS 248.510 ~~and for the technical adviser as provided by KRS 248.530~~, and for ~~such~~ other administrative costs of the board.
- (3) The Kentucky Tobacco Research Board shall consider the university recommendations and shall approve a budget for each fiscal year which shall be the basis for expending funds appropriated by KRS 248.510 to 248.570. The budget and proposed research program shall be considered by the board in terms of the intent of KRS 248.510 to 248.570.
- (4) The university is authorized to proceed to execute the budget approved by the Kentucky Tobacco Research Board and may expend funds accordingly, and, the Finance and Administration Cabinet is hereby authorized to issue warrants for this purpose upon request by the university.
- (5) Copies of the approved budget shall be filed by the board with the Legislative Research Commission and the Finance and Administration Cabinet.

Section 7. KRS 248.610 is amended to read as follows:

- (1) No person shall use, and no person shall purchase or otherwise acquire for intended use, any tobacco stalks in any manner that could result in human consumption by smoking or other use of tobacco stalks. This section does not prohibit the use of tobacco stalks in ~~experimental research projects designed for finding~~ new and innovative uses for tobacco.
- (2) The Department of Agriculture shall enforce this section, and shall initiate prosecution whenever and wherever it has reasonable grounds to believe this section is being violated.

Section 8. The Kentucky Tobacco Research and Development Center shall assume all of the duties of the Tobacco and Health Research Institute and occupy the building which formerly housed the Tobacco and Health Research Institute.

Section 9. The following KRS section is repealed:

248.530 Technical adviser.

Approved March 28, 2002

CHAPTER 99**(SB 90)**

AN ACT relating to mental health and declaring an emergency.

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

Section 1. KRS 202A.011 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Authorized staff physician" means a physician who is a bona fide member of the hospital's medical staff;
- (2) "Danger" or "threat of danger to self, family, or others" means substantial physical harm or threat of substantial physical harm upon self, family, or others, including actions which deprive self, family, or others of the basic means of survival including provision for reasonable shelter, food, or clothing;
- (3) "Cabinet" means the Kentucky Cabinet for Health Services;
- (4) "Psychiatric facility" means a crisis stabilization unit or any facility licensed by the cabinet and which provides inpatient, outpatient, psychosocial rehabilitation, emergency, and consultation and education services for the diagnosis and treatment of persons who have a mental illness;
- (5) "Forensic psychiatric facility" means a mental institution or facility, or part thereof, designated by the secretary for the purpose and function of providing inpatient evaluation, care, and treatment for mentally ill or mentally retarded persons who have been charged with or convicted of a felony;
- (6) "Hospital" means:
 - (a) A state mental hospital or institution or other licensed public or private hospital, institution, health-care facility, or part thereof, approved by the Kentucky Cabinet for Health Services as equipped to provide full-time residential care and treatment for mentally ill or mentally retarded persons;
 - (b) A hospital, institution, or health-care facility of the government of the United States equipped to provide residential care and treatment for mentally ill or mentally retarded persons;
- (7) "Judge" means any judge or justice of the Court of Justice or a trial commissioner of the District Court acting under authority of SCR 5.030;
- (8) "Least restrictive alternative mode of treatment" means that treatment which will give a mentally ill individual a realistic opportunity to improve the individual's level of functioning, consistent with accepted professional practice in the least confining setting available;
- (9) "Mentally ill person" means a person with substantially impaired capacity to use self-control, judgment, or discretion in the conduct of the person's affairs and social relations, associated with maladaptive behavior or recognized emotional symptoms where impaired capacity, maladaptive behavior, or emotional symptoms can be related to physiological, psychological, or social factors;
- (10) "Patient" means a person under observation, care, or treatment in a hospital pursuant to the provisions of this chapter;
- (11) "Petitioner" means a person who institutes a proceeding under this chapter;
- (12) "Qualified mental health professional" means:
 - (a) A physician licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in the performance of official duties;
 - (b) A psychiatrist licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in the practice of official duties, who is certified or eligible to apply for certification by the American Board of Psychiatry and Neurology, Inc.;
 - (c) A psychologist ***with the health service provider designation, a psychological practitioner, a certified psychologist, or a psychological associate***, licensed ~~at the doctoral level or a psychologist or psychological associate certified at the master's level~~ under the provisions of KRS Chapter 319 ~~who~~

~~has been designated by the Kentucky Board of Examiners of Psychology as competent to make examinations under this chapter};~~

- (d) A licensed registered nurse with a master's degree in psychiatric nursing from an accredited institution and two (2) years of clinical experience with mentally ill persons, or a licensed registered nurse, with a bachelor's degree in nursing from an accredited institution, who is certified as a psychiatric and mental health nurse by the American Nurses Association and who has three (3) years of inpatient or outpatient clinical experience in psychiatric nursing and is currently employed by a hospital or forensic psychiatric facility licensed by the Commonwealth or a psychiatric unit of a general hospital or a private agency or company engaged in the provision of mental health services or a regional community mental health and mental retardation program;~~{or}~~
- (e) A licensed clinical social worker licensed under the provisions of KRS 335.100, or a certified social worker licensed under the provisions of KRS 335.080 with three (3) years of inpatient or outpatient clinical experience in psychiatric social work and currently employed by a hospital or forensic psychiatric facility licensed by the Commonwealth or a psychiatric unit of a general hospital or a private agency or company engaged in the provision of mental health services or a regional community mental health and mental retardation program;
- (f) ***A marriage and family therapist licensed under the provisions of KRS 335.300 to 335.399 with three (3) years of inpatient or outpatient clinical experience in psychiatric mental health practice and currently employed by a hospital or forensic facility licensed by the Commonwealth, a psychiatric unit of a general hospital, a private agency or company engaged in providing mental health services, or a regional community mental health and mental retardation program; or***
- (g) ***A professional counselor credentialed under the provisions of KRS Chapter 335.500 to 335.599 with three (3) years of inpatient or outpatient clinical experience in psychiatric mental health practice and currently employed by a hospital or forensic facility licensed by the Commonwealth, a psychiatric unit of a general hospital, a private agency or company engaged in providing mental health services, or a regional community mental health and mental retardation program;***
- (13) "Residence" means legal residence as determined by applicable principles governing conflicts of law;
- (14) "Respondent" means a person alleged in a hearing under this chapter to be a mentally ill or mentally retarded person;
- (15) "Secretary" means the secretary of the Cabinet for Health Services.

Section 2. KRS 202B.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Authorized staff physician" means a person who is employed as a physician of an ICF/MR;
- (2) "Interdisciplinary team" means the group of persons responsible for the diagnosis, evaluation, and individualized program planning and service implementation for the resident. The team is composed of a physician, a psychologist, a registered nurse, a social worker, and other professionals, at least one (1) of whom is a qualified mental retardation professional, and may include the resident, the resident's family, or the guardian;
- (3) "Cabinet" means the Kentucky Cabinet for Health Services;
- (4) "Danger" or "threat of danger to self, family, or others" means substantial physical harm or threat of substantial physical harm upon self, family, or others, including actions which deprive self, family, or others of the basic means of survival including provision for reasonable shelter, food, or clothing;
- (5) "Forensic psychiatric facility" means a mental institution or facility, or part thereof, designated by the secretary for the purpose and function of providing inpatient evaluation, care, and treatment for mentally ill or mentally retarded persons who have been charged with or convicted of a felony;
- (6) "Hospital" means:
 - (a) A state mental hospital or institution or other licensed public or private hospital, institution, health-care facility, or part thereof, approved by the Kentucky Cabinet for Health Services as equipped to provide full-time residential care and treatment for mentally ill or mentally retarded persons;

- (b) A hospital, institution, or health-care facility of the government of the United States equipped to provide residential care and treatment for mentally ill or mentally retarded persons;
- (7) "Judge" means any judge or justice of the Court of Justice or a trial commissioner of the District Court acting under authority of SCR 5.030;
- (8) "Least restrictive alternative mode of treatment" means that treatment given in the least confining setting which will provide a mentally retarded person appropriate treatment or care consistent with accepted professional practice. For purposes of this section, least restrictive alternative mode of treatment may include an institutional placement;
- (9) "Mentally retarded person" means a person with significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior and manifested during the developmental period;
- (10) "ICF/MR" means an intermediate-care facility approved by the cabinet for the evaluation, care, and treatment of mentally retarded persons;
- (11) "Petitioner" means a person who institutes a proceeding under this chapter;
- (12) "Qualified mental retardation professional" means:
 - (a) A physician licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in the performance of official duties;
 - (b) A psychologist ***with the health service provider designation, a psychological practitioner, a certified psychologist, or a psychological associate*** licensed~~[at the doctoral level or a psychologist or psychological associate certified at the master's level]~~ under the provisions of KRS Chapter 319~~[who has been designated by the Kentucky Board of Examiners of Psychology as competent to make examinations under this chapter]~~;
 - (c) A licensed registered nurse with a master's degree in psychiatric nursing from an accredited institution and two (2) years of clinical experience of which one (1) year is with mentally retarded persons; or a licensed registered nurse, with a bachelor's degree in nursing from an accredited institution, who has three (3) years of inpatient or outpatient clinical experience of which one (1) year is in the field of mental retardation and is currently employed by an ICF/MR licensed by the cabinet, a hospital, a regional community mental health and mental retardation program, or a private agency or company engaged in the provision of mental retardation services;~~[and]~~
 - (d) A licensed clinical social worker licensed under the provisions of KRS 335.100, or a certified social worker licensed under the provisions of KRS 335.080 with two (2) years of inpatient or outpatient clinical experience in social work of which one (1) year shall be in the field of mental retardation and is currently employed by an ICF/MR licensed by the cabinet, a hospital, a regional community mental health and mental retardation program, or a private agency or company engaged in the provision of mental retardation services;
 - (e) ***A marriage and family therapist licensed under the provisions of KRS 335.300 to 335.399 with three (3) years of inpatient or outpatient clinical experience in psychiatric mental health practice and currently employed by a hospital or forensic facility licensed by the Commonwealth, a psychiatric unit of a general hospital, a private agency or company engaged in providing mental health services, or a regional community mental health and mental retardation program; or***
 - (f) ***A professional counselor credentialed under the provisions of KRS 335.500 to 335.599 with three (3) years of inpatient or outpatient clinical experience in psychiatric mental health practice and currently employed by a hospital or forensic facility licensed by the Commonwealth, a psychiatric unit of a general hospital, a private agency or company engaged in providing mental health services, or a regional community mental health and mental retardation program;***
- (13) "Residence" means legal residence as determined by applicable principles governing conflicts of law;
- (14) "Resident" means a person under care or treatment in an ICF/MR pursuant to the provisions of this chapter;
- (15) "Respondent" means a person alleged in a hearing under this chapter to be a mentally retarded person; and
- (16) "Secretary" shall mean the secretary of the Cabinet for Health Services.

Section 3. KRS 202A.400 is amended to read as follows:

- (1) No monetary liability and no cause of action shall arise against any ~~qualified~~ mental health professional for failing to predict, warn of or take precautions to provide protection from a patient's violent behavior, unless the patient has communicated to the ~~qualified~~ mental health professional an actual threat of physical violence against a clearly identified or reasonably identifiable victim, or unless the patient has communicated to the ~~qualified~~ mental health professional an actual threat of some specific violent act.
- (2) The duty to warn of or to take reasonable precautions to provide protection from violent behavior arises only under the limited circumstances specified in subsection (1) of this section. The duty to warn a clearly or reasonably identifiable victim shall be discharged by the ~~qualified~~ mental health professional if reasonable efforts are made to communicate the threat to the victim, and to notify the police department closest to the patient's and the victim's residence of the threat of violence. When the patient has communicated to the ~~qualified~~ mental health professional an actual threat of some specific violent act and no particular victim is identifiable, the duty to warn has been discharged if reasonable efforts are made to communicate the threat to law enforcement authorities. The duty to take reasonable precaution to provide protection from violent behavior shall be satisfied if reasonable efforts are made to seek civil commitment of the patient under this chapter.
- (3) No monetary liability and no cause of action shall arise against any ~~qualified~~ mental health professional for confidences disclosed to third parties in an effort to discharge a duty arising under subsection (1) of this section according to the provisions of subsection (2) of this section.
- (4) ***For purposes of this section, "mental health professional" means:***
 - (a) *A physician licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in conducting mental health services;*
 - (b) *A psychiatrist licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States engaged in conducting mental health services;*
 - (c) *A psychologist, a psychological practitioner, a certified psychologist, or a psychological associate, licensed under the provisions of KRS Chapter 319;*
 - (d) *A registered nurse licensed under the provisions of KRS Chapter 314 engaged in providing mental health services;*
 - (e) *A licensed clinical social worker licensed under the provisions of KRS 335.100, or a certified social worker licensed under the provisions of KRS 335.080 engaged in providing mental health services;*
 - (f) *A marriage and family therapist licensed under the provisions of KRS 335.300 to 335.399 engaged in providing mental health services;*
 - (g) *A professional counselor credentialed under the provisions of KRS Chapter 335.500 to 335.599 engaged in providing mental health services;*
 - (h) *An art therapist certified under KRS 309.130 engaged in providing mental health services; or*
 - (i) *A fee-based pastoral counselor certified under the provisions of KRS 335.600 to 335.699 engaged in providing mental health services.*

Section 4. KRS 600.020 is amended to read as follows:

As used in KRS Chapters 600 to 645, unless the context otherwise requires:

- (1) "Abused or neglected child" means a child whose health or welfare is harmed or threatened with harm when his parent, guardian, or other person exercising custodial control or supervision of the child:
 - (a) Inflicts or allows to be inflicted upon the child physical or emotional injury as defined in this section by other than accidental means;
 - (b) Creates or allows to be created a risk of physical or emotional injury as defined in this section to the child by other than accidental means;
 - (c) Engages in a pattern of conduct that renders the parent incapable of caring for the immediate and ongoing needs of the child including, but not limited to, parental incapacity due to alcohol and other drug abuse as defined in KRS 222.005(12);

- (d) Continuously or repeatedly fails or refuses to provide essential parental care and protection for the child, considering the age of the child;
 - (e) Commits or allows to be committed an act of sexual abuse, sexual exploitation, or prostitution upon the child;
 - (f) Creates or allows to be created a risk that an act of sexual abuse, sexual exploitation, or prostitution will be committed upon the child;
 - (g) Abandons or exploits the child; or
 - (h) Does not provide the child with adequate care, supervision, food, clothing, shelter, and education or medical care necessary for the child's well-being. A parent or other person exercising custodial control or supervision of the child legitimately practicing the person's religious beliefs shall not be considered a negligent parent solely because of failure to provide specified medical treatment for a child for that reason alone. This exception shall not preclude a court from ordering necessary medical services for a child; or
 - (i) Fails to make sufficient progress toward identified goals as set forth in the court-approved case plan to allow for the safe return of the child to the parent that results in the child remaining committed to the cabinet and remaining in foster care for fifteen (15) of the most recent twenty-two (22) months;
- (2) "Aggravated circumstances" means the existence of one (1) or more of the following conditions:
- (a) The parent has not attempted or has not had contact with the child for a period of not less than ninety (90) days;
 - (b) The parent is incarcerated and will be unavailable to care for the child for a period of at least one (1) year from the date of the child's entry into foster care and there is no appropriate relative placement available during this period of time;
 - (c) The parent has sexually abused the child and has refused available treatment;
 - (d) The parent has been found by the cabinet to have engaged in abuse of the child that required removal from the parent's home two (2) or more times in the past two (2) years; or
 - (e) The parent has caused the child serious physical injury;
- (3) "Beyond the control of school" means any child who has been found by the court to have repeatedly violated the lawful regulations for the government of the school as provided in KRS 158.150, and as documented in writing by the school as a part of the school's petition or as an attachment to the school's petition. The petition or attachment shall describe the student's behavior and all intervention strategies attempted by the school;
- (4) "Beyond the control of parents" means a child who has repeatedly failed to follow the reasonable directives of his or her parents, legal guardian, or person exercising custodial control or supervision other than a state agency, which behavior results in danger to the child or others, and which behavior does not constitute behavior that would warrant the filing of a petition under KRS Chapter 645;
- (5) "Boarding home" means a privately owned and operated home for the boarding and lodging of individuals which is approved by the Department of Juvenile Justice or the cabinet for the placement of children committed to the department or the cabinet;
- (6) "Cabinet" means the Cabinet for Families and Children;
- (7) "Certified juvenile facility staff" means individuals who meet the qualifications of, and who have completed a course of education and training in juvenile detention developed and approved by, the Department of Juvenile Justice after consultation with other appropriate state agencies;
- (8) "Child" means any person who has not reached his eighteenth birthday, unless otherwise provided;
- (9) "Child-caring facility" means any facility or group home other than a state facility, Department of Juvenile Justice contract facility or group home, or one certified by an appropriate agency as operated primarily for educational or medical purposes, providing residential care on a twenty-four (24) hour basis to children not related by blood, adoption, or marriage to the person maintaining the facility;
- (10) "Child-placing agency" means any agency, other than a state agency, which supervises the placement of children in foster family homes or child-caring facilities or which places children for adoption;

- (11) "Clinical treatment facility" means a facility with more than eight (8) beds designated by the Department of Juvenile Justice or the cabinet for the treatment of mentally ill children. The treatment program of such facilities shall be supervised by a qualified mental health professional;
- (12) "Commitment" means an order of the court which places a child under the custodial control or supervision of the Cabinet for Families and Children, Department of Juvenile Justice, or another facility or agency until the child attains the age of eighteen (18) unless the commitment is discharged under KRS Chapter 605 or the committing court terminates or extends the order;
- (13) "Community-based facility" means any nonsecure, homelike facility licensed, operated, or permitted to operate by the Department of Juvenile Justice or the cabinet, which is located within a reasonable proximity of the child's family and home community, which affords the child the opportunity, if a Kentucky resident, to continue family and community contact;
- (14) "Complaint" means a verified statement setting forth allegations in regard to the child which contain sufficient facts for the formulation of a subsequent petition;
- (15) "Court" means the juvenile session of District Court unless a statute specifies the adult session of District Court or the Circuit Court;
- (16) "Court-designated worker" means that organization or individual delegated by the Administrative Office of the Courts for the purposes of placing children in alternative placements prior to arraignment, conducting preliminary investigations, and formulating, entering into, and supervising diversion agreements and performing such other functions as authorized by law or court order;
- (17) "Deadly weapon" has the same meaning as it does in KRS 500.080;
- (18) "Department" means the Department for Community Based Services;
- (19) "Dependent child" means any child, other than an abused or neglected child, who is under improper care, custody, control, or guardianship that is not due to an intentional act of the parent, guardian, or person exercising custodial control or supervision of the child;
- (20) "Detention" means the safe and temporary custody of a juvenile who is accused of conduct subject to the jurisdiction of the court who requires a restricted environment for his or her own or the community's protection;
- (21) "Detention hearing" means a hearing held by a judge or trial commissioner within twenty-four (24) hours, exclusive of weekends and holidays, of the start of any period of detention prior to adjudication;
- (22) "Diversion agreement" means an agreement entered into between a court-designated worker and a child charged with the commission of offenses set forth in KRS Chapters 630 and 635, the purpose of which is to serve the best interest of the child and to provide redress for those offenses without court action and without the creation of a formal court record;
- (23) "Emergency shelter" is a group home, private residence, foster home, or similar homelike facility which provides temporary or emergency care of children and adequate staff and services consistent with the needs of each child;
- (24) "Emotional injury" means an injury to the mental or psychological capacity or emotional stability of a child as evidenced by a substantial and observable impairment in the child's ability to function within a normal range of performance and behavior with due regard to his age, development, culture, and environment as testified to by a qualified mental health professional;
- (25) "Firearm" shall have the same meaning as in KRS 237.060 and 527.010;
- (26) "Foster family home" means a private home in which children are placed for foster family care under supervision of the cabinet or a licensed child-placing agency;
- (27) "Habitual runaway" means any child who has been found by the court to have been absent from his place of lawful residence without the permission of his custodian for at least three (3) days during a one (1) year period;
- (28) "Habitual truant" means any child who has been found by the court to have been reported as a truant as defined in KRS 159.150 three (3) or more times during a one (1) year period;

- (29) "Hospital" means, except for purposes of KRS Chapter 645, a licensed private or public facility, health care facility, or part thereof, which is approved by the cabinet to treat children;
- (30) "Independent living" means those activities necessary to assist a committed child to establish independent living arrangements;
- (31) "Informal adjustment" means an agreement reached among the parties, with consultation, but not the consent, of the victim of the crime or other persons specified in KRS 610.070 if the victim chooses not to or is unable to participate, after a petition has been filed, which is approved by the court, that the best interest of the child would be served without formal adjudication and disposition;
- (32) "Intentionally" means, with respect to a result or to conduct described by a statute which defines an offense, that the actor's conscious objective is to cause that result or to engage in that conduct;
- (33) "Intermittent holding facility" means a physically secure setting, which is entirely separated from sight and sound from all other portions of a jail containing adult prisoners, in which a child accused of a public offense may be detained for a period not to exceed twenty-four (24) hours, exclusive of weekends and holidays prior to a detention hearing as provided for in KRS 610.265, and in which children are supervised and observed on a regular basis by certified juvenile facility staff;
- (34) "Juvenile holding facility" means a physically secure facility, approved by the Department of Juvenile Justice, which is an entirely separate portion or wing of a building containing an adult jail, which provides total sight and sound separation between juvenile and adult facility spatial areas and which is staffed by sufficient certified juvenile facility staff to provide twenty-four (24) hours per day supervision;
- (35) "Least restrictive alternative" means, except for purposes of KRS Chapter 645, that the program developed on the child's behalf is no more harsh, hazardous, or intrusive than necessary; or involves no restrictions on physical movements nor requirements for residential care except as reasonably necessary for the protection of the child from physical injury; or protection of the community, and is conducted at the suitable available facility closest to the child's place of residence;
- (36) "Motor vehicle offense" means any violation of the nonfelony provisions of KRS Chapters 186, 189, or 189A, KRS 177.300, 304.39-110, or 304.39-117;
- (37) "Near fatality" means an injury that, as certified by a physician, places a child in serious or critical condition;
- (38) "Needs of the child" means necessary food, clothing, health, shelter, and education;
- (39) "Nonsecure facility" means a facility which provides its residents access to the surrounding community and which does not rely primarily on the use of physically restricting construction and hardware to restrict freedom;
- (40) "Nonsecure setting" means a nonsecure facility or a residential home, including a child's own home, where a child may be temporarily placed pending further court action. Children before the court in a county that is served by a state operated secure detention facility, who are in the detention custody of the Department of Juvenile Justice, and who are placed in a nonsecure alternative by the Department of Juvenile Justice, shall be supervised by the Department of Juvenile Justice;
- (41) "Parent" means the biological or adoptive mother or father of a child;
- (42) "Person exercising custodial control or supervision" means a person or agency that has assumed the role and responsibility of a parent or guardian for the child, but that does not necessarily have legal custody of the child;
- (43) "Petition" means a verified statement, setting forth allegations in regard to the child, which initiates formal court involvement in the child's case;
- (44) "Physical injury" means substantial physical pain or any impairment of physical condition;
- (45) "Physically secure facility" means a facility that relies primarily on the use of construction and hardware such as locks, bars, and fences to restrict freedom;
- (46) "Public offense action" means an action, excluding contempt, brought in the interest of a child who is accused of committing an offense under KRS Chapter 527 or a public offense which, if committed by an adult, would be a crime, whether the same is a felony, misdemeanor, or violation, other than an action alleging that a child sixteen (16) years of age or older has committed a motor vehicle offense;
- (47) "Qualified mental health professional" means:

- (a) A physician licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in the performance of official duties;
 - (b) A psychiatrist licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in the practice of official duties, and who is certified or eligible to apply for certification by the American Board of Psychiatry and Neurology, Inc.;
 - (c) A ~~licensed~~ psychologist ***with the health service provider designation, a psychological practitioner, a certified psychologist, or a psychological associate licensed*** ~~at the doctoral level or certified at the master's level~~ under the provisions of KRS Chapter 319 ~~who has been designated by the Kentucky Board of Examiners of Psychology as competent to make examinations under KRS Chapters 600 to 645~~;
 - (d) A licensed registered nurse with a master's degree in psychiatric nursing from an accredited institution and two (2) years of clinical experience with mentally ill persons, or a licensed registered nurse with a bachelor's degree in nursing from an accredited institution who is certified as a psychiatric and mental health nurse by the American Nurses Association and who has three (3) years of inpatient or outpatient clinical experience in psychiatric nursing and who is currently employed by a hospital or forensic psychiatric facility licensed by the Commonwealth or a psychiatric unit of a general hospital or a regional comprehensive care center; ~~or~~
 - (e) A licensed clinical social worker licensed under the provisions of KRS 335.100, or a certified social worker licensed under the provisions of KRS 335.080 with three (3) years of inpatient or outpatient clinical experience in psychiatric social work and currently employed by a hospital or forensic psychiatric facility licensed by the Commonwealth or a psychiatric unit of a general hospital or a regional comprehensive care center;
 - (f) ***A marriage and family therapist licensed under the provisions of KRS 335.300 to 335.399 with three (3) years of inpatient or outpatient clinical experience in psychiatric mental health practice and currently employed by a hospital or forensic psychiatric facility licensed by the Commonwealth, a psychiatric unit of a general hospital, or a regional comprehensive care center; or***
 - (g) ***A professional counselor credentialed under the provisions of KRS 335.500 to 335.599 with three (3) years of inpatient or outpatient clinical experience in psychiatric mental health practice and currently employed by a hospital or forensic facility licensed by the Commonwealth, a psychiatric unit of a general hospital, or a regional comprehensive care center;***
- (48) "Residential treatment facility" means a facility or group home with more than eight (8) beds designated by the Department of Juvenile Justice or the cabinet for the treatment of children;
 - (49) "Retain in custody" means, after a child has been taken into custody, the continued holding of the child by a peace officer for a period of time not to exceed twelve (12) hours when authorized by the court or the court-designated worker for the purpose of making preliminary inquiries;
 - (50) "School personnel" means those certified persons under the supervision of the local public or private education agency;
 - (51) "Secretary" means the secretary of the Cabinet for Families and Children;
 - (52) "Secure juvenile detention facility" means any physically secure facility used for the secure detention of children other than any facility in which adult prisoners are confined;
 - (53) "Staff secure facility for residential treatment" means any setting which assures that all entrances and exits are under the exclusive control of the facility staff, and in which a child may reside for the purpose of receiving treatment;
 - (54) "Serious physical injury" means physical injury which creates a substantial risk of death or which causes serious and prolonged disfigurement, prolonged impairment of health, or prolonged loss or impairment of the function of any bodily member or organ;
 - (55) "Sexual abuse" includes, but is not necessarily limited to, any contacts or interactions in which the parent, guardian, or other person having custodial control or supervision of the child or responsibility for his welfare,

uses or allows, permits, or encourages the use of the child for the purposes of the sexual stimulation of the perpetrator or another person;

- (56) "Sexual exploitation" includes, but is not limited to, a situation in which a parent, guardian, or other person having custodial control or supervision of a child or responsible for his welfare, allows, permits, or encourages the child to engage in an act which constitutes prostitution under Kentucky law; or a parent, guardian, or other person having custodial control or supervision of a child or responsible for his welfare, allows, permits, or encourages the child to engage in an act of obscene or pornographic photographing, filming, or depicting of a child as provided for under Kentucky law;
- (57) "Social service worker" means any employee of the cabinet or any private agency designated as such by the secretary of the cabinet or a social worker employed by a county or city who has been approved by the cabinet to provide, under its supervision, services to families and children;
- (58) "Status offense action" is any action brought in the interest of a child who is accused of committing acts, which if committed by an adult, would not be a crime. Such behavior shall not be considered criminal or delinquent and such children shall be termed status offenders. Status offenses shall not include violations of state or local ordinances which may apply to children such as a violation of curfew or possession of alcoholic beverages;
- (59) "Take into custody" means the procedure by which a peace officer or other authorized person initially assumes custody of a child. A child may be taken into custody for a period of time not to exceed two (2) hours;
- (60) "Valid court order" means a court order issued by a judge to a child alleged or found to be a status offender:
 - (a) Who was brought before the court and made subject to the order;
 - (b) Whose future conduct was regulated by the order;
 - (c) Who was given written and verbal warning of the consequences of the violation of the order at the time the order was issued and whose attorney or parent or legal guardian was also provided with a written notice of the consequences of violation of the order, which notification is reflected in the record of the court proceedings; and
 - (d) Who received, before the issuance of the order, the full due process rights guaranteed by the Constitution of the United States.
- (61) "Violation" means any offense, other than a traffic infraction, for which a sentence of a fine only can be imposed;
- (62) "Youth alternative center" means a nonsecure facility, approved by the Department of Juvenile Justice, for the detention of juveniles, both prior to adjudication and after adjudication, which meets the criteria specified in KRS 15A.320; and
- (63) "Youthful offender" means any person regardless of age, transferred to Circuit Court under the provisions of KRS Chapter 635 or 640 and who is subsequently convicted in Circuit Court.

Section 5. KRS 645.020 is amended to read as follows:

The definitions in KRS Chapter 600 shall apply to this chapter. In addition, unless the context requires otherwise:

- (1) "Convalescent leave" means an authorized release not to exceed ninety (90) days of a child admitted to a hospital under this chapter;
- (2) "Danger to self or others" means that it is shown by substantial proof that in the near future the child may attempt suicide or may cause substantial physical harm or threat of substantial physical harm to self or others, as evidenced by recent threats or overt acts, including acts by which the child deprives self or others of the basic means of survival, including reasonable shelter, food or clothing. In determining whether a child presents a danger to self, factors to be considered shall include, but shall not be limited to, an established pattern of past dangerous behavior;
- (3) "Hospital" means a licensed private or public institution, health care facility, or part thereof, approved by the cabinet to treat children who are mentally ill;
- (4) "Least restrictive alternative" means the treatment and conditions of treatment for a child which, separately and in combination:

- (a) Are no more harsh, hazardous or intrusive than necessary to achieve acceptable treatment objectives for the child; and
- (b) Involve no inpatient care restrictions on physical movement except as reasonably necessary for the administration of treatment or for the protection of the child or others from physical injury.

In determining the least restrictive alternative, factors to be considered shall include, but not be limited to, the likelihood, based on the child's prior outpatient treatment, that the child will benefit from outpatient treatment;

- (5) "Mental health facility" means a residential or nonresidential service providing children psychological or psychiatric treatment for emotional, mental, or behavioral problems;
- (6) "Mental health group home" means a community-based facility established to serve not less than four (4) nor more than eight (8) mentally ill children with a treatment program developed and supervised by a qualified mental health professional. Mental health group homes shall not be adjacent to or part of a residential treatment facility or a hospital;~~and~~
- (7) **"Mental health professional" means:**
 - (a) *A physician licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States while engaged in conducting mental health services;*
 - (b) *A psychiatrist licensed under the laws of Kentucky to practice medicine or osteopathy, or a medical officer of the government of the United States engaged in conducting mental health services;*
 - (c) *A psychologist, a psychological practitioner, a certified psychologist, or a psychological associate, licensed under the provisions of KRS Chapter 319;*
 - (d) *A registered nurse licensed under the provisions of KRS Chapter 314 engaged in providing mental health services;*
 - (e) *A licensed clinical social worker licensed under the provisions of KRS 335.100, or a certified social worker licensed under the provisions of KRS 335.080 engaged in providing mental health services;*
 - (f) *A marriage and family therapist licensed under the provisions of KRS 335.300 to 335.399 engaged in providing mental health services;*
 - (g) *A professional counselor credentialed under the provisions of KRS Chapter 335.500 to 335.599 engaged in providing mental health services;*
 - (h) *An art therapist certified under KRS 309.130 engaged in providing mental health services; or*
 - (i) *A fee-based pastoral counselor certified under the provisions of KRS 335.600 to 335.699 engaged in providing mental health services; and*
- (8) "Mentally ill child" means that considering the child's age and development, the child has a substantially impaired capacity to use self-control, judgment or discretion in the conduct of the child's affairs and social relations, the child's behavior is maladaptive or the child exhibits recognized emotional symptoms which can be related to physiological, psychological or social factors.

Section 6. KRS 645.270 is amended to read as follows:

- (1) No monetary liability and no cause of action shall arise against any ~~qualified~~ mental health professional **or person serving in a counselor role** for failing to predict, warn or take precautions to provide protection from a patient's violent behavior, unless the patient has communicated to the ~~qualified~~ mental health professional or person serving in a counselor role an actual threat of physical violence against a clearly identified or reasonably identified victim, or unless the patient has communicated to the ~~qualified~~ mental health professional or other person serving in a counselor role an actual threat of some specific violent act.
- (2) The duty to warn or to take reasonable precautions to provide protection from violent behavior arises only under limited circumstances specified in subsection (1) of this section. The duty to warn a clearly or reasonably identifiable victim shall be discharged by the ~~qualified~~ mental health professional or person serving in a counselor role if reasonable efforts are made to communicate the threat to the victim and to notify the law enforcement office closest to the patient's and the victim's residence of the threat of violence. If the patient has communicated to the ~~qualified~~ mental health professional or person serving in a counselor role an actual threat of some specific violent act and no particular victim is identifiable, the duty to warn has been discharged

if reasonable efforts are made to communicate the threat to law enforcement authorities. The duty to take reasonable precautions to provide protection from violent behavior shall be satisfied if reasonable efforts are made to seek civil commitment of the child under KRS Chapter 645.

- (3) No monetary liability and no cause of action shall arise against any ~~qualified~~ mental health professional or person serving in a counselor role for confidences disclosed to third parties in an effort to discharge a duty arising under this section.

Section 7. KRE 506 is amended to read as follows:

- (a) Definitions. As used in this rule:

- (1) A "counselor" includes:

- (A) A certified school counselor who meets the requirements of the Kentucky Board of Education and who is duly appointed and regularly employed for the purpose of counseling in a public or private school of this state;
- (B) A sexual assault counselor, who is a person engaged in a rape crisis center, as defined in KRS Chapter 421, who has undergone forty (40) hours of training and is under the control of a direct services supervisor of a rape crisis center, whose primary purpose is the rendering of advice, counseling, or assistance to victims of sexual assault;
- (C) A certified professional art therapist who is engaged to conduct art therapy ~~under~~**pursuant to** KRS 309.130 to 309.1399;
- (D) A ~~licensed~~**certified** marriage and family therapist as defined in KRS 335.300 who is engaged to conduct marriage and family therapy pursuant to KRS 335.300 to 335.399;
- (E) A certified professional counselor as defined in KRS 335.500;
- (F) An individual who provides crisis response services as a member of the community crisis response team or local community crisis response team ~~under~~**pursuant to** KRS 36.250 to 36.270;
- (G) A victim advocate as defined in KRS 421.570 except a victim advocate who is employed by a Commonwealth's attorney ~~under~~**pursuant to** KRS 15.760 or a county attorney pursuant to KRS 69.350; and
- (H) A certified fee-based pastoral counselor as defined in KRS 335.600 who is engaged to conduct fee-based pastoral counseling ~~under~~**pursuant to** KRS 335.600 to 335.699.

- (2) A "client" is a person who consults or is interviewed or assisted by a counselor for the purpose of obtaining professional or crisis response services from the counselor.

- (3) A communication is "confidential" if it is not intended to be disclosed to third persons, except persons present to further the interest of the client in the consultation or interview, persons reasonably necessary for the transmission of the communication, or persons present during the communication at the direction of the counselor, including members of the client's family.

- (b) General rule of privilege. A client has a privilege to refuse to disclose and to prevent any other person from disclosing confidential communications made for the purpose of counseling the client, between himself, his counselor, and persons present at the direction of the counselor, including members of the client's family.

- (c) Who may claim the privilege. The privilege may be claimed by the client, his guardian or conservator, or the personal representative of a deceased client. The person who was the counselor (or that person's employer) may claim the privilege in the absence of the client, but only on behalf of the client.

- (d) Exceptions. There is no privilege under this rule for any relevant communication:

- (1) If the client is asserting his physical, mental, or emotional condition as an element of a claim or defense; or, after the client's death, in any proceeding in which any party relies upon the condition as an element of a claim or defense.
- (2) If the judge finds:
 - (A) That the substance of the communication is relevant to an essential issue in the case;

- (B) That there are no available alternate means to obtain the substantial equivalent of the communication; and
- (C) That the need for the information outweighs the interest protected by the privilege. The court may receive evidence in camera to make findings under this rule.

Section 8. Whereas our country and our schools have increasingly become the targets of acts of premeditated violence and it is important that mental health professionals privy to these threats beforehand be encouraged to communicate these threats to law enforcement and intended victims without civil or criminal liability, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved March 28, 2002

CHAPTER 100

(SB 113)

AN ACT relating to death certificates.

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

Section 1. KRS 213.076 is amended to read as follows:

- (1) A certificate of death or a provisional certificate of death for each death which occurs in the Commonwealth shall be filed with the cabinet or as otherwise directed by the state registrar prior to final disposition, and it shall be registered if it has been completed and filed in accordance with this section. The funeral director, or person acting as such, who first takes custody of a dead body shall be responsible for filing the certificate of death. The funeral director, or person acting as such shall obtain the required personal and statistical particulars from the person best qualified to supply them over the signature and address of the informant. The funeral director, or person acting as such, shall within five (5) days of the death, present the certificate to the attending physician, if any, or to the health officer or coroner as directed by the state registrar, for the medical certificate of the cause of death and other particulars necessary to complete the record as required by this chapter.
 - (a) It shall be unlawful for an institution to release a dead human body until the funeral director, or person acting as such, has completed and filed with the local registrar or person in charge of the institution, a provisional certificate of death. If death occurs outside an institution, the provisional certificate shall be filed with the local registrar by the funeral director, or person acting as such, prior to final disposition of the dead body. A copy of the provisional certificate of death signed by the person with whom it was filed, shall constitute authority for the possession, transportation, and, except for cremation, final disposition of the body.
 - (b) All persons having in their possession a completed provisional certificate of death shall file the certificate at not more than weekly intervals with the local registrar.
 - (c) If the place of death is unknown but the dead body is found in the Commonwealth, the certificate of death shall be completed and filed in accordance with this section. The place where the body is found shall be shown as the place of death. If the date of death is unknown, it shall be determined by approximation subject to amendment upon completion of any postmortem examination required to be performed.
 - (d) If death occurs in a moving conveyance in the United States and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, and the place where it is first removed shall be considered the place of death. If a death occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, but the certificate shall show the actual place of death insofar as can be determined.
- (2) If any certificate of death is incomplete or unsatisfactory, the state registrar shall call attention to the defects in the certificate and require the person responsible for the entry to complete or correct it. The state registrar may also require additional information about the circumstances and medical conditions surrounding a death in order to properly code and classify the underlying cause.

- (3) The medical certification shall be completed, signed, and returned to the funeral director within five (5) working days after presentation to the physician, dentist, or chiropractor in charge of the patient's care for the illness or condition which resulted in death, except when inquiry is required by KRS 72.400 to 72.475. In such cases, the coroner shall complete and sign the certificate within five (5) days after receiving results of the inquiry as required by KRS 72.400 to 72.475. In the absence of the physician, dentist, or chiropractor, or with such person's approval, the certificate may be completed and signed by his associate physician, dentist, or chiropractor, or the chief medical officer of the institution in which death occurred, or the physician who performed an autopsy upon the decedent, or a physician employed by the local health department, if the individual has access to the medical history of the case and death is due to natural causes.
- (4) If death occurs more than thirty-six (36) hours after the decedent was last treated or attended by a physician, dentist, or chiropractor, the case shall be referred to the coroner for investigation to determine and certify the cause of death. In the event that a coroner is not available to sign the certificate and there is no duly appointed deputy, the county judge/executive shall appoint a competent person to investigate the death and certify to its cause.
- (5)
 - (a) The physician, dentist, chiropractor, or coroner who certifies to the cause of death shall return the certificate to the funeral director, or person acting as such, who, in turn, shall file the certificate directly with the Office of Vital Statistics. Any certified copies of the record requested at the time of filing shall be issued in not more than two (2) working days.
 - (b) *In the case of a death in which diabetes was an immediate, underlying, or contributing cause of or condition leading to death, the physician, dentist, chiropractor, or coroner who certifies to the cause of death shall check "yes" for each of the following questions on the death certificate:*
 1. *"Did the deceased have diabetes?"; and*
 2. *"Was diabetes an immediate, underlying, or contributing cause of or condition leading to death?"*.
- (6) The Office of Vital Statistics shall provide self-addressed, color-coded envelopes for the funeral homes in the Commonwealth of Kentucky.
- (7) Three (3) free verification-of-death statements shall be provided to the funeral director by the Office of Vital Statistics for every death in the Commonwealth of Kentucky.
- (8) The body of any person whose death occurs in Kentucky shall not be interred, deposited in a vault or tomb, cremated or otherwise disposed of, or removed from or into any registration district, until a provisional certificate of death has been filed with the local registrar of the registration district in which the death occurs. If the death occurred from a disease declared by the Cabinet for Health Services to be infectious, contagious, or communicable and dangerous to the public health, no permit for the removal or other disposition of the body shall be granted by the registrar except under conditions prescribed by the Cabinet for Health Services and the local health department. The Cabinet for Health Services shall identify by regulation those communicable diseases which require blood and body fluid precautions. If a person who has been diagnosed as being infected with a communicable disease for which blood and body fluid precautions are required, dies within a health facility as defined in KRS 216B.015, the facility shall notify any embalmer or funeral director to whom the body will be transported of the need for such precautions. The notice shall be provided by including the statement "Blood and Body Fluid Precautions" on the provisional report-of-death form as prescribed by the Cabinet for Health Services. Lack of this notice shall not relieve any embalmer or funeral director from taking universal blood and body fluid precautions as are recommended by the United States Department of Health and Human Services, Centers for Disease Control for Morticians' Services. No embalmer or funeral director shall charge more for embalming the remains of a person with a communicable disease which requires blood and body fluid precautions than the price for embalming services listed on the price list funeral providers are required to maintain and provide to consumers pursuant to 16 C.F.R. Sec. 453.2 (1988).
- (9) A burial-transit permit for the final disposition issued under the law of another state which accompanies a dead body or fetus brought into the Commonwealth shall be the authority for final disposition of the body or fetus in the Commonwealth and may be accepted in lieu of a certificate of death. There shall be noted on the face of the record made for return to the local registrar that the body was shipped to Kentucky for interment and the actual place of death.
- (10) Nothing in this section shall be construed to delay, beyond a reasonable time, the interment or other disposition of a body unless the services of the coroner or the health officer are required or the Department for Public

Health deems it necessary for the protection of the public health. If compliance with this section would result in unreasonable delay in the disposition of the body the funeral director, or person acting as such, shall file with the local registrar or deputy registrar prior to interment a provisional certificate of death which shall contain the name, date, and place of death of the deceased, the name of the medical certifier, and an agreement to furnish within ten (10) days a complete and satisfactory certificate of death.

- (11) No sexton or other person in charge of any place in which interment or other disposition of dead bodies is made shall inter or allow interment or other disposition of a dead body or fetus unless it is accompanied by a copy of the provisional certificate of death. The sexton, or if there is no sexton, the funeral director, or person acting as such, shall enter on the provisional certificate over his signature, the date, place, and manner of final disposition and file the certificate within five (5) days with the local registrar.
- (12) Authorization for disinterment, transportation, and reinterment or other disposition shall be required prior to disinterment of any human remains. The authorization shall be issued by the state registrar upon proper application. The provisions of this subsection shall apply to all manners of disposition except cremation and without regard for the time and place of death. The provisions of KRS 381.765 shall not apply to remains removed for scientific study and the advancement of knowledge.
- (13) After a death certificate has been on file for five (5) years, it may not be changed in any manner except upon order of a court. Prior to that time, requests for corrections, amendments, or additions shall be accompanied by prima facie evidence which supports the requested change.

SECTION 2. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

- (1) *Any certificate of death form developed or distributed by the Cabinet for Health Services shall contain the following questions:*
 - (a) *"Did the deceased have diabetes?"; and*
 - (b) *"Was diabetes an immediate, underlying, or contributing cause of or condition leading to death?"*.
- (2) *If the person completing the certificate of death fails to answer the questions identified in subsection (1) of this section, the state registrar shall call attention to the defects in the certificate and require the person responsible for the entry to complete or correct it.*

Approved March 28, 2002

CHAPTER 101

(SB 117)

AN ACT relating to fire protection sprinkler contractors.

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

Section 1. KRS 198B.595 is amended to read as follows:

- (1) The commissioner shall not issue a license under KRS 198B.560 and 198B.580, unless the fire protection sprinkler contractor applicant files with the commissioner proof of liability insurance coverage of not less than two hundred and fifty thousand dollars (\$250,000) one person/maximum and five hundred thousand dollars (\$500,000) one accident/maximum and workers' compensation insurance as provided for in KRS Chapter 342.
- (2) The ***worker's compensation*** insurance required by this section must be in the form of certificate of insurance executed by an insurer authorized to do business in this state~~and countersigned by a local agent licensed in this state~~. ***The liability insurance required by this section shall be professional liability insurance that covers the legal liability of the licensed person as the result of erroneous acts or failure to act in his or her capacity as a fire protection sprinkler contractor and shall be in the form of certificate of insurance executed by an insurer authorized to do business in this state or exported by a licensed surplus lines broker to an eligible carrier pursuant to KRS 304.10-020 to 304.10-210.*** Insurance certificates filed with the commissioner under this section shall remain in force until the insurer has terminated future liability by a thirty (30) day notice to the commissioner.

- (3) Failure to maintain the insurance required hereunder constitutes grounds for denial, suspension or revocation of a license under KRS 198B.620 by the commissioner.

Approved March 28, 2002

CHAPTER 102

(SB 121)

AN ACT relating to corporations.

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

Section 1. KRS 271B.1-200 is amended to read as follows:

- (1) A document shall satisfy the requirements of this section, and of any other section that adds to or varies these requirements, to be entitled to filing by the Secretary of State.
- (2) This chapter must require or permit filing the document in the office of the Secretary of State.
- (3) The document shall contain the information required by this chapter. It may contain other information as well.
- (4) The document shall be typewritten, ~~or~~ printed, *or electronically transmitted. If the document is electronically transmitted, the document shall be in a format that can be retrieved or reproduced in typewritten or printed form.*
- (5) The document shall be in the English language. A corporate name may be in a language other than English if written in English letters or Arabic or Roman numerals, and the certificate of existence required of foreign corporations, if not in English, shall be accompanied by a reasonably authenticated English translation.
- (6) The document shall be executed:
 - (a) By the chairman of the board of directors of a domestic or foreign corporation, by its president, or by another of its officers;
 - (b) If directors have not been selected or the corporation has not been formed, by an incorporator; or
 - (c) If the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, by that fiduciary.
- (7) The person executing the document shall sign it and state beneath or opposite his signature his name and the capacity in which he signs. The document may but need not contain:
 - (a) ~~A~~~~The~~ corporate seal *of the corporation*;
 - (b) An attestation, ~~by the secretary or an assistant secretary~~;
 - ~~(c) An~~ acknowledgment, *or* verification~~, or proof~~; or
 - ~~(c)(d)~~ A statement regarding the preparer of the document which complies with KRS 382.335.
- (8) If the Secretary of State has prescribed a mandatory form for the document under KRS 271B.1-210, the document shall be in or on the prescribed form.
- (9) The document shall be delivered to the office of the Secretary of State for filing. *Delivery may be made by electronic transmission if and to the extent permitted by the Secretary of State. If the document is filed in typewritten or printed form and not transmitted electronically, the Secretary of State may require one (1) exact or conformed copy to be delivered with the document, except as provided in KRS 271B.5-030 and KRS 271B.15-090*~~and shall be accompanied by two (2) exact or conformed copies, the correct filing fee, the organization tax and any penalty required by this chapter or other law to be collected by the office of the Secretary of State.~~
- (10) One (1)~~of such~~ exact or conformed *paper, but not electronic, copy of the document*~~copies~~ shall then be filed with and recorded by the county clerk of the county in which the registered office of the corporation is situated.
- (11) *When the document is delivered to the office of the Secretary of State for filing, the correct filing fee, the organization tax, and any penalty required by this chapter or other law to be collected by the office of the*

Secretary of State with the document shall be paid or provision for payment shall be made in a manner permitted by the Secretary of State. The Secretary of State may accept payment of the correct amount due by credit card, charge card, or similar method. However, if the amount due is tendered by any method other than cash, the liability shall not be finally discharged until the Secretary of State receives final payment or credit of collectible funds.

Section 2. KRS 271B.1-230 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section and subsection (3) of KRS 271B.1-240, a document accepted for filing shall be effective:
 - (a) At the ***date and*** time of filing~~[on the date it is filed]~~, as evidenced by ***such means as*** the Secretary of State ***may use for the purpose of recording the date and time of filing***~~[State's date and time endorsement on the original document]~~; or
 - (b) At the time specified in the document as its effective time on the date it is filed.
- (2) A document may specify a delayed effective time and date, and if it does so the document shall become effective at the time and date specified. If a delayed effective date but no time is specified, the document shall be effective at the close of business on that date. A delayed effective date for a document may not be later than the ninetieth day after the date it is filed.
- (3) A document filed in accordance with subsections (1) and (2) of this section shall be effective regardless of a failure to file the document with the county clerk pursuant to subsection (10) of KRS 271B.1-200.

Section 3. KRS 271B.1-240 is amended to read as follows:

- (1) A domestic or foreign corporation may correct a document filed by a Secretary of State if~~[the document]~~:
 - (a) ***The document*** contains an ***inaccuracy***~~[incorrect statement]~~~~;~~~~or~~
 - (b) ***The document*** was defectively executed, attested, sealed, verified, or acknowledged; ***or***
 - (c) ***Electronic transmission of the document to the Secretary of State was defective.***
- (2) A document is corrected:
 - (a) By preparing articles of correction that:
 1. Describe the document (including its filing date) or attach a copy of it to the articles;
 2. Specify the ***inaccuracy or defect to be corrected***~~[incorrect statement and the reason it is incorrect or the manner in which the execution was defective]~~; and
 3. Correct the ***inaccuracy or defect***~~[incorrect statement or defective execution]~~; and
 - (b) By delivering the articles to the Secretary of State for filing.
- (3) Articles of correction shall be effective on the effective date of the document they correct except as to persons relying on the uncorrected document adversely affected by the correction. As to those persons, articles of correction shall be effective when filed.

Section 4. KRS 271B.1-250 is amended to read as follows:

- (1) If a document delivered to the office of the Secretary of State for filing satisfies the requirements of KRS 271B.1-200, the Secretary of State shall file it.
- (2) The Secretary of State files a document by ***recording it as filed on***~~[stamping or otherwise endorsing "Filed," together with his name and official title and]~~ the date and time of receipt~~[, on both the original and the document copies and on the receipt for the filing fee]~~. After filing a document, except as provided in KRS 271B.5-030 and 271B.15-090, the Secretary of State shall deliver~~[the document copies, with the filing fee receipt (or acknowledgment of receipt if no fee is required) attached,]~~ to the domestic or foreign corporation or its representative ***a copy of the document with an acknowledgment of the date and time of filing.***
- (3) If the Secretary of State refuses to file a document, he shall return it to the domestic or foreign corporation or its representative within five (5) days after the document was delivered, together with a brief, written explanation of the reason for his refusal.

- (4) The Secretary of State's duty to file documents under this section shall be ministerial. His filing or refusal to file a document shall not:
- (a) Affect the validity or invalidity of the document in whole or part;
 - (b) Relate to the correctness or incorrectness of information contained in the document; or
 - (c) Create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

Section 5. KRS 271B.1-270 is amended to read as follows:

A certificate ***from the Secretary of State delivered with***~~attached to~~ a copy of the document filed by the Secretary of State~~, bearing his signature (which may be in facsimile) and the seal of this state,~~ shall be conclusive evidence that the original document is on file with the Secretary of State.

Section 6. KRS 271B.1-400 is amended to read as follows:

In this chapter:

- (1) "Articles of incorporation" include amended and restated articles of incorporation and articles of merger.
- (2) "Authorized shares" means the shares of all classes a domestic or foreign corporation is authorized to issue.
- (3) "Conspicuous" means so written that a reasonable person against whom the writing is to operate should have noticed it. For example, printing in italics or boldface or contrasting color, or typing in capitals or underlining, shall be considered conspicuous.
- (4) "Corporation" or "domestic corporation" means a corporation for profit, which is not a foreign corporation, incorporated under or subject to the provisions of this chapter.
- (5) ***"Deliver" or "delivery" means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and electronic transmission***~~includes mail~~.
- (6) "Distribution" means a direct or indirect transfer of money or other property (except its own shares) or inurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; or otherwise.
- (7) "Effective date of notice" is defined in KRS 271B.1-410.
- (8) ***"Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient.***
- (9) "Employee" includes an officer but not a director. A director may accept duties that make him also an employee.
- ~~(10)(9)~~ "Entity" includes corporation and foreign corporation; not-for-profit corporation; profit and not-for-profit unincorporated association; business trust, estate, partnership, trust, and two (2) or more persons having a joint or common economic interest; and state, United States, and foreign government.
- ~~(11)(10)~~ "Foreign corporation" means a corporation for profit incorporated under a law other than the law of this state.
- ~~(12)(11)~~ "Governmental subdivision" includes authority, county, district, and municipality.
- ~~(13)(12)~~ "Includes" denotes a partial definition.
- ~~(14)(13)~~ "Individual" includes the estate of an incompetent or deceased individual.
- ~~(15)(14)~~ "Means" denotes an exhaustive definition.
- ~~(16)(15)~~ "Notice" is defined in KRS 271B.1-410.
- ~~(17)(16)~~ "Person" includes individual and entity.
- ~~(18)(17)~~ "Principal office" means the office (in or out of this state) so designated in writing to the Secretary of State where the principal executive offices of a domestic or foreign corporation are located.

- (19)~~((18))~~ "Proceeding" includes civil suit and criminal, administrative, and investigatory action.
- (20)~~((19))~~ "Record date" means the date established under Subtitles 6 or 7 on which a corporation determines the identity of its shareholders and their shareholdings for purposes of this chapter. The determinations shall be made as of the close of business on the record date, unless another time for doing so is specified when the record date is fixed.
- (21)~~((20))~~ "Secretary" means the corporate officer to whom the board of directors has delegated responsibility under subsection (3) of KRS 271B.8-400 for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.
- (22)~~((21))~~ "Share" means the unit into which the proprietary interests in a corporation are divided.
- (23)~~((22))~~ "Shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.
- (24) **"Sign" or "signature" includes any manual, facsimile, or conformed or electronic signature.**
- (25)~~((23))~~ "State" when referring to a part of the United States, includes a state and Commonwealth (and their agencies and governmental subdivisions) and a territory, and insular possession (and their agencies and governmental subdivisions) of the United States.
- (26)~~((24))~~ "Subscriber" means a person who subscribes for shares in a corporation, whether before or after incorporation.
- (27)~~((25))~~ "United States" includes district, authority, bureau, commission, department, and any other agency of the United States.
- (28)~~((26))~~ "Voting group" means all shares of one (1) or more classes or series that under the articles of incorporation or this chapter are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the articles of incorporation or this chapter to vote generally on the matter are for that purpose a single voting group.

Section 7. KRS 271B.1-410 is amended to read as follows:

- (1) Notice under this chapter shall be in writing unless oral notice is reasonable under the circumstances. ***Notice by electronic transmission is written notice.***
- (2) Notice may be communicated in person; by ~~telephone, telegraph, teletype, or other form of wire or wireless communication; or by~~ mail or ***other method of delivery; or by telephone, voice mail, or other electronic means***~~[private carrier]~~. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or by radio, television, or other form of public broadcast communication.
- (3) Written notice by a domestic or foreign corporation to its shareholder, if in a comprehensible form, shall be effective:
 - (a) ***Upon deposit in the United States mail***~~[when mailed]~~, if mailed postpaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders; ***or***
 - (b) ***When electronically transmitted to the shareholder in a manner authorized and in accordance with the shareholder's instructions, if any.***
- (4) Written notice to a domestic or foreign corporation (authorized to transact business in this state) may be addressed to its registered agent at its registered office or to the corporation or its secretary at its principal office shown in its most recent annual report or, in the case of a foreign corporation that has not yet delivered an annual report, in its application for a certificate of authority.
- (5) Except as provided in subsections (3) and (4) of this section, written notice, if in a comprehensible form, shall be effective at the earliest of the following:
 - (a) When received;
 - (b) Five (5) days after its deposit in the United States mail,~~[as evidenced by the postmark]~~ if mailed postpaid and correctly addressed;

- (c) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.
- (6) Oral notice shall be effective when communicated if communicated in a comprehensible manner.
- (7) If this chapter prescribes notice requirements for particular circumstances, those requirements, shall govern. If articles of incorporation or bylaws prescribe notice requirements not inconsistent with this section or other provisions of this chapter, those requirements shall govern.

Section 8. KRS 271B.6-020 is amended to read as follows:

- (1) If the articles of incorporation so provide, the board of directors may determine, in whole or in part, the preferences, limitations, and relative rights (within the limits set forth in KRS 271B.6-010 of:
 - (a) Any class of shares before the issuance of any shares of that class; or
 - (b) One (1) or more series within a class before the issuance of any shares of that series.
- (2) Each series of a class shall be given a distinguishing designation.
- (3) All shares of a series shall have preferences, limitations, and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the description of the series, with those of other series of the same class.
- (4) Before issuing any shares of a class or series created under this section, the corporation shall deliver to the secretary of state for filing articles of amendment, which are effective without shareholder action, that set forth:
 - (a) The name of the corporation;
 - (b) The text of the amendment determining the terms of the class or series of shares;
 - (c) The date it was adopted; and
 - (d) A statement that the amendment was duly adopted by the board of directors.
- (5) ***The board of directors may adopt articles of amendment without shareholder action to make any of the following changes to a class or series created under this section:***
 - (a) ***Increase the number of shares of a series but not above the total number of authorized and unissued shares of the class;***
 - (b) ***Decrease the number of shares of a series but not below the number of shares of the series then issued and outstanding;***
 - (c) ***Amend the designation, preferences, limitations, or relative rights of the shares of a class or series if no shares of the class or series are then issued or outstanding; or***
 - (d) ***Eliminate the designation of, and all references to, a series from the articles of incorporation if no shares of the series are then issued and outstanding.***
- (6) ***If an amendment reduces the number of shares of a series, or eliminates a series, the shares previously subject to issuance in the series shall return to the status they had before the creation of the series.***
- (7) ***Articles of amendment adopted pursuant to subsection (5) of this section shall be delivered to the Secretary of State for filing and shall state:***
 - (a) ***The name of the corporation;***
 - (b) ***The designation of the class or series subject to the amendment;***
 - (c) ***The text of the amendment changing the class or series;***
 - (d) ***The date the amendment was adopted; and***
 - (e) ***A statement that the amendment was duly adopted by the board of directors.***

Section 9. KRS 271B.6-210 is amended to read as follows:

- (1) The powers granted in this section to the board of directors may be reserved to the shareholders by the articles of incorporation.

- (2) The board of directors may authorize shares to be issued for consideration consisting only of an equivalent in money paid or labor done, or property actually received and applied to the purposes for which such corporation was created, and neither labor nor property shall be received in payment of consideration for the issuance of shares at a greater value than the market price at the time such labor was done or property delivered, and all fictitious increase of shares shall be void.
- (3) Before the corporation issues shares, the board of directors shall determine that the consideration received or to be received for shares to be issued is adequate. That determination by the board of directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid, and nonassessable.
- (4) When the corporation receives the consideration for which the board of directors authorized the issuance of shares in accordance with this section, the shares issued therefor ~~are~~~~[shall be considered]~~ fully paid and nonassessable.
- (5) ***The board of directors, or a committee of the board of directors, may authorize one (1) or more officers of the corporation to approve the issuance, sale, or contract for sale of shares or to determine the designation and relative rights, preferences, and limitations of a class or series of shares, all within limits specifically prescribed by the board of directors or the committee.***
- (6) The consideration received for the issuance of shares having a par value, to the extent in excess of the par value of such shares, shall be deemed to include consideration paid for the issuance of shares as share dividends, from time to time, with respect to any outstanding shares of that class or series, as provided in subsection (1) of KRS 271B.6-230. The consideration received for the issuance of shares without par value shall be deemed to include consideration paid for the issuance of shares as share dividends, from time to time, with respect to any outstanding shares of that class or series, as provided in subsection (1) of KRS 271B.6-230. The amount of capital surplus of a corporation immediately prior to January 1, 1989, shall also be deemed to be consideration paid for the issuance of shares, from time to time, as a share dividend within the meaning of this subsection.
- ~~(7)(6)~~ To the extent consolidated net income of the corporation or consideration theretofore received by the corporation for the issuance of shares is relied upon for the issuance of a share dividend, as provided in subsection (1) of KRS 271B.6-230, the board of directors shall designate some or all of such consolidated net income or existing consideration as the consideration paid for the issuance of such shares as a share dividend, and such designated amount shall thereafter not be included in the amount available under subsection (1) of KRS 271B.6-230 as consideration for the issuance of shares as share dividends.

Section 10. KRS 271B.6-210 is amended to read as follows:

- (1) The powers granted in this section to the board of directors may be reserved to the shareholders by the articles of incorporation.
- (2) The board of directors may authorize shares to be issued for consideration consisting ***of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the corporation***~~[only of an equivalent in money paid or labor done, or property actually received and applied to the purposes for which such corporation was created, and neither labor nor property shall be received in payment of consideration for the issuance of shares at a greater value than the market price at the time such labor was done or property delivered, and all fictitious increase of shares shall be void]~~.
- (3) Before the corporation issues shares, the board of directors shall determine that the consideration received or to be received for shares to be issued is adequate. That determination by the board of directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid, and nonassessable.
- (4) When the corporation receives the consideration for which the board of directors authorized the issuance of shares in accordance with this section, the shares issued therefor ~~are~~~~[shall be considered]~~ fully paid and nonassessable. ***When, and to the extent, consideration for the issuance of shares consists of a promissory note or contract for services or other benefits, the shares shall be fully paid and nonassessable at the time the note is issued or the contract is entered into.***

- (5) *The board of directors, or a committee of the board of directors, may authorize one (1) or more officers of the corporation to approve the issuance, sale, or contract for sale of shares or to determine the designation and relative rights, preferences, and limitations of a class or series of shares, all within limits specifically prescribed by the board of directors or the committee.* ~~[The consideration received for the issuance of shares having a par value, to the extent in excess of the par value of such shares, shall be deemed to include consideration paid for the issuance of shares as share dividends, from time to time, with respect to any outstanding shares of that class or series, as provided in subsection (1) of KRS 271B.6-230. The consideration received for the issuance of shares without par value shall be deemed to include consideration paid for the issuance of shares as share dividends, from time to time, with respect to any outstanding shares of that class or series, as provided in subsection (1) of KRS 271B.6-230. The amount of capital surplus of a corporation immediately prior to January 1, 1989, shall also be deemed to be consideration paid for the issuance of shares, from time to time, as a share dividend within the meaning of this subsection.]~~
- ~~(6) To the extent consolidated net income of the corporation or consideration theretofore received by the corporation for the issuance of shares is relied upon for the issuance of a share dividend, as provided in subsection (1) of KRS 271B.6-230, the board of directors shall designate some or all of such consolidated net income or existing consideration as the consideration paid for the issuance of such shares as a share dividend, and such designated amount shall thereafter not be included in the amount available under subsection (1) of KRS 271B.6-230 as consideration for the issuance of shares as share dividends.]~~

Section 11. KRS 271B.6-230 is amended to read as follows:

- (1) Unless the articles of incorporation provide otherwise, shares may be issued pro rata ***and without consideration*** to the corporation's shareholders or to the shareholders of one (1) or more classes or series ~~to the extent:~~
- (a) ~~The aggregate consideration received by the corporation for the issuance of all shares of such class or series then outstanding includes consideration for the issuance of such shares pro rata, as provided in subsection (1) of KRS 271B.6-210; and/or~~
- (b) ~~The consolidated net income of the corporation, measured either for the current fiscal year or for all prior fiscal years, less the amount of distributions in the form of dividends theretofore paid to shareholders, is not less than the consideration determined by the board of directors for the issuance of such shares pro rata].~~

An issuance of shares under this subsection shall be considered a share dividend.

- (2) Shares of one class or series may not be issued as a share dividend in respect of shares of another class or series unless:
- (a) The articles of incorporation so authorize;
- (b) A majority of the votes entitled to be cast by the class or series to be issued approve the issue; or
- (c) There are no outstanding shares of the class or series to be issued.
- (3) If the board of directors does not fix the record date for determining shareholders entitled to a share dividend, it shall be the date the board of directors authorizes the share dividend.

Section 12. KRS 271B.6-240 is amended to read as follows:

- (1) A corporation may issue rights, options, or warrants for the purchase of shares of the corporation. The board of directors shall determine the terms upon which the rights, options, or warrants are issued, their form and content, and the terms and conditions upon which and the consideration for which the shares are to be issued.
- (2) (a) ***The board of directors may, by a resolution adopted by the board, authorize one (1) or more officers of the corporation to do one (1) or more of the following:***
1. ***Designate officers and employees of the corporation or of any of its subsidiaries to receive rights, options, or warrants to be issued by the corporation;***
 2. ***Determine the number of rights, options, or warrants to be issued to each recipient; and***
 3. ***Determine the time or times at or during which rights, options, or warrants may be exercised.***
- (b) ***Any resolution adopted pursuant to paragraph (a) of this subsection shall specify the total number of rights, options, or warrants the officer or officers may award.***

- (c) ***The board of directors shall not authorize an officer to designate himself or herself as a recipient of any rights, options, or warrants.***

Section 13. KRS 271B.6-270 is amended to read as follows:

- (1) The articles of incorporation, bylaws, an agreement among shareholders, or an agreement between shareholders and the corporation may impose restrictions on the transfer or registration of transfer of shares of the corporation. A restriction shall not affect shares issued before the restriction was adopted unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction.
- (2) A restriction on the transfer or registration of transfer of shares shall be valid and enforceable against the holder, or a transferee of the holder, if the restriction is authorized by this section, and the holder or transferee has actual knowledge of the restriction or its existence is noted conspicuously on the front or back of the certificate, or is contained in the information statement required by subsection (2) of KRS 271B.6-260. Unless so noted, a restriction is not enforceable against a person without knowledge of the restriction.
- (3) A restriction on the transfer or registration of transfer of shares shall be authorized:
 - (a) To maintain the corporation's status when it is dependent on the number or identity of its shareholders;
 - (b) To preserve exemptions under federal or state securities law;~~{or}~~
 - (c) ***In connection with shares issued by the corporation to its officers, directors, employees, or independent contractors, including as equity based compensation under the Internal Revenue Code; or***
 - (d) For any other reasonable purpose.
- (4) A restriction on the transfer or registration of transfer of shares may without limitation:
 - (a) Obligate the shareholder first to offer the corporation or other persons (separately, consecutively, or simultaneously) an opportunity to acquire the restricted shares;
 - (b) Obligate the corporation or other persons (separately, consecutively, or simultaneously) to acquire ***or transfer*** the restricted shares;
 - (c) ***Obligate a shareholder to transfer the restricted shares to the corporation or other persons for an agreed price or a price based on a valuation formula, including an obligation to transfer the shares for an amount equal to the original consideration paid for the shares;***
 - (d) Require the corporation, the holders of any class of its shares, or another person to approve the transfer of the restricted shares, if the requirement is not manifestly unreasonable; or
 - ~~(e){(d)}~~ Prohibit the transfer of the restricted shares to designated persons or classes of persons, if the prohibition is not manifestly unreasonable.
- (5) For purposes of this section, "shares" includes a security convertible into or carrying a right to subscribe for or acquire shares.

Section 14. KRS 271B.7-040 is amended to read as follows:

- (1) Except as provided in the articles of incorporation, action required or permitted by this chapter to be taken at a shareholders' meeting may be taken without a meeting and without prior notice, except as provided in subsection ~~(8){(7)}~~ of this section, if the action is taken by all the shareholders entitled to vote on the action.
- (2) If the articles of incorporation so provide, any action except the election of directors pursuant to KRS 271B.7-280 required or permitted by this chapter to be taken at a shareholders' meeting may be taken without a meeting and without prior notice, except as provided in subsection ~~(8){(7)}~~ of this section, if the action is taken by shareholders entitled to vote on the action representing not less than eighty percent (80%) (or such higher percentage required by this chapter or the articles of incorporation) of the votes entitled to be cast.
- (3) The action taken under this section shall be evidenced by one (1) or more written consents describing the action taken, signed by the shareholders taking the action, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

- (4) Action taken under this section shall be effective when consents representing the votes necessary to take the action under this section are delivered to the corporation, or upon delivery of the consents representing the necessary votes, as of a different date if specified in the consent.
- (5) Any shareholder giving a consent may revoke the consent by a writing received by the corporation prior to the time that consents representing the votes required to take the action under this section have been delivered to the corporation but may not do so thereafter.
- (6) A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.
- (7) Prompt notice of the taking of any action by shareholders without a meeting under this section by less than unanimous written consent shall be given to those shareholders entitled to vote on the action who have not consented in writing.
- (8) If this chapter requires that notice of proposed action be given to nonvoting shareholders and the action is to be taken by consent of the voting shareholders under this section, the corporation shall give its nonvoting shareholders and voting shareholders whose consent is not solicited, written notice of the proposed action at least ten (10) days before the action is taken. The notice shall contain or be accompanied by the same material that, under this chapter, would have been required to be sent to nonvoting shareholders in a notice of meeting at which the proposed action would have been submitted to the shareholders for action.

Section 15. KRS 271B.7-040 is amended to read as follows:

- (1) Except as provided in the articles of incorporation, action required or permitted by this chapter to be taken at a shareholders' meeting may be taken without a meeting and without prior notice, except as provided in subsection ~~(8)~~~~(7)~~ of this section, if the action is taken by all the shareholders entitled to vote on the action.
- (2) If the articles of incorporation so provide, any action except the election of directors *by cumulative voting* pursuant to KRS 271B.7-280 required or permitted by this chapter to be taken at a shareholders' meeting may be taken without a meeting and without prior notice, except as provided in subsection ~~(8)~~~~(7)~~ of this section, if the action is taken by shareholders entitled to vote on the action representing not less than eighty percent (80%) (or such higher percentage required by this chapter or the articles of incorporation) of the votes entitled to be cast.
- (3) The action taken under this section shall be evidenced by one (1) or more written consents describing the action taken, signed by the shareholders taking the action, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.
- (4) Action taken under this section shall be effective when consents representing the votes necessary to take the action under this section are delivered to the corporation, or upon delivery of the consents representing the necessary votes, as of a different date if specified in the consent.
- (5) Any shareholder giving a consent may revoke the consent by a writing received by the corporation prior to the time that consents representing the votes required to take the action under this section have been delivered to the corporation but may not do so thereafter.
- (6) A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.
- (7) Prompt notice of the taking of any action by shareholders without a meeting under this section by less than unanimous written consent shall be given to those shareholders entitled to vote on the action who have not consented in writing.
- (8) If this chapter requires that notice of proposed action be given to nonvoting shareholders and the action is to be taken by consent of the voting shareholders under this section, the corporation shall give its nonvoting shareholders and voting shareholders whose consent is not solicited, written notice of the proposed action at least ten (10) days before the action is taken. The notice shall contain or be accompanied by the same material that, under this chapter, would have been required to be sent to nonvoting shareholders in a notice of meeting at which the proposed action would have been submitted to the shareholders for action.

Section 16. KRS 271B.7-220 is amended to read as follows:

- (1) A shareholder may vote his *or her* shares in person or by proxy.

- (2) A shareholder, *or his or her agent or attorney-in-fact*, may appoint a proxy to vote or otherwise act for *the shareholder*~~[him]~~ by signing an appointment form *or by an electronic transmission*. *An electronic transmission shall contain, or be accompanied by, information from which one can determine that the shareholder, the shareholder's agent, or the shareholder's attorney-in-fact authorized the electronic transmission*~~[either personally or by his attorney in fact. For purposes of this section and KRS 271B.7-240, a telegram or cablegram appearing to have been transmitted by the proper person, or a photographic, photostatic, or equivalent reproduction of a writing appointing a proxy shall be deemed to be a sufficient, signed appointment form].~~
- (3) An appointment of a proxy shall be effective when *a signed*~~[the]~~ appointment form *or an electronic transmission of the appointment* is received by the secretary or other officer or agent authorized to tabulate votes. An appointment shall be valid for eleven (11) months unless a longer period is expressly provided in the appointment form.
- (4) An appointment of a proxy shall be revocable~~[by the shareholder]~~ unless the appointment form *or electronic transmission*~~[conspicuously]~~ states that it is irrevocable and the appointment is coupled with an interest. Appointments coupled with an interest include the appointment of:
- (a) A pledgee;
 - (b) A person who purchased or agreed to purchase the shares;
 - (c) A creditor of the corporation who extended it credit under terms requiring the appointment;
 - (d) An employee of the corporation whose employment contract requires the appointment; or
 - (e) A party to a voting agreement created under KRS 271B.7-310.
- (5) The death or incapacity of the shareholder appointing a proxy shall not affect the right of the corporation to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises his authority under the appointment.
- (6) An appointment made irrevocable under subsection (4) of this section shall be revocable when the interest with which it is coupled is extinguished. The revocation of an appointment under this subsection shall not be effective until the secretary of the corporation has received written notice of the revocation.
- (7) A transferee for value of shares subject to an irrevocable appointment may revoke the appointment if he did not know of its existence when he acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates.
- (8) Subject to KRS 271B.7-240 and to any express limitation on the proxy's authority *stated in*~~[appearing on the face of]~~ the appointment form *or electronic transmission*, a corporation shall be entitled to accept the proxy's vote or other action as that of the shareholder making the appointment.

Section 17. KRS 271B.7-240 is amended to read as follows:

- (1) If the name signed on *or submitted with* a vote, consent, waiver, or proxy appointment corresponds to the name *or electronic signature* of a shareholder, the corporation if acting in good faith shall be entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder. For purposes of this section, a telegram or cablegram appearing to have been transmitted by the proper person, or a photographic, photostatic, or equivalent reproduction of a writing appointing a proxy may be accepted by the corporation if acting in good faith, as a sufficient, signed appointment form.
- (2) If the name signed on *or submitted with* a vote, consent, waiver, or proxy appointment does not correspond to the name *or electronic signature* of its shareholder, the corporation if acting in good faith shall nevertheless be entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the shareholder if:
 - (a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity;
 - (b) The name signed purports to be that of an administrator, executor, guardian, or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment;

- (c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment;
 - (d) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, or proxy appointment; or
 - (e) Two (2) or more persons are the shareholder as cotenants or fiduciaries and the name signed purports to be the name of at least one (1) of the co-owners and the person signing appears to be acting on behalf of all the co-owners.
- (3) The corporation shall be entitled to reject a vote, consent, waiver, or proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the shareholder ***or, in the case of an electronic record, to affix the shareholder's electronic signature to the electronic record.***
 - (4) The corporation and its officer or agent who accepts or rejects a vote, consent, waiver, or proxy appointment in good faith and in accordance with the standards of this section ***or subsection (2) of Section 16 of this Act*** shall not be liable in damages to the shareholder for the consequences of the acceptance or rejection.
 - (5) Corporate action based on the acceptance or rejection of a vote, consent, waiver, or proxy appointment under this section ***or subsection (2) of Section 16 of this Act*** shall be valid, unless a court of competent jurisdiction determines otherwise.
 - (6) Shares standing in the name of another corporation, domestic or foreign, may be voted by either the president of such corporation or by proxy appointed by him, unless the board of directors of such other corporation authorizes another person to vote such shares.
 - (7) Shares held by an administrator, executor, guardian, or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.
 - (8) Where shares are held jointly by three (3) or more fiduciaries acting under an instrument becoming effective after June 30, 1946, the will of the majority of such fiduciaries shall control the manner of voting or the giving of a proxy, unless the instrument or order appointing the fiduciaries otherwise directs. Where, in any case, fiduciaries are equally divided upon the manner of voting shares jointly held by them, any court of competent jurisdiction may, upon petition filed by any of the fiduciaries, or by any beneficiary, appoint an additional person to act with the fiduciaries in determining the manner in which the shares shall be voted upon the particular questions as to which the fiduciaries are divided.
 - (9) Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.
 - (10) A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the share so transferred.

Section 18. KRS 271B.7-280 is amended to read as follows:

- (1) ***Unless otherwise provided in the articles of incorporation, directors are elected by a plurality of votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present. A "plurality" means that the individuals with the largest number of votes are elected as directors up to the maximum number of directors to be chosen at the election.***
- (2) ***Shareholders do not have the right to cumulate their votes for directors unless the articles of incorporation so provide***~~[At each election for directors each shareholder entitled to vote at such election shall have the right to cast, in person or by proxy, as many votes in the aggregate as he shall be entitled to vote under the corporation's articles of incorporation, multiplied by the number of directors to be elected at such election; and each shareholder may cast the whole number of votes for one (1) candidate, or distribute such votes among two (2) or more candidates. Such directors shall not be elected in any other manner].~~

- (3) *A statement included in the articles of incorporation that "all, or a designated group of, shareholders are entitled to cumulate their votes for directors," or words of similar import, means that the shareholders designated are entitled to multiply the number of votes they are entitled to cast by the number of directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two (2) or more candidates.*

Section 19. KRS 271B.8-080 is amended to read as follows:

- (1) The shareholders may remove one (1) or more directors with or without cause, unless the articles of incorporation provide that directors may be removed only for cause.
- (2) If a director is elected by a voting group of shareholders, only the shareholders of that voting group may participate in the vote to remove him *or her*.
- (3) *If cumulative voting is authorized, a director shall not be removed if the number of votes sufficient to elect him or her under cumulative voting is voted against his or her removal. If cumulative voting is not authorized, a director shall be removed only if the number of votes cast to remove him or her exceeds the number of votes cast not to remove him or her*~~[A director may not be removed if the number of votes sufficient to elect him under cumulative voting is voted against his removal].~~
- (4) A director shall be removed by the shareholders only at a meeting called for the purpose of removing him *or her* and the meeting notice shall state that the purpose, or one (1) of the purposes, of the meeting is removal of the director.

Section 20. KRS 271B.8-250 is amended to read as follows:

- (1) Unless *this chapter*, the articles of incorporation, or *the* bylaws provide otherwise, a board of directors may create one (1) or more committees and appoint *one (1) or more* members of the board of directors to serve on *any such committee*~~[them. Each committee shall have two (2) or more members, who serve at the pleasure of the board of directors].~~
- (2) *Unless this chapter provides otherwise*, the creation of a committee and appointment of members to it shall be approved by the greater of:
 - (a) A majority of all the directors in office when the action is taken; or
 - (b) The number of directors required by the articles of incorporation or bylaws to take action under KRS 271B.8-240.
- (3) KRS 271B.8-200 to 271B.8-240~~[, which govern meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the board of directors,]~~ shall apply *both* to committees *of the board* and *to* their members as well.
- (4) To the extent specified by the board of directors or in the articles of incorporation or bylaws, each committee may exercise the *powers*~~[authority]~~ of the board of directors under KRS 271B.8-010.
- (5) A committee shall not, however:
 - (a) Authorize *or approve* distributions, *except according to a formula or method, or within limits, prescribed by the board of directors*;
 - (b) Approve or propose to shareholders action that this chapter requires be approved by shareholders;
 - (c) Fill vacancies on the board of directors or, *subject to the provisions of subsection (7) of this section*, on any of its committees; *or*
 - (d)~~[Amend articles of incorporation pursuant to KRS 271B.10-020;~~
 - ~~(e)]~~ Adopt, amend, or repeal bylaws~~;~~
 - ~~(f)~~ Approve a plan of merger not requiring shareholder approval;
 - ~~(g)~~ Authorize or approve reacquisition of shares, *except according to a formula or method prescribed by the board of directors*; *or*
 - ~~(h)~~ Authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, *except that the board of*

~~directors may authorize a committee (or a senior executive officer of the corporation) to do so within limits specifically prescribed by the board of directors].~~

- (6) The creation of, delegation of authority to, or action by a committee shall not alone constitute compliance by a director with the standards of conduct described in KRS 271B.8-300.
- (7) *The board of directors may appoint one (1) or more directors as alternate members of any committee to replace any absent or disqualified member during the member's absence or disqualification. Unless the articles of incorporation, the bylaws, or the resolution creating the committee provide otherwise, in the event of the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting may unanimously appoint another director to act in place of the absent or disqualified member.*

SECTION 21. A NEW SECTION OF KRS CHAPTER 271B IS CREATED TO READ AS FOLLOWS:

- (1) *If the board of directors is authorized to determine the place of an annual or special meeting of shareholders, the board of directors, in its sole discretion, may determine that the meeting shall not be held at any place but shall instead be held solely by means of remote communication under subsection (2) of this section.*
- (2) *If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, shareholders and proxyholders not physically present at a meeting of shareholders may by means of remote communication:*
 - (a) *Participate in a meeting of shareholders; and*
 - (b) *Be deemed present in person and vote at a meeting of shareholders, whether such meeting is to be held at a designated place or solely by means of remote communication, if:*
 - 1. *The corporation implements reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxyholder;*
 - 2. *The corporation implements reasonable measures to provide shareholders and proxyholders referred to in subparagraph 1. of this paragraph a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with the proceedings; and*
 - 3. *The corporation records any vote or other action taken at the meeting by a shareholder or proxyholder by means of remote communication. The corporation shall maintain as a record the recorded vote or other action taken.*

Section 22. Sections 10, 11, 15, 18, and 19 of this Act shall take effect November 15, 2002, if a constitutional amendment proposing to amend Sections 190, 191, 192, 193, 194, 195, 198, 200, 202, 203, 205, 207, and 208 of the Constitution of Kentucky relating to corporations is enacted by the General Assembly and approved by the voters in the November, 2002 general elections. Otherwise, Sections 10, 11, 15, 18, and 19 of this Act shall be void.

Approved March 28, 2002

CHAPTER 103

(SB 130)

AN ACT relating to reorganization.

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

Section 1. KRS 214.640 is amended to read as follows:

- (1) The Cabinet for Health Services may create, to the extent permitted by available staffing and funding, an HIV and AIDS Advisory Council to consist of no more than **thirty (30)**~~twenty-five (25)~~ members, for the purpose of advising the cabinet on the formulation of HIV and AIDS policy. Membership on the committee shall be drawn from the following:
 - (a) The commissioner of the Department for Public Health;

- (b) The commissioner of the Department for Medicaid Services;
- (c) Representatives of other state agencies or boards that provide services to clients of HIV or AIDS services or that provide education to professionals who come into contact with HIV or AIDS clients, as designated by the Governor;
- (d) Physicians representing different geographic regions of the state;
- (e) HIV or AIDS clients; and
- (f) Representatives of community-based organizations from different geographic regions of the state.

To the extent possible, membership of the council shall reflect the epidemiology of the HIV/AIDS epidemic.

- (2) The members designated under paragraphs (a) to (c) of subsection (1) of this section shall serve for the duration of service in their offices, subject to removal for cause by the Governor. These members shall not be paid for attending council meetings but may receive reimbursement of expenses.
- (3) The members serving under paragraphs (d) to (f) of subsection (1) of this section shall be appointed by the cabinet from lists submitted by the appropriate licensing entities of the profession involved, by the cabinet, and by community-based organizations. These members shall serve for a term of four (4) years and may be reappointed, but the members shall not serve for more than two (2) consecutive terms.
- (4) The chair of the council shall be elected from the membership serving under paragraphs (d) to (f) of subsection (1) of this section.
- (5) The functions of the council shall include, but shall not be limited to:
 - (a) Reporting its findings to the cabinet and monitoring the responsiveness of the cabinet to insure that the council's recommendations are being followed;
 - (b) Exploring the feasibility, design, cost, and necessary funding for centers of excellence to deliver comprehensive, coordinated medical and related care to all people with HIV or AIDS in the Commonwealth based on national clinical guidelines and practice standards. Coordinated medical care shall include, but not be limited to access to:
 - 1. AIDS primary care;
 - 2. Drug therapy;
 - 3. Specialists' care, including psychiatric and other mental health providers;
 - 4. Case management services;
 - 5. Dental care;
 - 6. Chemical dependency treatment; and
 - 7. Basic needs, including but not limited to, housing and food;
 - (c) Assessing resources and gaps in services provided for persons with HIV or AIDS;
 - (d) Subdividing into necessary subcommittees. One (1) subcommittee may be formed that will consist solely of persons living with HIV or AIDS. This subcommittee shall make those recommendations as it deems necessary to the council, including recommendations on effective peer-based prevention programs; and
 - (e) Reporting its findings and recommendations to the General Assembly and the Interim Joint Committee on Health and Welfare by September 1, 2001, and by September 1 of each year thereafter.

Section 2. The General Assembly confirms Executive Order 2001-542 dated May 3, 2001, by which additional members are added to the HIV/AIDS Advisory Council to the extent that it is not otherwise confirmed by this Act.

Approved March 28, 2002

CHAPTER 104

(SB 134)

AN ACT relating to the Local Industrial Development Authority Act.

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

Section 1. KRS 154.50-316 is amended to read as follows:

- (1) Any governmental unit by act of its legislative body may establish a nonprofit industrial development authority to be composed of ***not less than*** six (6) ***and not more than eight*** (8) members.
- (2) The authority shall be a body politic and corporate with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with and do all things reasonable or necessary to effectively carry out the duties prescribed by KRS 154.50-301 to 154.50-346.

Section 2. KRS 154.50-326 is amended to read as follows:

- (1) The members of the authority shall be appointed as follows:
 - (a) If the authority is established by a city, the ***members***~~[member]~~ shall be appointed by the mayor of the city;
 - (b) If the authority is established by a county, the ***members***~~[member]~~ shall be appointed by the county judge/executive;
 - (c) If the authority is established as a joint city-county industrial development authority, ***one-half (1/2) of the***~~[three (3)]~~ members shall be appointed by the mayor and ***one-half (1/2) of the***~~[three (3)]~~ members by the county judge/executive. ***If the authority is composed of seven (7) members, the mayor and the county judge/executive shall jointly appoint the seventh member;***
 - (d) If a combination of cities and/or counties establishes a joint industrial development authority, the mayors and/or county judges/executive involved shall jointly choose ***the***~~[six (6)]~~ members, and shall jointly choose successors.
- (2) Members of the authority shall serve for a term of four (4) years each, and until their successors are appointed and qualified. ***If the authority is composed of six (6) members, initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years, and two (2) members for four (4) years. If the authority is composed of seven (7) members, initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years, and three (3) members for four (4) years. If the authority is composed of eight (8) members, initial appointments shall be made so that two (2) members are appointed for two (2) years, three (3) members for three (3) years, and three (3) members for four (4) years.*** Upon expiration of these staggered terms, successors shall be appointed for a term of four (4) years.
- (3) An industrial development authority member may be replaced by the appointing authority upon a showing to the appointing authority of misconduct as an authority member or upon conviction of a felony.

Section 3. KRS 154.50-333 is amended to read as follows:

A quorum for the transacting of the business of the authority shall consist of ***a majority of the***~~[four (4)]~~ members. Meetings of the authority may be called by the chairman or by ***a majority of the***~~[four (4)]~~ members. In case of tie voting by the authority, the issue shall be deemed to have failed passage.

Approved March 28, 2002

CHAPTER 105

(SB 146)

AN ACT relating to health insurance.

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

Section 1. KRS 304.17A-605 is amended to read as follows:

- (1) KRS 304.17A-600, 304.17A-603, 304.17A-605, 304.17A-607, 304.17A-609, 304.17A-611, 304.17A-613, and 304.17A-615 set forth the requirements and procedures regarding utilization review and shall apply to:
 - (a) Any insurer or its private review agent that provides or performs utilization review in connection with a health benefit plan *or a limited health service benefit plan*; and
 - (b) Any private review agent that performs utilization review functions on behalf of any person providing or administering health benefit plans *or limited health service benefit plans*.
- (2) Where an insurer or its agent provides or performs utilization review, and in all instances where internal appeals as set forth in KRS 304.17A-617, are involved, the insurer or its agent shall be responsible for:
 - (a) Monitoring all utilization reviews and internal appeals carried out by or on behalf of the insurer;
 - (b) Ensuring that all requirements of KRS 304.17A-600 to 304.17A-633 are met;
 - (c) Ensuring that all administrative regulations promulgated in accordance with KRS 304.17A-609, 304.17A-613, and 304.17A-629 are complied with; and
 - (d) Ensuring that appropriate personnel have operational responsibility for the performance of the insurer's utilization review plan.
- (3) A private review agent that operates solely under contract with the federal government for utilization review or patients eligible for hospital services under Title XVIII of the Social Security Act shall not be subject to the registration requirements set forth in KRS 304.17A-607, 304.17A-609, and 304.17A-613.

SECTION 2. SUBTITLE 17C OF KRS CHAPTER 304 IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this subtitle, unless the context requires otherwise:

- (1) *"At the time of enrollment" means the same as defined in KRS 304.17A-005(2);*
- (2) *"Enrollee" means an individual who is enrolled in a limited health service benefit plan;*
- (3) *"Health care provider" or "provider" means the same as defined in KRS 304.17A-005(19);*
- (4) *"Insurer" means any insurance company, health maintenance organization, self-insurer or multiple employer welfare arrangement not exempt from state regulation by ERISA, provider-sponsored integrated health delivery network, self-insured employer-organized association, nonprofit hospital, medical-surgical, dental, health service corporation, or limited health service organization authorized to transact health insurance business in Kentucky who offers a limited health service benefit plan; and*
- (5) *"Limited health service benefit plan" means any policy or certificate that provides services for dental, vision, mental health, substance abuse, chiropractic, pharmaceutical, podiatric, or other such services as may be determined by the commissioner to be offered under a limited health service benefit plan. A limited health service benefit plan shall not include hospital, medical, surgical, or emergency services except as these services are provided incidental to the plan.*

SECTION 3. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

A health insurer shall not discriminate against any provider who is located within the geographic coverage area of the limited health benefit plan and who is willing to meet the terms and conditions for participation established by the insurer.

SECTION 4. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *An insurer shall disclose in writing to a covered person and an insured or enrollee, in a manner consistent with the provisions of KRS 304.14-420 to 304.14-450, the terms and conditions of its limited health service benefit plan and shall promptly provide the covered person and enrollee with written notification of any change in the terms and conditions prior to the effective date of the change. The insurer shall provide the required information at the time of enrollment and upon request thereafter.*
- (2) *The information required to be disclosed under this section shall include a description of:*

- (a) *Covered services and benefits to which the enrollee or other covered person is entitled;*
 - (b) *Restrictions or limitations on covered services and benefits;*
 - (c) *Financial responsibility of the covered person, including copayments and deductibles;*
 - (d) *Prior authorization and any other review requirements with respect to accessing covered services;*
 - (e) *Where and in what manner covered services may be obtained;*
 - (f) *Changes in covered services or benefits, including any addition, reduction, or elimination of specific services or benefits;*
 - (g) *The covered person's right to the following:*
 - 1. *A utilization review and the procedure for initiating a utilization review, if an insurer elects to provide utilization review; and*
 - 2. *An internal appeal of a utilization review decision made by or on behalf of the insurer with respect to the denial, reduction, or termination of a limited health service benefit plan or the denial of payment for a health care service, and the procedure to initiate an internal appeal;*
 - (h) *Measures in place to ensure the confidentiality of the relationship between an enrollee and a health care provider;*
 - (i) *Other information as the commissioner shall require by administrative regulation;*
 - (j) *A summary of the drug formulary, including, but not limited to, a listing of the most commonly used drugs, drugs requiring prior authorization, any restrictions, limitations, and procedures for authorization to obtain drugs not on the formulary, and, upon request of an insured or enrollee, a complete drug formulary; and*
 - (k) *A statement informing the insured or enrollee that if the provider meets the insurer's enrollment criteria and is willing to meet the terms and conditions for participation, the provider has the right to become a provider for the insurer.*
- (3) *The insurer shall file the information required under this section with the department.*

SECTION 5. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

An insurer that offers a limited health service benefit plan that utilizes a provider network shall have a provider network that is available to all persons enrolled in the plan within thirty (30) minutes or thirty (30) miles of each enrollee's place of residence or work, to the extent available.

SECTION 6. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Insurers shall establish relevant, objective standards for initial consideration of providers and for providers to continue as a participating provider in the plan. Standards shall be reasonably related to services provided. Selection or participation standards based on the economics or capacity of a provider's practice shall be adjusted to account for case mix, severity of illness, patient age, and other features that may account for higher than expected or lower than expected costs. All data profiling or other data analysis pertaining to participating providers shall be done in a manner which is valid and reasonable. Plans shall not use criteria that would allow an insurer to avoid high-risk populations by excluding providers because they are located in geographic areas that contain populations or providers presenting a risk of higher than average claims, losses, or health services utilization, or that would exclude providers because they treat or specialize in treating populations presenting a risk of higher than average claims, losses, or health services utilization.*
- (2) *Each insurer shall establish mechanisms for soliciting and acting upon applications for provider participation in the plan in a fair and systematic manner. These mechanisms shall, at a minimum, include:*
 - (a) *Allowing all providers who desire to apply for participation in the plan an opportunity to apply at any time during the year, or, where an insurer does not conduct open continuous provider enrollment, conducting a provider enrollment period at least annually with the date publicized to providers located in the geographic service area of the plan at least thirty (30) days in advance of the enrollment period; and*

- (b) *Making criteria for provider participation in the plan available to all applicants.*
- (3) *An insurer that offers a limited health service benefit plan shall establish a policy governing the removal of and withdrawal by health care providers from the provider network that includes the following:*
 - (a) *The insurer shall inform a participating health care provider of the insurer's removal and withdrawal policy at the time the insurer contracts with the health care provider to participate in the provider network, and when changed thereafter;*
 - (b) *If a participating health care provider's participation will be terminated or withdrawn prior to the date of the termination of the contract as a result of a professional review action, the insurer and participating health care provider shall comply with the standards in 42 U.S.C. sec. 11112; and*
 - (c) *If the insurer finds that a health care provider represents an imminent danger to an individual patient or to the public health, safety, or welfare, the medical director shall promptly notify the appropriate professional state licensing board.*

SECTION 7. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *An insurer shall file with the commissioner sample copies of any agreements it enters into with providers for the provision of health care services. The commissioner shall promulgate administrative regulations prescribing the manner and form of the filings required. The agreements shall include the following:*
 - (a) *A hold harmless clause that states that the provider may not, under any circumstance, including:*
 - 1. *Nonpayment of moneys due to providers by the insurer;*
 - 2. *Insolvency of the insurer; or*
 - 3. *Breach of the agreement,*
bill, charge, collect a deposit, seek compensation, remuneration, or reimbursement from, or have any recourse against the subscriber, dependent of subscriber, enrollee, or any persons acting on their behalf, for services provided in accordance with the provider agreement. This provision shall not prohibit collection of deductible amounts, copayment amounts, coinsurance amounts, and amounts for noncovered services;
 - (b) *A survivorship clause that states the hold harmless clause and continuity of care clause shall survive the termination of the agreement between the provider and the insurer; and*
 - (c) *A clause requiring that if a provider enters into any subcontract agreement with another provider to provide health care services to the subscriber, dependent of the subscriber, or enrollee of a limited health service benefit plan, the subcontract agreement must meet all requirements of this subtitle and that all such subcontract agreements shall be filed with the commissioner in accordance with this subsection.*
- (2) *An insurer that enters into any risk-sharing arrangement or subcontract agreement shall file a copy of the arrangement with the commissioner. The insurer shall also file the following information regarding the risk-sharing arrangement:*
 - (a) *The number of enrollees affected by the risk-sharing arrangement;*
 - (b) *The health care services to be provided to an enrollee under the risk-sharing arrangement;*
 - (c) *The nature of the financial risk to be shared between the insurer and entity or provider, including, but not limited to, the method of compensation;*
 - (d) *Any administrative functions delegated by the insurer to the entity or provider. The insurer shall describe a plan to ensure that the entity or provider will comply with the requirements of this subtitle in exercising any delegated administrative functions; and*
 - (e) *The insurer's oversight and compliance plan regarding the standards and method of review.*
- (3) *Nothing in this section shall be construed as requiring an insurer to submit the actual financial information agreed to between the insurer and the entity or provider. The commissioner shall have access to a specific risk-sharing arrangement with an entity or provider upon request to the insurer. Financial information*

obtained by the department shall be considered to be a trade secret and shall not be subject to KRS 61.872 to 61.884.

SECTION 8. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *An insurer may not contract with a health care provider to limit the provider's disclosure to an enrollee, or to another person on behalf of an enrollee, of any information relating to the enrollee's medical condition or treatment option.*
- (2) *A health care provider shall not be penalized, or a health care provider's contract with a limited health service benefit plan terminated, because the provider discusses medically necessary or appropriate care with an enrollee or another person on behalf of an enrollee.*
 - (a) *The health care provider may not be prohibited by the plan from discussing all treatment options with the enrollee.*
 - (b) *Other information determined by the health care provider to be in the best interests of the enrollee may be disclosed by the provider to the enrollee or to another person on behalf of an enrollee.*
- (3) (a) *A health care provider shall not be penalized for discussing financial incentives and financial arrangements between the provider and the insurer with an enrollee.*
 - (b) *Upon request, an insurer shall inform its enrollees in writing of the type of financial arrangements between the plan and participating providers if those arrangements include an incentive or bonus.*

SECTION 9. A NEW SECTION OF SUBTITLE 17C OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Each insurer shall have a process for the selection of health care providers who will be on the plan's list of participating providers, with written policies and procedures for review and approval used by the plan.*
- (2) *The plan shall establish minimum professional requirements for participating health care providers. An insurer may not discriminate against a provider solely on the basis of the provider's license by the state.*
- (3) *The plan shall demonstrate that it has consulted with appropriately qualified health care providers to establish the minimum professional requirements.*
- (4) *The plan's selection process shall include verification of each health care provider's license, history of license suspension or revocation, and liability claims history.*
- (5) *An insurer shall establish a formal written, ongoing process for the reevaluation of each participating health care provider within a specified number of years after the provider's initial acceptance into the plan. The reevaluation shall include an update of the previous review criteria and an assessment of the provider's performance pattern based on criteria such as enrollee clinical outcomes, number of complaints, and malpractice actions.*

SECTION 10. SUBTITLE 38A OF KRS CHAPTER 304 IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this subtitle, unless the context requires otherwise:

- (1) *"Enrollee" means an individual who is enrolled in a limited health services benefit plan;*
- (2) *"Evidence of coverage" means any certificate, agreement, contract, or other document issued to an enrollee stating the limited health services to which the enrollee is entitled. All coverages described in an evidence of coverage issued by a limited health service organization are deemed to be "limited health services benefit plans" to the extent defined in Section 2 of this Act unless exempted by the commissioner;*
- (3) *"Limited health service" means dental care services, vision care services, mental health services, substance abuse services, chiropractic services, pharmaceutical services, podiatric care services, and such other services as may be determined by the commissioner to be limited health services. Limited health service shall not include hospital, medical, surgical, or emergency services except as these services are provided incidental to the limited health services set forth in this subsection;*
- (4) *"Limited health service contract" means any contract entered into by a limited health service organization with a policyholder to provide limited health services;*

- (5) *"Limited health service organization" means a corporation, partnership, limited liability company, or other entity that undertakes to provide or arrange limited health service or services to enrollees. A limited health service organization does not include a provider or an entity when providing or arranging for the provision of limited health services under a contract with a limited health service organization, health maintenance organization, or a health insurer; and*
- (6) *"Provider" means the same as defined in KRS 304.17A-005(19).*

SECTION 11. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

No person may operate a limited health service organization in this state without obtaining and maintaining a certificate of authority from the commissioner pursuant to this section and Sections 12, 13, 14, 15, 16, 18, and 20 of this Act, except an insurer authorized to transact health insurance in this state.

SECTION 12. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

An application for a certificate of authority to operate a limited health service organization shall be filed with the commissioner on a form prescribed by the commissioner. The application shall be verified by an officer or authorized representative of the applicant and shall set forth, or be accompanied by, the following:

- (1) *A copy of the applicant's basic organizational document, such as the articles of incorporation, articles of association, partnership agreement, trust agreement, or other applicable documents and all amendments to these documents;*
- (2) *A copy of all bylaws, rules, and regulations, or similar documents, if any, regulating the conduct of the applicant's internal affairs;*
- (3) *A list of the names, addresses, official positions, and biographical information of the individuals who are responsible for conducting the applicant's affairs, including, but not limited to, all members of the board of directors, board of trustees, executive committee, or other governing board or committee, the principal officers, and any person or entity owning or having the right to acquire ten percent (10%) or more of the voting securities of the applicant, and the partners or members in the case of a partnership or association. Such listing shall fully disclose the extent and nature of any contracts or arrangements between any individual who is responsible for conducting the applicant's affairs and the limited health service organization, including any possible conflicts of interest;*
- (4) *A complete biographical statement, on forms prescribed by the department, with respect to each individual identified under this section;*
- (5) *A statement generally describing the applicant, its facilities, personnel, and the limited health services to be offered;*
- (6) *A copy of the form of any contract made, or to be made between the applicant and any person listed in subsection (3) of this section;*
- (7) *A copy of the form of any contract made or to be made between the applicant and any person, corporation, partnership, or other entity for the performance on the applicant's behalf of any functions including, but not limited to, marketing, administration, enrollment, investment management and provider agreements, subcontract agreements, and risk-sharing arrangements for the provision of limited health services to enrollees;*
- (8) *A copy of the applicant's most recent financial statements audited by independent certified public accountants. If the financial affairs of the applicant's parent company are audited by independent certified public accountants but those of the applicant are not, then a copy of the most recent audited financial statement of the applicant's parent company, certified by an independent certified public accountant, attached to which shall be consolidated financial statements of the applicant, shall satisfy this requirement unless the commissioner determines that additional or more recent financial information is required for the proper administration of this subtitle;*
- (9) *A copy of the applicant's financial plan, including a three (3) year projection of anticipated operating results with all material assumptions, a statement of the sources of working capital, and any other sources of funding and provisions for contingencies;*

- (10) *A description of the proposed method of marketing;*
- (11) *A statement acknowledging that all lawful process in any legal action or proceeding against the applicant on a cause of action arising in this state is valid if served in accordance with KRS 304.3-230;*
- (12) *A description of how the applicant will comply with Sections 13 and 17 of this Act;*
- (13) *The fee for issuance of a certificate of authority provided in Subtitle 4 of this chapter; and*
- (14) *Such other information as the commissioner may reasonably require to make the determinations required by this subtitle.*

SECTION 13. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Following receipt of an application filed pursuant to Section 12 of this Act, the commissioner shall review the application and notify the applicant of any deficiencies. The commissioner shall issue a certificate of authority to an applicant if the following conditions are met:*
 - (a) *The applicant has verified to the commissioner that it has an initial minimum worth of at least two hundred fifty thousand dollars (\$250,000);*
 - (b) *The requirements of Section 12 of this Act have been fulfilled;*
 - (c) *The individuals responsible for conducting the applicant's affairs are competent, trustworthy, and possess good reputations, and have had appropriate experience, training, or education;*
 - (d) *The applicant is financially responsible and may reasonably be expected to meet its obligations to enrollees and to prospective enrollees. In making his determination, the commissioner may consider:*
 - 1. *The financial soundness;*
 - 2. *The adequacy of surplus, working capital, other sources of funding, and provisions for contingencies;*
 - 3. *Any agreement for paying the cost of the limited health services or for alternative coverage in the event of insolvency of the limited health service organization; and*
 - 4. *The manner in which the requirements of Section 12 of this Act have been fulfilled; and*
 - (e) *Any deficiencies identified by the commissioner have been corrected.*
- (2) *If the certificate of authority is denied, the commissioner shall notify the applicant and shall specify the reasons for denial in the notice. The limited health service organization shall have sixty (60) days from the date of receipt of the notice to request a hearing before the commissioner pursuant to KRS 304.2-310.*
- (3) *Each certificate of authority issued to a limited health service organization shall designate the type of services the limited health service organization is authorized to provide.*

SECTION 14. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

In order to maintain its eligibility for a certificate of authority, a limited health service organization shall continue to meet all conditions required to be met under this subtitle and the relevant administrative regulations for the initial application for and issuance of its certificate of authority under this subtitle.

SECTION 15. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *A limited health service organization may add one (1) or more limited health services by :*
 - (a) *Filing the relevant information required by Section 12 of this Act;*
 - (b) *Demonstrating compliance with Sections 12 and 17 of this Act; and*
 - (c) *Obtaining approval from the commissioner prior to offering the additional limited health service.*
- (2) *If the filings are disapproved, the commissioner shall notify the limited health service organization and shall specify the reasons for disapproval in the notice. The limited health service organization shall have*

sixty (60) days from the date of receipt of the notice to request a hearing before the commissioner pursuant to KRS 304.2-310.

SECTION 16. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

A limited health service organization shall be subject to the provisions of this subtitle, and to the following provisions of this chapter, to the extent applicable and not in conflict with the expressed provisions of this subtitle:

- (1) *Subtitle 1--Scope--General Definitions and Provisions;*
- (2) *Subtitle 2--Insurance Commissioner;*
- (3) *Subtitle 3--Authorization of Insurers and General Requirements;*
- (4) *Subtitle 4--Fees and Taxes;*
- (5) *Subtitle 5--Kinds of Insurance--Limits of Risk--Reinsurance;*
- (6) *Subtitle 6--Assets and Liabilities;*
- (7) *Subtitle 7--Investments;*
- (8) *Subtitle 8--Administration of Deposits;*
- (9) *Subtitle 9--Agents, Consultants, Solicitors, and Adjusters;*
- (10) *Subtitle 12--Trade Practices and Frauds;*
- (11) *Subtitle 14--The Insurance Contract;*
- (12) *Subtitle 17--Health Insurance Contracts;*
- (13) *Subtitle 17C--Limited Health Services Benefit Plans;*
- (14) *Subtitle 18--Group and Blanket Health Insurance;*
- (15) *Subtitle 24--Domestic Stock and Mutual Insurers;*
- (16) *Subtitle 25--Continuity of Management;*
- (17) *Subtitle 26--Insider Trading of Equity Securities;*
- (18) *Subtitle 33--Insurers Rehabilitation and Liquidation;*
- (19) *Subtitle 37--Insurance Holding Company Systems;*
- (20) *Subtitle 47--Insurance Fraud; and*
- (21) *Subtitle 99--Penalties.*

SECTION 17. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Each limited health service organization shall at all times have and maintain a net worth of not less than one hundred twenty-five thousand dollars (\$125,000).*
- (2) (a) *Each limited health service organization shall deposit with the commissioner or with any organization or trustee acceptable to the commissioner through which a custodial or controlled account is utilized, cash, securities, or any combination of these or other measures that is acceptable to the commissioner in an amount equal to fifty thousand dollars (\$50,000).*
 (b) *The deposit shall be an admitted asset.*
- (3) *A limited health service organization shall at all times comply with the risk-based capital requirements for health organizations in administrative regulations promulgated by the commissioner for health maintenance organizations and other health organizations.*

SECTION 18. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *The commissioner may suspend or revoke the certificate of authority issued to a limited health service organization pursuant to this subtitle upon determining that any of the following conditions exist;*
 - (a) *The limited health service organization is operating significantly in contravention of its basic organizational document or in a manner contrary to that described in and reasonably inferred from any other information submitted pursuant to Section 12 of this Act, unless amendments to the submissions have been filed with and approved by the commissioner;*
 - (b) *The limited health service organization issues an evidence of coverage or schedule of charges for limited health services which does not comply with the requirements of Subtitle 17C of this chapter;*
 - (c) *The limited health service organization is unable to fulfill its obligations to furnish limited health services;*
 - (d) *The limited health service organization is not financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;*
 - (e) *The net worth of the limited health service organization is less than that required by Section 17 of this Act or the limited health service organization has failed to correct any deficiency in its net worth as required by the commissioner;*
 - (f) *The continued operation of the limited health service organization would be hazardous to its enrollees; or*
 - (g) *The limited health service organization has otherwise failed to comply with this subtitle.*
- (2) *If the commissioner has cause to believe that grounds for the suspension or revocation of a certificate of authority exist, he or she shall notify the limited health service organization in writing specifically stating the grounds for suspension or revocation and fixing a time not more than sixty (60) days thereafter for a hearing on the matter in accordance with KRS Chapter 13B.*
- (3) *When the certificate of authority of a limited health service organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. It shall engage in no further advertising or solicitation whatsoever. The commissioner may, by written order, permit such further operation of the organization as he may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing limited health services.*
- (4) *A limited health service organization shall be subject to the provisions of KRS 304.2-210 to 304.2-300 and to the provisions of Subtitle 2 of this chapter for determining financial condition, market conduct, and business practices.*

SECTION 19. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Any limited health service organization that contracts with a provider or provider organization for the transfer of risk to the provider shall take reasonable steps to ensure the transferee is able to accept and manage the risk to be transferred. The limited health service organization shall submit a plan for evaluating a provider's or provider organization's ability to accept and manage risk to the department for approval at least forty-five (45) days prior to the proposed date of the transfer of any risk.*
- (2) *If a limited health service organization transfers risk to a provider:*
 - (a) *Not in compliance with the standards listed in its approved plan; or*
 - (b) *Prior to filing or receiving approval of its plan,**the commissioner may require the limited health service organization to retain additional reserves to cover the risk transferred.*

SECTION 20. A NEW SECTION OF SUBTITLE 38A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *A person issued a single service organization certificate of authority in accordance with KRS 304.38-065 and holding the certificate of authority on the effective date of this Act shall be converted to a limited health service organization as defined in Section 10 of this Act. At the next renewal of the certificate of authority,*

the person shall be issued a certificate of authority to act as a limited health service organization if it meets the requirements for continuance of the certificate of authority. No certificate of authority to act as a single service organization shall be issued or renewed after the effective date of this Act.

- (2) *A single service organization holding a certificate of authority immediately prior to the effective date of this Act, that is converted to a limited health service organization according to subsection (1) of this section shall continue to be required to meet the minimum net worth requirement of one hundred twenty-five thousand dollars (\$125,000), and shall comply with the risk-based capital requirements for health organizations in administrative regulations promulgated by the commissioner for health maintenance organizations and other health organizations.*

Section 21. KRS 304.33-430 is amended to read as follows:

The order of distribution of claims from the insurer's estate shall be as stated in this section. The first fifty dollars (\$50) of the amount allowed on each claim in the classes under subsections (3) to (7), inclusive, of this section, shall be deducted from the claim and included in the class under subsection (9) of this section. Claims may not be cumulated by assignment to avoid application of the fifty dollars (\$50) deductible provision. Subject to the fifty dollars (\$50) deductible provision, every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class. No claim by a shareholder, policyholder, or other creditor shall be permitted to circumvent the priority classes through the use of equitable remedies.

- (1) Administration costs. The costs and expenses of administration, including but not limited to the following: the actual and necessary costs of preserving or recovering the assets of the insurer; compensation for all services rendered in the liquidation; any necessary filing fees; the fees and mileage payable to witnesses; and reasonable attorney's fees.
- (2) Health maintenance organization *and limited health service organization* out-of-network claims. In a liquidation of a health maintenance organization *or limited health service organization*, any claims for health plan benefits *or for limited health service contract benefits* for out-of-network claims that would have otherwise been covered.
- (3) Loss and unearned premium claims. Claims by policyholders, beneficiaries, and insureds arising from and within the coverage of and not in excess of the applicable limits of insurance policies and insurance contracts issued by the company, and liability claims against insureds which claims are within the coverage of and not in excess of the applicable limits of insurance policies and insurance contracts issued by the company, and claims of guaranty associations or foreign guaranty associations. Notwithstanding the foregoing, the following claims shall be excluded from Class 2 priority:
 - (a) Obligations of the insolvent insurer arising out of reinsurance contracts;
 - (b) Obligations incurred after the expiration date of the insurance policy or after the policy has been replaced by the insured or canceled at the insured's request or after the policy has been canceled as provided in this chapter. Notwithstanding this subsection, earned premium claims on policies, other than reinsurance agreements, shall not be excluded;
 - (c) Obligations to insurers, insurance pools, or underwriting associations and their claims for contribution, indemnity or subrogation, equitable or otherwise;
 - (d) Any claim which is in excess of any applicable limits provided in the insurance policy issued by the insolvent insurer;
 - (e) Any amount accrued as punitive or exemplary damages unless expressly covered under the terms of the policy; and
 - (f) Tort claims of any kind against the insurer, and claims against the insurer for bad faith or wrongful settlement practices.
- (4) Claims of the federal government other than those claims included in Class 2.
- (5) Wages.

- (a) Debts due to employees for services performed, not to exceed one thousand dollars (\$1,000) to each employee which have been earned within one (1) year before the filing of the petition for liquidation. Officers shall not be entitled to the benefit of this priority.
- (b) This priority shall be in lieu of any other similar priority authorized by law as to wages or compensation of employees.
- (6) Residual classification. All other claims including claims of the federal or any state or local government, not falling within other classes under this section. Claims, including those of any governmental body, for a penalty or forfeiture, shall be allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims shall be postponed to the class of claims under subsection (9) of this section.
- (7) Judgments. Claims based solely on judgments. If a claimant files a claim and bases it both on the judgment and on the underlying facts, the claim shall be considered by the liquidator who shall give the judgment such weight as he deems appropriate. The claim as allowed shall receive the priority it would receive in the absence of the judgment. If the judgment is larger than the allowance on the underlying claim, the remaining portion of the judgment shall be treated as if it were a claim based solely on a judgment.
- (8) Interest on claims already paid. Interest at the legal rate compounded annually on all claims in the classes under subsections (1) to (7) of this section, inclusive, from the date of the petition for liquidation or the date on which the claim becomes due, whichever is later, until the date on which the dividend is declared. The liquidator, with the approval of the court may make reasonable classifications of claims for purposes of computing interest, may make approximate computations and may ignore certain classifications and time periods as de minimis.
- (9) Miscellaneous subordinated claims. The remaining claims or portions of claims not already paid, with interest as in subsection (8) of this section:
 - (a) The first fifty dollars (\$50) of each claim in the classes under subsections (2) to (7), inclusive, of this section, subordinated under this section;
 - (b) Claims under subsection (2) of KRS 304.33-380;
 - (c) Claims subordinated by KRS 304.33-600;
 - (d) Claims filed late;
 - (e) Portions of claims subordinated under subsection (6) of this section; and
 - (f) Claims or portions of claims, payment of which is provided by other benefits or advantages recovered or recoverable by the claimant.
- (10) Preferred ownership claims. Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Interest at the legal rate shall be added to each claim, as in subsections (8) and (9) of this section.
- (11) Proprietary claims. The claims of shareholders or other owners.

Section 22. KRS 304.38-030 is amended to read as follows:

As used in this subtitle, unless the context otherwise requires:

- (1) "Commissioner" means the commissioner of insurance.
- (2) "Enrollee" means a person who has been enrolled in a health maintenance organization.
- (3) ~~"Full service health maintenance organization" means a health maintenance organization that is authorized to provide all health care services.~~
- ~~(4)~~ "Evidence of coverage" means any certificate, agreement, contract, or other document issued to an enrollee stating the health care services to which the enrollee is entitled. All coverages described in an evidence of coverage issued by a health maintenance organization are deemed to be "health benefit plans" to the extent defined in KRS 304.17A-005 unless exempted by the commissioner.
- ~~(4)~~~~(5)~~ "Health care services" means any services included in the furnishing to any individual of medical, optometric or dental care, or hospitalization or incident to the furnishing of such care or hospitalization, as well

as the furnishing to any person of any and all other services and goods for the purpose of preventing, alleviating, curing, or healing human illness, physical disability or injury.

~~[(6)]~~ "Health discount plan" means:

- ~~(a) A person who provides, for a fee, a list of participating providers who will give the health discount plan's enrollees a specified discount from the provider's regular fees without recourse to the health discount plan;~~
- ~~(b) A provider, or provider organization that contracts with individuals or groups to provide a specific, predetermined set of routine services to the individual or group over the term of the contract in exchange for a fixed uniform fee paid by the enrollee without recourse to the health discount plan; or~~
- ~~(c) A combination of paragraphs (a) and (b) of this subsection.]~~

~~(5) [(7)]~~ "Health maintenance organization" means any person who undertakes to provide, directly or through arrangements with others, health care services to individuals enrolled with such an organization on a per capita or a predetermined, fixed prepayment basis. ***A health maintenance organization is authorized to provide all health care services*** ~~[Unless specifically stated, "health maintenance organization" shall include full service health maintenance organization, and single service organization].~~

~~(6) [(8)]~~ "Person" includes, but is not limited to, any individual, partnership, association, trust, or corporation.

~~(7) [(9)]~~ "Provider" means a person or group of persons licensed to practice medicine, osteopathy, dentistry, podiatry, optometry, or another health profession in a state or licensed to act as a hospital or another health care facility.

~~[(10)]~~ "Single service organization" means a health maintenance organization that is authorized to provide only one ~~(1) type of health care service, including dental, mental health, optometry, podiatry, vision, or some other single health service. Single service organizations holding a certificate of authority according to this subtitle shall be subject to the provisions of KRS 304.17A-270, 304.17A-505, 304.17A-525, 304.17A-530, 304.17A-590, and 304.17A-545(4).]~~

Section 23. KRS 304.38-035 is amended to read as follows:

No person shall in this state be, act as, or hold himself out as a health maintenance organization unless he holds a certificate of authority as a ~~full service~~ health maintenance organization ~~[or a single service organization]~~ from the commissioner. ~~[Health discount plans shall not be required to hold a certificate of authority as a health maintenance organization but shall be required to hold a certificate of filing as defined in KRS 304.38-500.]~~

Section 24. KRS 304.38-060 is amended to read as follows:

Upon receipt of an application for issuance of a certificate of authority, the commissioner shall issue or deny the same. Issuance of a certificate of authority shall be granted only if the commissioner finds that the applicant has complied with KRS 304.38-040, has paid the application fee and the commissioner is satisfied that the following conditions are met:

- (1) The persons responsible for the conduct of the affairs of the application are competent, trustworthy, and possess good reputations;
- (2) The health maintenance organization is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner may consider:
 - (a) The financial soundness of the health maintenance organization's arrangements for health care services and the schedule of charges used in connection therewith;
 - (b) The adequacy of working capital;
 - (c) Any agreement with an insurer, a government, or any other organization for insuring the payment of the cost of health care services or the provision for automatic applicability of an alternative coverage in the event of discontinuance of the health maintenance organization or its inability to meet its financial obligations;

- (d) Examples of any agreements with providers for the provision of health care services by provider type; and
- (e) Compliance with KRS 304.38-070 if the applicant is applying for a ~~full-service~~ health maintenance organization certificate of authority ~~or compliance with KRS 304.38-077 if the applicant is applying for a single-service organization certificate of authority.~~ as a guarantee that the obligations will be duly performed.

Section 25. KRS 304.38-073 is amended to read as follows:

Each ~~full-service~~ health maintenance organization shall furnish to the commissioner a deposit of cash or securities approved by the commissioner in an amount not less than five hundred thousand dollars (\$500,000) so that the obligations to the enrollees shall be performed. ~~Each single-service organization shall furnish to the commissioner a deposit of cash or securities approved by the commissioner, in an amount not less than fifty thousand dollars (\$50,000) to ensure that the obligations to the enrollees shall be performed.~~ A health maintenance organization may be required to furnish an additional deposit if the commissioner determines, after a hearing, that an additional deposit is necessary for the protection of the health maintenance organization's enrollees.

Section 26. KRS 304.38-191 is amended to read as follows:

Any group policy, group plan or group contract issued, delivered or renewed by a health maintenance organization shall include conversion and continuation rights for certificate holders equal to that provided in KRS 304.18-110 subject to the minimum benefits specified in KRS 304.18-120. ~~This section shall not apply to single-service organizations.~~

Section 27. KRS 304.38-200 is amended to read as follows:

Health maintenance organizations shall be subject to the provisions of this subtitle, and to the following provisions of this chapter, to the extent applicable and not in conflict with the expressed provisions of this subtitle:

- (1) Subtitle 1 -- Scope -- General Definitions and Provisions;
- (2) Subtitle 2 -- Insurance Commissioner;
- (3) Subtitle 3 -- Authorization of Insurers and General Requirements;
- (4) Subtitle 4 -- Fees and Taxes;
- (5) Subtitle 5 -- Kinds of Insurance -- Limits of Risk -- Reinsurance;
- (6) Subtitle 6 -- Assets and Liabilities;
- (7) Subtitle 7 -- Investments;
- (8) Subtitle 8 -- Administration of Deposits;
- (9) Subtitle 9 -- Agents, Consultants, Solicitors, and Adjusters;
- (10) Subtitle 12 -- Trade Practices and Frauds;
- (11) Subtitle 14 -- The Insurance Contract;
- (12) Subtitle 17 -- Health Insurance Contracts;
- (13) Subtitle 17A -- Health Benefit Plans;
- (14) Subtitle 17B -- Kentucky Access;
- (15) **Subtitle 17C--Limited Health Services Benefit Plans;**
- (16) Subtitle 18 -- Group and Blanket Health Insurance;
- ~~(17)(16)~~ Subtitle 24 -- Domestic Stock and Mutual Insurers;
- ~~(18)(17)~~ Subtitle 25 -- Continuity of Management;
- ~~(19)(18)~~ Subtitle 26 -- Insider Trading of Equity Securities;
- ~~(20)(19)~~ Subtitle 33 -- Insurers Rehabilitation and Liquidation;
- ~~(21)(20)~~ Subtitle 37 -- Insurance Holding Company Systems; ~~and~~

~~(22)~~~~(21)~~ **Subtitle 47--Insurance Fraud; and****(23) Subtitle 99 -- Penalties.**

Section 28. KRS 304.42-050 is amended to read as follows:

As used in this subtitle:

- (1) "Account" means either of the three (3) accounts created under KRS 304.42-060.
- (2) "Association" means the Kentucky Life and Health Insurance Guaranty Association created under KRS 304.42-060.
- (3) "Authorized assessment" or the term "authorized" when used in the context of assessments means a resolution by the board of directors has been passed whereby an assessment will be called immediately or in the future from member insurers for a specific amount. An assessment is authorized when the resolution is passed.
- (4) "Benefit plan" means a specific employee, union, or association of natural persons benefit plan.
- (5) "Called assessment" or the term "called" when used in the context of assessments means that a notice has been issued by the association to member insurers requiring that an authorized assessment be paid within the time frame set forth within the notice. An authorized assessment becomes a called assessment when notice is mailed by the association to member insurers.
- (6) "Commissioner" means the commissioner of insurance of this state.
- (7) "Contractual obligation" means any obligation under a policy or contract or a certificate under a group policy or contract, or portion thereof, for which coverage is provided under KRS 304.42-030.
- (8) "Covered policy" means any policy or contract or portion of a policy or contract for which coverage is provided under KRS 304.42-030.
- (9) "Extracontractual claims" include, but are not limited to, claims relating to bad faith in the payment of claims, punitive or exemplary damages, and attorneys' fees and costs.
- (10) "Impaired insurer" means a member insurer which, after June 17, 1978, is not an insolvent insurer and is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.
- (11) "Insolvent insurer" means a member insurer which after June 17, 1978, is placed under an order of liquidation by a court of competent jurisdiction with a finding of insolvency.
- (12) "Member insurer" means any insurer authorized to transact in this state any kind of insurance for which coverage is provided under KRS 304.42-030, and includes any insurer whose certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn, but does not include:
 - (a) A nonprofit hospital, medical-surgical, dental, and health service corporation, as defined by Subtitle 32 of this chapter;
 - (b) A health maintenance organization;
 - (c) A fraternal benefit society;
 - (d) A mandatory state pooling plan;
 - (e) An assessment or cooperative insurer or any entity that operates on an assessment basis;
 - (f) An insurance exchange;
 - (g) Any entity similar to the above;~~or~~
 - (h) Health insurance where such insurance is written by a member of the Kentucky Insurance Guaranty Association; **or**
 - (i) **A limited health service organization.**
- (13) "Moody's corporate bond yield average" means the monthly average corporates as published by Moody's Investors Service, Inc., or any successor thereto.

- (14) "Owner" of a policy or contract and "policy owner" and "contract owner" mean the person who is identified as the legal owner under the terms of the policy or contract or who is otherwise vested with legal title to the policy or contract through a valid assignment completed in accordance with the terms of the policy or contract and properly recorded as the owner on the books of the insurer. The terms "owner," "contract owner," and "policy owner" do not include persons with a mere beneficial interest in a policy or contract.
- (15) "Premiums" means amounts or considerations, by whatever name called, received on covered policies or contracts less returned premiums, considerations, and deposits, and less dividends and experience credits. "Premiums" does not include amounts or considerations received for any policies or contracts or for the portions of policies or contracts for which coverage is not provided under KRS 304.42-030(2), except that assessable premium shall not be reduced on account of KRS 304.42-030(2)(b)3. Relative to interest limitations and KRS 304.42-030(3)(b) relating to limitations with respect to one (1) individual and one (1) contract owner. "Premiums" shall not include with respect to multiple nongroup policies of life insurance owned by one (1) owner, whether the policy owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, premiums in excess of one million dollars (\$1,000,000) with respect to these policies or contracts, regardless of the number of policies or contracts held by the owner.
- (16) "Person" means any individual, corporation, limited liability company, partnership, association, governmental body or entity, or voluntary organization.
- (17) "Plan sponsor" means:
- (a) The employer in the case of a benefit plan established or maintained by a single employer;
 - (b) The employee organization in the case of a benefit plan established or maintained by an employee organization; or
 - (c) In a case of a benefit plan established or maintained by two (2) or more employers or jointly by one (1) or more employers and one (1) or more employee organizations, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the benefit plan.
- (18) (a) "Principal place of business" of a plan sponsor or a person other than a natural person means the single state in which the natural persons who establish policy for the direction, control, and coordination of the operations of the entity as a whole primarily exercise the function, determined by the association in its reasonable judgment by considering the following factors:
- 1. The state in which the primary executive and administrative headquarters of the entity is located;
 - 2. The state in which the principal office of the chief executive officer of the entity is located;
 - 3. The state in which the board of directors or similar governing person or persons of the entity conducts the majority of its meetings;
 - 4. The state in which the executive or management committee of the board of directors or similar governing person or persons of the entity conducts the majority of its meetings;
 - 5. The state from which the management of the overall operations of the entity is directed; and
 - 6. In the case of a benefit plan sponsored by affiliated companies comprising a consolidated corporation, the state in which the holding company or controlling affiliate has its principal place of business as determined using the above factors.

However, in the case of a plan sponsor, if more than fifty percent (50%) of the participants in the benefit plan are employed in a single state, that state shall be deemed to be the principal place of business of the plan sponsor.

- (b) The principal place of business of a plan sponsor of a benefit plan described in subsection (17)(c) of this section shall be deemed to be the principal place of business of the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the benefit plan that, in lieu of a specific or clear designation of a principal place of business, shall be deemed to be the principal place of business of the employer or employee organization that has the largest investment in the benefit plan or question.

- (19) "Receivership court" means the court in the insolvent or impaired insurer's state having jurisdiction over the conservation, rehabilitation, or liquidation of the insurer.
- (20) "Resident" means any person to whom a contractual obligation is owed and who resides in this state on the date when a member insurer is determined to be an impaired or insolvent insurer, whichever occurs first. A person may be a resident of only one (1) state, which in the case of a person other than a natural person shall be its principal place of business. Citizens of the United States that are either residents of foreign countries or residents of United States possessions, territories, or protectorates that do not have an association similar to the association created by this subtitle shall be deemed residents of the state of domicile of the insurer that issued the policies or contracts.
- (21) "Structured settlement annuity" means an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injury suffered by the plaintiff or other claimant.
- (22) "State" means a state, the District of Columbia, Puerto Rico, and a United States possession, territory, or protectorate.
- (23) "Supplemental contract" means a written agreement entered into for the distribution of proceeds under a life, health, or annuity policy or contract.
- (24) "Unallocated annuity contract" means any annuity contract or group annuity certificate which is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under such contract or certificate.

SECTION 29. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "health discount plan" means any card, program, device, or mechanism that is not insurance that purports to offer discounts or access to discounts from a health care provider without recourse to the health discount plan.*
- (2) *No person shall sell, market, promote, advertise, or otherwise distribute a health discount plan unless:*
 - (a) *The health discount plan clearly states in bold and prominent type on all cards or other purchasing devices, promotional materials, and advertising that the discounts are not insurance;*
 - (b) *The discounts are specifically authorized by an individual and separate contract with each health care provider listed in conjunction with the health discount plan; and*
 - (c) *The discounts or the range of discounts advertised or offered by the plan are clearly and conspicuously disclosed to the consumer.*
- (3) *The provisions of Subsection (2) do not apply to the following:*
 - (a) *A customer discount or membership card issued by a retailer for use in its own facility; or*
 - (b) *Any card, program, device, or mechanism that is not insurance and which is administered by a health insurer authorized to transact the business of insurance in this state.*
- (4) *A violation of this section shall be deemed an unfair, false, misleading, or deceptive act or practice in the conduct of trade or commerce in violation of KRS 367.170. All of the remedies, powers, and duties delegated to the Attorney General by KRS 367.190 to 367.300 and penalties pertaining to acts and practices declared unlawful under KRS 367.170 shall be applied to acts and practices in violation of this section.*

Section 30. KRS 304.33-020 is amended to read as follows:

The proceedings authorized by this subtitle may be applied to:

- (1) All domestic insurers, whether or not they purport to do business in this state;
- (2) All insurers who are doing, or have done, an insurance business in this state, and against whom claims arising from that business may exist now or in the future;
- (3) All insurers who purport to do an insurance business in this state;
- (4) All insurers who have insureds resident in this state;
- (5) All other persons organized or in the process of organizing with the intent to do an insurance business in this state;

- (6) All fraternal benefit societies as defined in Subtitle 29;
- (7) All nonprofit hospital, medical-surgical, dental, and health service corporations, as defined in Subtitle 32;
- (8) All health maintenance organizations as defined in Subtitle 38; and
- (9) ***All limited health service organizations as defined in Section 10 of this Act***~~Prepaid dental plan organizations as defined in KRS 304.43-010(6)]~~.

Section 31. KRS 304.12-013 is amended to read as follows:

- (1) The purpose of this section is to prohibit unfair or deceptive practices in the transaction of life and health insurance with respect to the human immunodeficiency virus infection and related matters. This section applies to all life and health insurance contracts which are delivered or issued for delivery in Kentucky on or after July 13, 1990.
- (2) This section shall not prohibit an insurer from contesting the validity of an insurance contract or whether a claim is covered under an insurance contract to the extent allowed by law.
- (3) As used in this section:
 - (a) "Human immunodeficiency virus" (HIV) means the causative agent of acquired immunodeficiency syndrome (AIDS) or any other type of immunosuppression caused by the human immunodeficiency virus.
 - (b) "Insurance contract" means a contract issued by an insurer as defined in this section; and
 - (c) "Insurer" means an insurer, a nonprofit hospital, medical-surgical, dental, and health service corporation, a health maintenance organization, or a prepaid dental plan organization.
- (4) (a) In the underwriting of an insurance contract regarding human immunodeficiency virus infection and health conditions derived from such infection, the insurer shall utilize medical tests which are reliable predictors of risk. Only a test which is recommended by the Centers for Disease Control or by the Food and Drug Administration is deemed to be reliable for the purposes of this section. If a specific Centers for Disease Control or Food and Drug Administration-recommended test indicates the existence or possible existence of human immunodeficiency virus infection or a health condition related to the human immunodeficiency virus infection, before relying on a single test to deny issuance of an insurance contract, limit coverage under an insurance contract, or to establish the premium for an insurance contract, the insurer shall follow the applicable Centers for Disease Control or Food and Drug Administration-recommended test protocol and shall utilize any applicable Centers for Disease Control or Food and Drug Administration-recommended follow-up tests or series of tests to confirm the indication.
- (b) Prior to testing, the insurer shall disclose in writing its intent to test the applicant for the human immunodeficiency virus infection or for a specific health condition derived therefrom and shall obtain the applicant's written informed consent to administer the test. Written informed consent shall include a fair explanation of the test, including its purpose, potential uses and limitations, the meaning of its results, and the right to confidential treatment of information. Use of a form prescribed by the department shall raise a conclusive presumption of informed consent.
- (c) An applicant shall be notified of a positive test result by a physician designated by the applicant, or, in the absence of such designation, by the Cabinet for Health Services. The notification shall include:
 - 1. Face-to-face post-test counseling on the meaning of the test results, the possible need for additional testing, and the need to eliminate behavior which might spread the disease to others;
 - 2. The availability in the geographic area of any appropriate health-care services, including mental health care, and appropriate social and support services;
 - 3. The benefits of locating and counseling any person by whom the infected person may have been exposed to human immunodeficiency virus and any person whom the infected person may have exposed to the virus; and
 - 4. The availability, if any, of the services of public health authorities with respect to locating and counseling any person described in subparagraph 3. of this paragraph.

- (d) A medical test for human immunodeficiency virus infection or for a health condition derived from the infection shall only be required or given to an applicant for an insurance contract on the basis of the applicant's health condition or health history, on the basis of the amount of insurance applied for, or if the test is required of all applicants.
- (e) An insurer may ask whether an applicant for an insurance contract has been tested positive for human immunodeficiency virus infection or other health conditions derived from such infection. Insurers shall not inquire whether the applicant has been tested for or has received a negative result from a specific test for human immunodeficiency virus infection or for a health condition derived from such infection.
- (f) Insurers shall maintain strict confidentiality of the results of tests for human immunodeficiency virus infection or a specific health condition derived from human immunodeficiency virus infection. Information regarding specific test results shall be disclosed only as required by law or pursuant to a written request or authorization by the applicant. Insurers may disclose results pursuant to a specific written request only to the following persons:
 - 1. The applicant;
 - 2. A licensed physician or other person designated by the applicant;
 - 3. An insurance medical-information exchange under procedures that are used to assure confidentiality, such as the use of general codes that also cover results of tests for other diseases or conditions not related to human immunodeficiency virus infection;
 - 4. For the preparation of statistical reports that do not disclose the identity of any particular applicant;
 - 5. Reinsurers, contractually retained medical personnel, and insurer affiliates if these entities are involved solely in the underwriting process and under procedures that are designed to assure confidentiality;
 - 6. To insurer personnel who have the responsibility to make underwriting decisions; and
 - 7. To outside legal counsel who needs the information to represent the insurer effectively in regard to matters concerning the applicant.
- (g) Insurers shall use for the processing of human immunodeficiency virus-related tests only those laboratories that are certified by the United States Department of Health and Human Services under the Clinical Laboratory Improvement Act of 1967, which permit testing of specimens in interstate commerce, and which subject themselves to ongoing proficiency testing by the College of American Pathologists, the American Association of Bioanalysts, or an equivalent program approved by the Centers for Disease Control.
- (5) (a) An insurance contract shall not exclude coverage for human immunodeficiency virus infection. An insurance contract shall not contain benefit provisions, terms, or conditions which apply to human immunodeficiency virus infection in a different manner than those which apply to any other health condition. Insurance contracts which violate this paragraph shall be disapproved by the commissioner pursuant to KRS 304.14-130(1)(a), 304.32-160, *and* 304.38-050~~, and 304.43-030~~.
- (b) A health insurance contract shall not be canceled or nonrenewed solely because a person or persons covered by the contract has been diagnosed as having or has been treated for human immunodeficiency virus infection.
- (c) Sexual orientation shall not be used in the underwriting process or in the determination of which applicants shall be tested for exposure to the human immunodeficiency virus infection. Neither the marital status, the living arrangements, the occupation, the gender, the beneficiary designation, nor the zip code or other territorial classification of an applicant's sexual orientation.
- (d) This subsection does not prohibit the issuance of accident only or specified disease insurance contracts.

Section 32. KRS 304.38-040 is amended to read as follows:

- (1) A corporation, limited liability corporation, or partnership may apply to the commissioner for and obtain a certificate of authority to establish and operate a health maintenance organization in compliance with this subtitle.

- (2) Health maintenance organizations which are corporations may be organized by applying the provisions of KRS Chapter 271B, if for profit, and KRS Chapter 273, if for nonstock, nonprofit, to the extent that the same are not inconsistent with the express provisions of this subtitle.
- (3) Each application for a certificate of authority shall be submitted to the commissioner upon a form prescribed by him and shall set forth or be accompanied by:
 - (a) Evidence that the applicant has been issued a certificate of need in accordance with the provisions of KRS Chapter 216B, or evidence that no certificate of need is required by KRS Chapter 216B;
 - (b) Articles of incorporation or partnership agreement in quadruplicate originals acknowledged and verified by the applicant, such as the articles of incorporation, articles of association, partnership agreement, or other applicable documents;
 - (c) The initial bylaws of the organization in triplicate (or any other similar documents);
 - (d) A statement which shall include describing the health maintenance organization:
 - 1. The health services to be offered;
 - 2. The financial risks to be assumed;
 - 3. The initial geographic area to be served;
 - 4. Pro forma financial projections for the first three (3) years of operations including the assumptions the projections are based upon;
 - 5. The sources of working capital and funding;
 - 6. A description of the persons to be covered by the health maintenance organization;
 - 7. Any proposed reinsurance arrangements;
 - 8. Any proposed management, administrative, or cost-sharing arrangements; and
 - 9. A description of the health maintenance organization's proposed method of marketing;
 - (e) The names, addresses, and positions of the initial board of directors, board of trustees, or other governing body responsible for the conduct of the affairs of the applicant;
 - (f) Any proposed evidence of coverage to be issued by the applicant to individuals, enrollees, groups, or other contract holders; and
 - (g) Evidence of financial responsibility as provided in KRS 304.38-060 ~~or 304.38-077~~.

Section 33. KRS 304.1-120 is amended to read as follows:

No provision of this code shall apply to:

- (1) Fraternal benefit societies (as identified in Subtitle 29), except as stated in Subtitle 29.
- (2) Nonprofit hospital, medical-surgical, dental, and health service corporations (as identified in Subtitle 32) except as stated in Subtitle 32.
- (3) Burial associations (as identified in KRS Chapter 303), except as stated in Subtitle 31.
- (4) Assessment or cooperative insurers (as identified in KRS Chapter 299), except as stated in KRS Chapter 299.
- (5) Insurance premium finance companies (as identified in Subtitle 30), except as stated in Subtitle 30.
- (6) Qualified organizations which issue charitable gift annuities within the Commonwealth of Kentucky. For the purposes of this subsection:
 - (a) A "qualified organization" means one which is:
 - 1. Exempt from taxation under Section 501(c)(3) of the Internal Revenue Code as a charitable organization, if it files a copy of federal form 990 with the Division of Consumer Protection in the Office of the Attorney General; or
 - 2. Exempt from taxation under Section 501(c)(3) of the Internal Revenue Code as a religious organization; or

3. Exempt as a publicly-owned or nonprofit, privately-endowed educational institution approved or licensed by the State Board of Education, the Southern Association of Colleges and Schools, or an equivalent public authority of the jurisdiction where the institution is located; and
- (b) A "charitable gift annuity" means a giving plan or method by which a gift of cash or other property is made to a qualified organization in exchange for its agreement to pay an annuity.
- (7) A religious publication (as identified in this subsection), or its subscribers, that limit their operations to those activities permitted by this subsection; and:
 - (a) Is a nonprofit religious organization;
 - (b) Is limited to subscribers who are members of the same denomination or religion;
 - (c) Acts as an organizational clearinghouse for information between subscribers who have financial, physical, or medical needs and subscribers who choose to assist with those needs, matching subscribers with the present ability to pay with subscribers with a present financial or medical need;
 - (d) Pays for the subscribers' financial or medical needs by payments directly from one (1) subscriber to another;
 - (e) Suggests amounts to give that are voluntary among the subscribers, with no assumption of risk or promise to pay either among the subscribers or between the subscribers and the publication; and
 - (f) Provides the following verbatim written disclaimer as a separate cover sheet for all documents distributed by or on behalf of the exempt entity, including all applications, guidelines, promotional or informational materials, and all periodic publications:

"This publication is not issued by an insurance company nor is it offered through an insurance company. This publication does not guarantee or promise that your medical bills will be published or assigned to others for payment.

Whether anyone chooses to pay your medical bills will be totally voluntary. This publication should never be considered as a substitute for an insurance policy.

Whether you receive any payments for medical expenses, and whether or not this publication continues to operate, you will always remain liable for any unpaid bills."

- (8) ***A public or private ambulance service licensed and regulated by the Cabinet for Health Services to the extent that it solicits membership subscriptions, accepts membership applications, charges membership fees, and furnishes prepaid or discounted ambulance services to subscription members and designated members of their households.***

Section 34. The following KRS sections are repealed:

- 304.43-010 Definitions.
- 304.43-020 Application for certificate of authority -- Continuance of existing organization.
- 304.43-030 Filing and approval of forms.
- 304.43-040 Issuance of certificate of authority.
- 304.43-050 Deposit.
- 304.43-060 Contract or certificate of services.
- 304.43-070 Annual and quarterly statements.
- 304.43-080 Agents -- Registration and licensing.
- 304.43-085 Coordination of benefits.
- 304.43-090 Examination of affairs of organization -- Report, confidentiality.
- 304.43-100 Suspension or revocation of certificate of authority.
- 304.43-110 Rehabilitation or liquidation.

304.43-120 Fees.

304.43-130 Advertisements or solicitation -- Cancellation of enrollee's coverage -- Applicability of Subtitle 12.

304.43-140 Conversion of prepaid dental plans to single service organization or health discount plan -- Reissuance of certificate of authority -- Net worth and risk-based capital requirements.

304.43-150 Filing of premium rates and classification of risks -- Commissioner's approval of filings required.

304.38-065 Certificate of authority to designate type of services authorized.

304.38-077 Single service organization -- Net worth and risk-based capital requirements.

304.38-500 Certificate of filing required for health discount plan -- Application and evidence of coverage requirements.

304.38-505 Plan disclosure requirements.

304.38-510 Suspension or revocation of certificate of filing -- Conditions -- Effect.

Approved March 28, 2002

CHAPTER 106

(SB 152)

AN ACT relating to health insurance coverage for hearing aids and related services.

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

SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section:*

(a) *"Hearing aid" means any wearable, nondisposable instrument or device designed to aid or compensate for impaired human hearing and any parts, attachments, or accessories, including earmolds, but excluding batteries and cords; and*

(b) *"Related services" means those services necessary to assess, select, and appropriately adjust or fit the hearing aid to ensure optimal performance.*

(2) *A health benefit plan shall provide coverage, subject to all applicable copayments, coinsurance, deductibles, and out-of-pocket limits, for the full cost of one (1) hearing aid per hearing impaired ear up to one thousand four hundred dollars (\$1,400) every thirty-six (36) months for hearing aids for insured individuals under eighteen (18) years of age and all related services which shall be prescribed by an audiologist licensed under KRS Chapter 334A and dispensed by an audiologist or hearing instrument specialist licensed under KRS Chapter 334. The insured may choose a higher priced hearing aid and may pay the difference in cost above the one thousand four hundred dollar (\$1,400) limit as provided in this section without any financial or contractual penalty to the insured or to the provider of the hearing aid.*

(3) *A health benefit plan shall not be required to pay a claim filed by its insured for payment of the cost of a hearing aid under the coverage required by subsection (2) of this section if less than three (3) years prior to the date of the claim its insured filed a claim for payment of the cost of a hearing aid under the required coverage and the claim was paid by any health benefit plan.*

Section 2. KRS 18A.225 is amended to read as follows:

(1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and

- (b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.
- (2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.
- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.
- (c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.
- (d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.

- (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.
 - (f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.
 - (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.
- (3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.
- (4) The premiums may be paid by the policyholder:
- (a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;
 - (b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or
 - (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.
- (5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.
- (6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.
- (7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.

- (8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.
- (9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.
- (10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
- (11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.
- (12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.
- (13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.
- (14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.
- (15) ***The policy or policies provided to state employees or their dependents pursuant to this section shall provide coverage for obtaining a hearing aid and acquiring hearing aid related services for insured individuals under eighteen (18) years of age, subject to a cap of one thousand four hundred dollars (\$1,400) every thirty-six (36) months.***

Approved March 28, 2002

CHAPTER 107

(SB 170)

AN ACT relating to real estate broker liens.

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

Section 1. KRS 376.075 is amended to read as follows:

- (1) Any professional engineer, licensed architect, licensed landscape architect, ***real estate broker, or*** ~~and~~ professional land surveyor who performs professional services or services as defined in KRS 322.010(4) for professional engineers, KRS 323.010(3) for architects, KRS 323A.010(3) for landscape architects, ***KRS 324.010(1) for real estate brokers,*** and KRS 322.010(10) for professional land surveyors shall have a lien on the building, structure, land, or project ***relative to*** ~~on~~ which the services were performed, to secure the amount of the charges for services with interest as provided in KRS 360.040 and costs.

- (2) The provisions of KRS 376.010(1) and (2) shall determine when a lien created under this section shall take precedence over a mortgage or other contract lien or bona fide conveyance for value without notice.
- (3) No person who has not contracted directly with the owner or his agent shall acquire a lien under this section.
- (4) Any lien provided for under this section shall be dissolved unless the claimant, within six (6) months after he ceases to provide services, files in the office of the county clerk of the county in which the property is situated a statement of the amount due the claimant, with all just credits and setoffs known to him, together with a description of the property intended to be covered by the lien sufficiently accurate to identify it, the name of the owner, if known, and whether the services were furnished by contract with the owner or with a contractor or architect. This statement shall be subscribed and sworn to by the person claiming the lien or by someone in his behalf.
- (5) Any lien created under this section shall be dissolved unless an action is brought to enforce the lien within twelve (12) months from the day of filing the statement in the clerk's office as required by subsection (4) of this section. If the lienholder complies with all filing requirements under this section, and does so within the time fixed, his lien shall be valid and effective against any creditor of, or bona fide or other purchaser from, the owner of the property.
- (6) The provisions of this section shall in no way abridge or conflict with the provisions of KRS 376.210 which provide for liens on public improvements, and any potential lien or valid lien of a professional engineer, architect, landscape architect, **real estate broker**, or professional land surveyor on a public improvement shall be governed by KRS 376.210.
- (7) ***No real estate broker shall acquire a lien under this section relative to newly constructed residential real estate unless the purchaser has agreed in writing to directly compensate such broker for performing brokerage services related to the transaction.***
- (8) ***No real estate broker shall acquire a lien under this section unless:***
 - (a) ***The owner or the owner's authorized agent:***
 1. ***Lists the subject property with the broker under the terms of a written agreement to sell, lease, or otherwise convey any interest in the subject property; or***
 2. ***Agrees in a written agreement to pay the broker a fee for his or her services as a buyer's representative; and***
 - (b) ***The broker or the broker's affiliated sales associate provides licensed services that result, during the term of a written agreement described in paragraph (a) of this subsection, in the procuring of a person or entity ready, willing, and able to purchase, lease, or otherwise accept a conveyance of the property or any interest in the property:***
 1. ***Upon terms contained in a written agreement described in paragraph (a) of this subsection; or***
 2. ***Upon terms that are otherwise acceptable to the owner or the owner's authorized agent as evidenced by a written agreement to convey any interest in the property signed by the owner or the owner's authorized agent.***

Approved March 28, 2002

CHAPTER 108

(SB 176)

AN ACT relating to municipal electric utilities.

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

Section 1. KRS 96.520 is amended to read as follows:

- (1) Any city of the second, third, fourth, fifth, or sixth class may purchase, establish, erect, maintain, and operate electric light, heat, and power plants, with extensions and necessary appurtenances, within or without the corporate limits of the city, for the purpose of supplying the city and its inhabitants with electric light, heat, power, and telecommunications. Any city-owned utility created under this section that provides telecommunications services shall be regulated as to that service by KRS Chapter 278. Any city-owned utility

created under this section that provides municipal telephone service shall be regulated as to that service by KRS Chapter 278. For the purpose of providing electric light, heat, power, and telephone services, a city of the second, third, fourth, fifth, or sixth class may enter into and fulfill the terms of an interconnection agreement with any electric or combination electric or gas utility whose rates and service are regulated by the Public Service Commission of Kentucky (or, if not so regulated, operating and having customers only outside of Kentucky), or an affiliate entirely owned by or under complete common ownership with an electric or combination electric and gas utility whose rates and service are regulated by the Public Service Commission of Kentucky. Any city of the second, third, fourth, fifth, or sixth class may establish, erect, maintain, and operate plants, individually or jointly with any of these utilities or utility affiliate. In the case of any joint action, a city and utility or utility affiliate may provide by contract for their respective responsibilities, for operation and maintenance and for the allocation of expenses, revenues, and power. If in the accomplishment of this purpose a city at any time has capacity or energy surplus to the immediate needs of the city and its inhabitants, the surplus, if not disposed of for consumption outside this state, may be disposed of ~~only~~ to an electric or combination electric and gas utility whose rates and service are regulated by the Public Service Commission of Kentucky, ~~or~~ to an affiliate entirely owned by or under complete common ownership with such a utility, **or to a city-owned utility established pursuant to KRS Chapter 96.**

- (2) The city shall proceed in the same manner and be governed by the same conditions as are set forth in KRS 96.360 to 96.510 for the acquisition and operation of a water system, with the following exceptions:
 - (a) A petition calling for an election on the proposition of purchasing an existing plant shall be signed by at least two hundred (200) qualified voters of the city, rather than by twenty-five percent (25%) of the qualified voters of the city who voted at the last preceding regular election.
 - (b) Notwithstanding any other laws, bonds may be issued bearing interest at a rate or rates and may be sold on a basis to yield interest at a rate or rates as may be determined upon the sale of the bonds.
 - (c) Bonds of an issue, or bonds of two (2) or more issues consolidated for the purposes of sale, which equal or exceed \$10,000,000 in the aggregate principal amount may be sold at public or private sale without compliance with KRS 424.360.
- (3) This section constitutes a method for the acquisition of an electric light, heat, and power plant by any city of the second, third, fourth, fifth, or sixth class in addition or as an alternate to any other method authorized by statute, provided that the city was operating an electric plant on June 1, 1942, and has not elected to operate under KRS 96.550 to 96.900. No proceedings shall be required for the acquisition of any electric light, heat, or power plant or the issuance of bonds under this section except the proceedings required by KRS 96.360 to 96.510.

Approved March 28, 2002

CHAPTER 109

(SB 178)

AN ACT relating to state income tax filing extensions.

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

Section 1. KRS 141.215 is amended to read as follows:

Members of the Army, Navy, Marines, Air Force, or Public Health Service of the United States government who serve in an area designated as a combat zone by presidential proclamation ~~or members who are serving on active duty outside the United States in Operation Desert Shield or Operation Desert Storm and~~ who are required by law to file an income tax return and pay income taxes to the State of Kentucky shall not be required to file the return and pay the taxes, which would otherwise become due during the period of service, until twelve (12) months after the service.

SECTION 2. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

- (1) ***Members of the National Guard or any branch of the Reserves called to active duty who are required by law to file an income tax return and pay income taxes to the state of Kentucky shall be allowed an extension to file the return and pay the taxes, which would otherwise become due during the period of service, if the member serves in an area designated as a combat zone by presidential proclamation.***

- (2) *The extension referred to in subsection (1) of this section shall expire twelve months after the service.*
- (3) *No penalty shall accrue by reason of the extension.*

Approved March 28, 2002

CHAPTER 110

(SB 187)

AN ACT relating to insurance premium surcharges.

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

Section 1. KRS 136.392 is amended to read as follows:

- (1) (a) Every domestic, foreign, or alien insurer, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either KRS 136.340, 136.350, 136.370, or 136.390, shall charge and collect a surcharge of one dollar and fifty cents (\$1.50) upon each one hundred dollars (\$100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether the charges are designated as premiums, assessments, or otherwise. The premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. The premium surcharge shall be disclosed to policyholders pursuant to administrative regulations promulgated by the commissioner of insurance. However, no insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission for its collection. On or before the twentieth day of each month, each insurer shall report and remit to the Revenue Cabinet, on forms as it may require, all premium surcharge moneys collected by it during its preceding monthly accounting period less any moneys returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. Insurers with an annual liability of less than one thousand dollars (\$1,000) for each of the previous two (2) calendar years may report and remit to the Revenue Cabinet all premium surcharge moneys collected on a calendar year basis on or before the twentieth (20th) day of January of the following calendar year. The funds derived from the premium surcharge shall be deposited in the State Treasury, and shall constitute a fund allocated for the uses and purposes of the Firefighters Foundation Program fund (KRS 95A.220 and 95A.262) and the Law Enforcement Foundation Program fund (KRS 15.430).
 - (b) Effective July 1, 1992, the surcharge rate in paragraph (a) of this subsection shall be adjusted by the secretary of revenue to a rate calculated to provide sufficient funds for the uses and purposes of the Firefighters Foundation Program fund as prescribed by KRS 95A.220 and 95A.262 and the Law Enforcement Foundation Program fund as prescribed by KRS 15.430 for each fiscal year. The rate shall be calculated using as its base the number of local government units eligible for participation in the funds under applicable statutes as of January 1, 1994. To allow the secretary of revenue to calculate an appropriate rate, the secretary for the Public Protection and Regulation Cabinet and the secretary for the Justice Cabinet shall certify to the secretary of revenue, no later than January 1, of each year, the estimated budgets for the respective funds specified above, including any surplus moneys in the funds, which shall be incorporated into the consideration of the adjusted rate for the next biennium. As soon as practical, the secretary of revenue shall advise the commissioner of insurance of the new rate and the commissioner shall inform the affected insurers. The rate adjustment process shall continue on a biennial basis.
- (2) Within five (5) days after the end of each month, all insurance premium surcharge proceeds deposited in the State Treasury as set forth in this section shall be paid by the State Treasurer into the Firefighters Foundation Program fund trust and agency account and the Law Enforcement Foundation Program fund trust and agency account. The amount paid into each account shall be proportionate to each fund's respective share of the total deposits, pursuant to KRS 42.190. Moneys deposited to the Law Enforcement Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 15.410 to 15.500, except that beginning with fiscal year 1994-95, through June 30, 1999, moneys remaining in the account at the end of the fiscal year in excess of three million dollars (\$3,000,000) shall lapse. On and after July 1, 1999, moneys in this account shall not lapse.

Money deposited to the Firefighters Foundation Program fund trust and agency account shall not be disbursed, expended, encumbered, or transferred by any state official for uses and purposes other than those prescribed by KRS 95A.200 to 95A.300, except that beginning with fiscal year 1994-95, through June 30, 1999, moneys remaining in the account at the end of the fiscal year in excess of three million dollars (\$3,000,000) shall lapse, but moneys in the revolving loan fund established in KRS 95A.262 shall not lapse. On and after July 1, 1999, moneys in this account shall not lapse.

- (3) Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative, or assessment fire insurance company shall be deposited in the State Treasury, and shall be paid monthly by the State Treasurer into the Firefighters Foundation Program fund trust and agency account as provided in KRS 95A.220 to 95A.262. However, insurance premium surcharge funds collected from policyholders of any mutual company, cooperative, or assessment fire insurance company which transfers its corporate domicile to this state from another state after July 15, 1994, shall continue to be paid into the Firefighters Foundation Program fund and the Law Enforcement Foundation Program fund as prescribed.
- (4) *No later than July 1 of each year, the Department of Insurance shall provide the Revenue Cabinet with a list of all Kentucky-licensed property and casualty insurers and the amount of premium volume collected by the insurer for the preceding calendar year as set forth on the annual statement of the insurer. No later than September 1 of each year, the Revenue Cabinet shall calculate an estimate of the premium surcharge due from each insurer subject to the insurance premium surcharge imposed pursuant to this section, based upon the surcharge rate imposed pursuant to this section and the amount of the premium volume for each insurer as reported by the Department of Insurance. The Revenue Cabinet shall compare the results of this estimate with the premium surcharge paid by each insurer during the preceding year, and shall provide the Legislative Research Commission, the Commission on Fire Protection Personnel Standards and Education, the Kentucky Law Enforcement Council, and the Department of Insurance with a report detailing its findings on a cumulative basis. In accordance with KRS 131.190, the cabinet shall not identify or divulge the confidential tax information of any individual insurer in this report.*

Approved March 28, 2002

CHAPTER 111

(SB 230)

AN ACT relating to architects.

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

Section 1. KRS 323.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Board" means the ~~Kentucky~~[State] Board of ~~Examiners and Registration of~~ Architects~~[of Kentucky]~~;
- (2) An "architect" is any person who engages in the practice of architecture as hereinafter defined;
- (3) The "practice of architecture" is the rendering or offering to render certain services, hereinafter described, in connection with the design and construction of a structure or group of structures which have as their principal purpose human habitation or use, and the utilization of space within and surrounding such structures. The services referred to in the previous sentence include planning, providing preliminary studies, designs, drawings and specifications, and administration of construction contracts;
- (4) A "building" is a structure which has as its principal purpose human habitation or use;
- (5) "Use group" is the classification of a building or structure based on the purpose for which it is used, as set forth in the Kentucky Building Code;
- (6) "Consultant" is an individual, partnership, or firm acting subordinately and in a position of service to an architect engaged in the practice of architecture as defined.
- (7) *"Administration of construction contracts" means:*
 - (a) *Conducting periodic site visits;*

- (b) *Reviewing shop drawings and reviewing other submittals required of the contractor by the terms of the construction contract documents;*
- (c) *Reporting to the owner any violations of applicable building codes and any substantial deviations from the contract documents that the architect observes; or*
- (d) *Reporting to the building official any violations of applicable building codes that the architect observes.*

Section 2. KRS 323.050 is amended to read as follows:

- (1) Except as otherwise provided in this chapter, an applicant seeking to obtain a license to practice architecture in Kentucky shall satisfactorily pass the examination that is prescribed by the board.
- (2) Every applicant for examination shall:
 - (a) Be of good moral character; and
 - (b) Hold a professional degree in architecture accredited by the National Architectural Accrediting Board (NAAB), or its equivalent as determined by administrative regulations promulgated by the board, with such additional experience as the board may prescribe and approve.
- (3) Examinations shall be *available on a regular basis at a place identified by the testing service and shall be given in accordance with the terms and conditions agreed upon by the board and the testing service. Procedures concerning the examination shall be set out in administrative regulations promulgated*~~[given at least annually, the time and place to be established]~~ by the board.

Section 3. KRS 323.090 is amended to read as follows:

Any applicant who fails ~~a section of the [to pass an]~~ examination may *retake that section if at least six (6) months has elapsed since the applicant took the examination in which he or she failed the section and [take any subsequent examination held within three (3) years from the date of the examination he failed to pass.]* upon registering with the testing service and paying the testing service's required fee. *An applicant shall take the examination within three (3) years of the date the applicant receives the board's approval to begin the examination process.* During this three (3) year period, the applicant shall be excused from paying to the board any additional fees for processing the application for the examination. *An applicant who does not take the examination within the applicable three (3) year period shall reapply with the board. All examination fees shall be paid to the testing service.*

Section 4. KRS 323.110 is amended to read as follows:

- (1) (a) All architects desiring to continue practice shall secure from the board a renewal certificate at the expiration of their licenses, upon the payment of the prescribed fee. The board shall promulgate administrative regulations establishing the terms of the licenses, and may renew licenses on an annual or biannual basis. The board may stagger the terms of the licenses, if needed, and may double the annual renewal fee as established pursuant to KRS 323.080 for any license issued for a two (2) year period. Not later than June 15 of each year the board shall notify by mail all architects of the renewal date and fee. Application for a renewal shall be upon a form prescribed by the board and the architect shall furnish the information required by the form.
- (b) Failure of any architect to secure his *or her* renewal certificate within sixty (60) days after July 1 shall result in the automatic revocation of his *or her* license *if the architect fails to submit a properly completed renewal application to the board with the corresponding renewal fee and proof of having completed the continuing education requirement.*
- (c) The board may reissue a license that has been revoked for failure to pay the renewal fee *or meet continuing education requirements established by the board*, upon proper application ~~to [as determined by]~~ the board and the payment of all delinquent fees~~[as directed]~~.
- (2) A licensed architect may voluntarily surrender his *or her* license to the board and thereby be relieved of paying the annual renewal fee. After surrendering his *or her* license, *that person[he]* shall not be known as a licensed architect and shall desist from the practice of architecture. Within five (5) years from the time of surrender of the license, *the person[he]* may again qualify for a license without examination by the payment of the required fee and current renewal fee. If five (5) years thereafter have elapsed, he *or she* shall return to the status of a new applicant.

Section 5. KRS 323.120 is amended to read as follows:

- (1) The board may refuse to issue, reissue, or renew a license, or may issue a private or public reprimand or may probate, suspend, or revoke the license of any architect to practice architecture in the Commonwealth of Kentucky, ***or may impose any combination of these sanctions*** for any of the following reasons:
 - (a) Gross ~~incompetence~~~~[incompetency]~~ or gross negligence in the planning or construction of buildings, as determined by the board;
 - (b) Unprofessional conduct, or conduct tending to bring the profession into disrepute, as determined by the board;
 - (c) Conviction of a felony;
 - (d) Fraudulent or dishonest architectural practice;
 - (e) Use of false evidence or misrepresentations in an application for licensing or an application for a renewal certificate;
 - (f) Signing or affixing his seal to any plans, prints, specifications of buildings, or reports, which have not been prepared by him personally or by his employees under his supervision; or
 - (g) ***Violating any provision of this chapter or administrative regulations promulgated under the chapter;***
 - (h) ***Failing to comply with an order issued by the board; or***
 - (i) ***Aiding or abetting someone in the unlicensed practice of architecture***~~[Failing to comply with any continuing architectural education requirements that may be imposed by the board].~~
- (2) The board shall revoke the license of an architect who practices architecture while his license is suspended.
- (3) The board may, in lieu of or in addition to other penalties, impose a civil penalty not to exceed three thousand dollars (\$3,000), which shall be paid to the benefit of the board's trust and agency account.

Section 6. KRS 323.210 is amended to read as follows:

- (1) The board shall:
 - (a) Adopt and provide itself with a seal with a band inscribed, "~~Kentucky~~~~[State]~~ Board of ~~Examiners and Registration of~~ Architects~~[of Kentucky]~~" with the coat of arms of the state in the center;
 - (b) Promulgate all necessary administrative regulations concerning the contents and conduct of examinations, the method and time for filing applications for examinations, and the time within which an applicant shall be examined after his application has been filed;
 - (c) Keep a complete record of its proceedings and an accurate list of all applications made, licenses issued, and licenses revoked; and
 - (d) Make a general report including finances to the governor annually.
- (2) The board may promulgate all reasonable administrative regulations not inconsistent with this chapter that are necessary to carry into effect the purposes of this chapter.
- (3) The board may promulgate appropriate administrative regulations requiring mandatory continuing education for architects licensed to practice within the Commonwealth as a condition for obtaining their annual renewal certificates. The board shall establish the minimal requirement for obtaining and reporting continuing education, the means by which any requirements shall be enforced, and the criteria for the accreditation of course sponsors, programs, and other activities.
- (4) ***The board may administer oaths, receive evidence, interview persons, issue subpoenas, and require the production of books, papers, documents, or other evidence for the purpose of enforcing this chapter and investigating complaints or suspected violations of this chapter.***

Section 7. KRS 323.250 is amended to read as follows:

Whenever in the judgment of the board any person has engaged, or is about to engage, in any acts or practices that constitute, or will constitute, a violation of KRS 323.020 ***or KRS 323.230***, the board may inform the Attorney General, who may make application to the Franklin Circuit Court for an order enjoining such acts or practices, or the board may inform the Commonwealth's attorney of the county in which the acts or practices are occurring or will

occur who may make application to the Circuit Court of that county for an order enjoining such acts or practices. Upon a showing by the board that such person has engaged, or is about to engage, in any such acts or practices, an injunction, restraining order, or such other order as may be appropriate shall be granted by such court. Any order of the Franklin Circuit Court shall be enforceable and shall be valid anywhere in this state and the order of either court shall be reviewable as provided in the Rules of Civil Procedure in the case of other injunctions and restraining orders.

Section 8. KRS 323.033 is amended to read as follows:

- (1) Except as otherwise provided in this section, the following buildings, or additions to existing buildings, classified by use group shall require the services of an architect licensed in the Commonwealth of Kentucky;
 - (a) Assembly use group having a capacity of one hundred (100) persons or more, except church buildings having a capacity of four hundred (400) persons or less or six thousand (6,000) square feet or less;
 - (b) Business use group having a capacity of one hundred (100) persons or more;
 - (c) Institutional use group, regardless of capacity;
 - (d) Mercantile use group having a capacity of one hundred (100) persons or more;
 - (e) Residential use group of more than twelve (12) dwelling units or having a capacity of fifty (50) persons or more;
 - (f) Educational use groups regardless of capacity; and
 - (g) Mixed use group containing one (1) or more of the use group classifications and capacities listed under paragraphs (a) through (f) of this subsection.
- (2) Alterations or new construction requiring compliance with the Kentucky Building Code for any building containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require the services of an architect licensed in the Commonwealth of Kentucky; except that, when such alterations or new construction predominantly involve primarily structural components or mechanical or electrical systems, services may be performed by one (1) or more licensed professional engineers.
- (3) Buildings, or additions to existing buildings, containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require, in addition to the services of an architect, the services of one (1) or more licensed engineers.
- (4) The following buildings and additions to existing buildings, classified by use group, shall require the services of either an architect or a professional engineer registered in the Commonwealth of Kentucky.
 - (a) Factory and industrial use group having a capacity of one hundred (100) persons or more;
 - (b) High hazard use group, regardless of capacity;
 - (c) Storage use group having a capacity of one hundred (100) persons or more; and
 - (d) Utility and miscellaneous use groups having a capacity of one hundred (100) persons or more.
- (5) *The services required in subsections (1) to (4) of this section shall include the administration of construction contracts.*

Approved March 28, 2002

CHAPTER 112

(SCR 17)

A CONCURRENT RESOLUTION creating the Kentucky Watershed Task Force.

WHEREAS, Kentucky has abundant water resources disbursed within seven watersheds across the state; and

WHEREAS, within those watersheds local communities depend upon the drinking water supplies and the tourism and recreational opportunities arising from impounded water as well as free-flowing watercourses, and

WHEREAS, Kentucky shares borders with other states defined by two major rivers and shares numerous other waterways, reservoirs, and drainage basins with neighboring states; and

WHEREAS, agriculture is a vital part of Kentucky's history, economy, and character, and prudent management of water resources is critical to agricultural interests in the Commonwealth;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Kentucky Watershed Task Force is created to study the need for managing the state's water on a watershed basis; the necessity of seeking agreements with border states on the management of water in shared watersheds; and the possibility of seeking agreements with the owners of impounded waters, except for owners of private water impoundments, to manage the impounded water to further state and local water management goals. To the extent possible, all meetings of the task force should be held at Kentucky state resort parks which have lakes.

Section 2. The members of the task force shall include: three members of the Senate appointed by the President of the Senate, three members of the House of Representatives appointed by the Speaker of the House, the President of the Kentucky Waterways Alliance Advisory Council, the Coordinator of the Center for Reservoir Research at Murray State University, the Director of the Kentucky Water Resources Research Institute at the University of Kentucky, a representative of the Natural Resources and Environmental Protection Cabinet, a representative of the Kentucky Farm Bureau, a representative of the Kentucky Resources Council, the director of the Center for Water Resource Studies at Western Kentucky University, a representative of Kentucky's area development districts, a representative of the Kentucky Rural Water Association, and the Executive Director of the Kentucky River Authority.

Section 3. The President of the Senate shall select one of the Senate members to serve as co-chair of the task force and the Speaker of the House shall select one of the House members to serve as co-chair of the task force. Staff for the task force shall be provided by the staff of the Legislative Research Commission.

Section 4. The task force shall report any findings and recommendations to the Legislative Research Commission by November 30, 2002.

Section 5. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved March 28, 2002

CHAPTER 113

(SCR 34)

A CONCURRENT RESOLUTION directing the Interim Joint Committee on Banking and Insurance to study the feasibility of self-funding at least one health insurance option for state employees.

WHEREAS, according to the Kentucky Public Employee Health Insurance Program Annual Report, 72% of other states self-fund at least one of their health insurance options; and

WHEREAS, administration expenses under a self-funded health insurance plan are typically lower due to the elimination of insurer risk charges which are normally 2% to 5% of total premiums; and

WHEREAS, through direct contracting a self-funded program may have more negotiation flexibility with providers; and

WHEREAS, a self-funded program typically has more design flexibility which may result in more consistency in the benefit options offered to plan participants in different geographic areas of the Commonwealth; and

WHEREAS, under a self-funded arrangement the Commonwealth could consolidate its risk pool and have increased flexibility in allocating its health care program's costs;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Interim Joint Committee on Banking and Insurance is directed to study the feasibility of self-funding at least one health insurance option for state employees.

Section 2. The Personnel Cabinet shall cooperate with the Interim Joint Committee on Banking and Insurance in executing and completing this study.

Section 3. That the Interim Joint Committee on Banking and Insurance shall report its findings to the Legislative Research Commission no later than December 1, 2002.

Section 4. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved March 28, 2002

CHAPTER 114

(SCR 49)

A CONCURRENT RESOLUTION supporting the Kentucky Department of Fish and Wildlife Resource's efforts to gain the cooperation of neighboring states in managing Kentucky's "heritage wildlife," the magnificent elk.

WHEREAS, Kentucky's native elk herd last roamed the hills of Kentucky during the time of the Civil War; and

WHEREAS, in December 1997 the Kentucky Department of Fish and Wildlife Resources began a carefully planned and executed reintroduction of elk to their historic Kentucky range; and

WHEREAS, the department's efforts have resulted in a herd that today numbers 1,400 elk of what may be described as Kentucky's "heritage wildlife" because the reintroduction is filling eastern Kentucky's hills with a wildlife bounty unknown for over 150 years; and

WHEREAS, the department successfully educated Kentucky's local government officials, farmers, hunters, tourism specialists, and wildlife enthusiasts of the challenges arising from the reintroduction and the department's preparations to meet those challenges; and

WHEREAS, the department's educational efforts led to understanding and acceptance of the elk thus making possible the economic benefits now coming to fruition in eastern Kentucky; and

WHEREAS, with the elk herd grown to significant size, now is the time to work with Kentucky's neighboring states toward understanding and acceptance of the reintroduction plan so that the economic benefits flowing from the herd can be spread throughout the region;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The efforts of the Kentucky Department of Fish and Wildlife Resources to inform neighboring states about Kentucky's elk reintroduction program and to gain cooperation in managing the herd is supported and encouraged. The elk reintroduction success has been built upon educating Kentuckians that the released elk are from disease-free wild herds; that site selection for the release minimizes potential crop damage; that disease transfer between the elk herd and the deer population would be carefully monitored; and that development of the herd would lead to greatly enhanced wildlife hunting and viewing opportunities and increased tourism in eastern Kentucky. A similar educational effort in our neighboring states can overcome misconceptions and fears engendered by Kentucky elk colonizing or temporarily migrating to bordering states. With greater knowledge of the department's reintroduction program, surrounding states will realize that they too can benefit from the presence of this magnificent animal and the entire region surrounding eastern Kentucky will be economically strengthened from Kentucky's "heritage wildlife."

Approved March 28, 2002

CHAPTER 115**(SJR 39)**

A JOINT RESOLUTION naming "The Sergeant Beverly 'Verly' Miller Memorial Bridge" in Greenup County.

We pause in silent reverence to pay homage to Beverly "Verly" Miller, our native son felled in the heat of battle fighting for his beloved country.

WHEREAS, Beverly "Verly" Miller was born on October 7, 1921, the son of Lindsey and Vada Potter Miller; and

WHEREAS, Beverly "Verly" Miller was raised on his family's farm located on Kentucky Route 693 at the intersection with White Oak Road in Russell, Kentucky; and

WHEREAS, a true patriot, Beverly "Verly" Miller was a sergeant in the 329th Regiment of the 83rd Infantry Division during World War II; and

WHEREAS, upon landing off Omaha Beach on the seventeenth day after D Day, the 83rd relieved the 101st Airborne Division at Carentan where the Division was assigned to the U.S. First Army; and

WHEREAS, the Carentan sector was heavily defended by elite Nazi SS, Panzer, and paratroops; however the 83rd Infantry Division was known throughout the European Theater of Operations for their courage, tenacity, and fortitude; and

WHEREAS, Sergeant Beverly "Verly" Miller and his fellow troops valiantly broke through German defenses that the enemy had been fortifying in Carentan for four years; and

WHEREAS, Sergeant Beverly "Verly" Miller and the 83rd was assigned to General George Patton's Third Army following Carentan to participate in the Brittany Campaign; and

WHEREAS, Sergeant Beverly "Verly" Miller and the 83rd Infantry Division protected the right flank of Patton's Army as it moved across France to the north bank of the Loire River, a distance of 200 miles; and

WHEREAS, even though he was only twenty-three years old, Sergeant Beverly "Verly" Miller's bravery carried him through fierce battles in Luxembourg, as well as the Hurtgen Forest west of Duren, Germany; and

WHEREAS, it was during heavy fighting in attacks on the town of Gurzenich and Birgel that Sergeant Beverly "Verly" Miller made the ultimate sacrifice for his family and homeland; and

WHEREAS, Sergeant Beverly "Verly" Miller was killed on December 15, 1944, one day before the Battle of the Bulge began in the Ardennes; and

WHEREAS, Sergeant Beverly "Verly" Miller's unselfish actions resulted in his being awarded two Purple Hearts before his death on that distant battlefield so long ago;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The members of the General Assembly, both individually and collectively, are humbled to posthumously honor Sergeant Beverly "Verly" Miller for his gallantry and his sacrifice so that freedom would forever reign over the United States of America.

Section 2. The General Assembly proclaims Sergeant Beverly "Verly" Miller to be an outstanding citizen, a native son whose life should forever serve as a role model for all Kentuckians.

Section 3. The Transportation Cabinet is directed to name bridge number B00073 (drawing number 22991) located at milepoint 4.602 over White Oak Creek on Kentucky Route 693 in Greenup County "The Beverly 'Verly' Miller Memorial Bridge."

Section 4. The Transportation Cabinet is directed to erect signs within thirty (30) days of the effective date of this Resolution on the approaches to bridge number B00073 (drawing number 22991) located at milepoint 4.602 over White Oak Creek on Kentucky Route 693 in Greenup County that read "The Beverly 'Verly' Miller Memorial Bridge."

Section 5. The staff of the Legislative Research Commission shall, upon its passage, transmit a copy of this Resolution to the sisters of Sergeant Beverly "Verly" Miller: Ms. Imogene Kimberlain, 1019 Chippewa Road, Ashland, KY 41102; Ms. Wanda Caudill, 316 Seaton Drive, Russell, KY 41169; and Ms. Darlene Hayes, Route 1, Box 206, Flatwoods, KY 41139; as well as to his nephew Mr. Donald E. Harris, 936 Newman Drive, Worthington, KY 41183.

Approved March 28, 2002

CHAPTER 116

(SJR 42)

A JOINT RESOLUTION naming "The Lynn Dawson Bridge" in Logan County.

WHEREAS, Lynn Dawson is the son of Amanda Sydnor Dawson and the late Denton C. Dawson; and

WHEREAS, born on February 22, 1941, Lynn Dawson is the devoted husband of Martha Jo Fowler Dawson and is the proud father of Joseph Lynn Dawson and grandfather of Caleb Wayne Dawson; and

WHEREAS, a farmer by profession, Lynn Dawson has been very active as a member of the local Farm Bureau and served as Fire Chief for the Olmstead Volunteer Fire Department; and

WHEREAS, Lynn Dawson was a dedicated member of the Logan County Board of Education for twenty-four years who proudly held a perfect record for attendance at both regularly scheduled and special called meetings of the board; and

WHEREAS, Lynn Dawson proudly served as Vice-Chair of the Board for twelve years and Chair of the Board for eight years; and

WHEREAS, Lynn Dawson's stewardship on the Board of Education resulted in the consolidation of five small deteriorating high schools into Logan County High School which currently serves almost 1,000 students; and

WHEREAS, Lynn Dawson led the Board of Education into approving a Freshman Academy scheduled to open for the 2003 school year where ninth grade students will receive core classes, individual guidance, and other services as they are acclimated to secondary classes; and

WHEREAS, during Lynn Dawson's tenure the Local County School System has replaced all five K-8 centers; has constructed a six-bay bus garage, a new district board office, and a greenhouse; and has made many improvements to the outside facilities at all of the school centers; and

WHEREAS, Lynn Dawson's passion for excellence for the children of Logan County caused him to attend many meetings at the local, regional, and state level that were in addition to his duties as a member of the Board of Education; and

WHEREAS, Lynn Dawson served as Chair of the regional Kentucky School Board Association from 1997 until 1999, and during that same time period he was appointed to the Commissioner's Advisory Council;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet is directed to name the bridge located on Kentucky Route 775 over Whipperwill Creek in Logan County "The Lynn Dawson Bridge."

Section 2. The Transportation Cabinet shall, within thirty (30) days of the effective date of this Resolution, erect signs at each approach to the bridge located on Kentucky Route 775 over Whipperwill Creek in Logan County that read "The Lynn Dawson Bridge."

Approved March 28, 2002

CHAPTER 117**(SB 133)**

AN ACT relating to the collection of delinquent child support obligations by the Revenue Cabinet.

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

Section 1. KRS 131.130 is amended to read as follows:

Without limitation of other duties assigned to it by law, the following powers and duties are vested in the Revenue Cabinet:

- (1) The cabinet may make administrative regulations, and direct proceedings and actions, for the administration and enforcement of all tax laws of this state.
- (2) The cabinet, by representatives appointed by it in writing, may take testimony or depositions, and may examine the records, documents, files, and equipment of any taxpayer or of any person whose records, documents, or equipment will furnish knowledge concerning the tax liability of any taxpayer, when it deems this reasonably necessary for purposes incident to the performance of its functions. The cabinet may enforce this right by application to the Circuit Court in the county wherein the person is domiciled or has his principal office, or by application to the Franklin Circuit Court, which courts may compel compliance with the orders of the cabinet.
- (3) The cabinet shall prescribe the style, and determine and enforce the use or manner of keeping, of all assessment and tax forms and records employed by state and county officials, and may prescribe forms necessary for the administration of any revenue law by the promulgation of an administrative regulation pursuant to KRS Chapter 13A incorporating the forms by reference.
- (4) The cabinet shall advise on all questions respecting the construction of state revenue laws and the application thereof to various classes of taxpayers and property.
- (5) Attorneys employed by the cabinet and approved by the Attorney General as provided in KRS 15.020 may prosecute all violations of the criminal and penal laws relating to revenue and taxation. If a Revenue Cabinet attorney undertakes any of the actions prescribed in this subsection, he shall be authorized to exercise all powers and perform all duties in respect to the criminal actions or proceedings which the prosecuting attorney would otherwise perform or exercise, including, but not limited to, the authority to sign, file, and present any and all complaints, affidavits, information, presentments, accusations, indictments, subpoenas, and processes of any kind, and to appear before all grand juries, courts, or tribunals.
- (6) In the event of the incapacity of attorneys employed by the cabinet or at the request of the secretary of the Revenue Cabinet, the Attorney General or his designee shall prosecute all violations of the criminal and penal laws relating to revenue and taxation. If the Attorney General undertakes any of the actions prescribed in this subsection, he shall be authorized to exercise all powers and perform all duties in respect to the criminal actions or proceedings which the prosecuting attorney would otherwise perform or exercise, including, but not limited to, the authority to sign, file, and present any and all complaints, affidavits, information, presentments, accusations, indictments, subpoenas, and processes of any kind, and to appear before all grand juries, courts, or tribunals.
- (7) The cabinet may require the Commonwealth's attorneys and county attorneys to prosecute actions and proceedings and perform other services incident to the enforcement of laws assigned to the cabinet for administration.
- (8) The cabinet may conduct research in the fields of taxation, finance, and local government administration, and publish its findings, as the secretary may deem wise.
- (9) The cabinet may make administrative regulations necessary to establish a system of taxpayer identifying numbers for the purpose of securing proper identification of taxpayers subject to any tax laws or other revenue measure of this state, and may require such taxpayer to place on any return, report, statement, or other document required to be filed, any number assigned pursuant to such administrative regulations.
- (10) The cabinet may, when it is in the best interest of the Commonwealth and helpful to the efficient and effective enforcement, administration, or collection of sales and use tax, motor fuels tax, or the petroleum environmental

assurance fee, enter into agreements with out-of-state retailers or other persons for the collection and remittance of sales and use tax, the motor fuels tax, or the petroleum environmental assurance fee.

- (11) *The cabinet may enter into annual memoranda of agreement with the Cabinet for Families and Children to assume the collection duties for support obligations and may renew that agreement for up to five (5) years. Under such an agreement, the cabinet shall have all the powers, rights, duties, and authority with respect to the collection, refund, and administration of support obligations as provided under:*
- (a) *KRS Chapters 131, 134, and 135 for the collection, refund, and administration of delinquent taxes; and*
 - (b) *KRS Chapters 205 and 405 for the collection, refund, and administration of support obligations by the Cabinet for Families and Children.*

Approved March 28, 2002

CHAPTER 118

(HB 556)

AN ACT providing for the establishment and management of a state park.

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 General Assembly recognizes that the ridge top of Pine Mountain is a unique area desirable for the creation of a trail. Therefore, it is hereby declared that in order to afford the citizens of the Commonwealth an opportunity to enjoy this natural area, to attract out-of-state visitors, to ensure the well-being of our tourism industry, to preserve for future generations the beauty of certain areas untrammelled by man, to provide for the ever-increasing outdoor recreation needs of an expanding population, and to promote the preservation of, public access to, travel within, and enjoyment and appreciation of the outdoor areas and historic resources of the Commonwealth, there is hereby established a certain defined area in the southeastern part of the Commonwealth for ultimate designation as the Pine Mountain Trail State Park, with land in the defined area owned or leased by the Commonwealth or on which the Commonwealth has obtained an easement comprising the initial state park.*
- (2) *It is the intent of Sections 1 to 12 of this Act to assure preservation of the scenic, ecological, and other values within the boundaries of the trail and to provide proper management of the recreational, wildlife, water, and other resources within those boundaries. It is further the intent of Sections 1 to 12 of this Act to impose reasonable policies governing the use of land within the authorized boundaries of the trail, except for the restrictions set forth in Sections 1 to 12 of this Act, for the general welfare of the people of the Commonwealth and, where necessary, to enable the Commonwealth or any of its agencies to acquire fee title or lesser interests in land within the boundaries of the trail, in order to maintain the public trust in this unique area.*
- (3) *The General Assembly recognizes the valuable contributions that volunteers and private, nonprofit groups have made to the development and maintenance of trails throughout the Commonwealth. In recognition of these contributions, it is further the purpose of Sections 1 to 12 of this Act to encourage and assist volunteer citizen and nonprofit group involvement in the planning, development, maintenance, and management, where appropriate, of the trail.*
- (4) *The General Assembly recognizes that the establishment of Pine Mountain Trail State Park is not intended to create a one hundred twenty (120) mile linear barrier around southeastern Kentucky. The General Assembly further recognizes that to ensure the continued economic development of the area, provisions shall be made for means of ingress and egress for owners of property and those with property rights affected by the creation of the trail, and for new road construction, utility facilities, and pipelines that may cross the trail.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 12 of this Act, unless the context otherwise requires:

- (1) *"Department" means the Kentucky Department of Parks within the Tourism Development Cabinet;*

- (2) *"Person" means an individual, trust, firm, estate, joint stock company, corporation, nonprofit corporation, government corporation, limited liability company, partnership, association, organization, government unit or agency whether federal, state, city, commission, or other political subdivision of the Commonwealth, any interstate body, group of persons acting in concert, or other legal entity;*
- (3) *"Secretary" means the secretary of the Tourism Development Cabinet of the Commonwealth of Kentucky; and*
- (4) *"Trail" means the Pine Mountain Trail State Park, as established in Section 1 of this Act.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *There is hereby designated a linear state park, the boundaries of which shall be determined by the department in accordance with this section known as the Pine Mountain Trail State Park, a trail of approximately one hundred twenty (120) miles in length, located exclusively within the boundaries of Kentucky beginning along the border of Kentucky and Virginia at or near Breaks Interstate Park, and extending generally south-southwest along the crest of Pine Mountain to the vicinity of Pine Mountain State Resort Park and continuing south to the Cumberland Gap National Park on the vicinity thereof. Insofar as practicable, the boundaries of the trail from the Breaks Interstate Park to Bad Branch State Nature Preserve shall be a one thousand (1,000) foot corridor, the center of which shall be the crest of Pine Mountain, to the extent that the corridor does not encroach upon the territory of the Commonwealth of Virginia. Insofar as practicable, the boundaries of the trail from the Bad Branch State Nature Preserve to the Pine Mountain State Resort Park shall be a corridor one hundred (100) to two hundred fifty (250) feet along the level top of Pine Mountain. The route of the trail from Pine Mountain State Resort Park to Cumberland Gap National Park shall be a corridor no wider than two hundred fifty (250) feet to be determined by the department. Notwithstanding these boundary limitations, the department may through negotiations with the land owner acquire additional land outside the boundary limitations. The trail shall be depicted on the "Pine Mountain Trail Map," which shall be on file and available for public inspection in the office of the commissioner of the department. The trail map shall delineate those portions of the trail that are owned or leased by the Commonwealth or on which the Commonwealth has obtained an easement and shall be updated periodically solely for the purpose of reflecting additions to those specific areas.*
- (2) *The department may designate connecting or side paths which shall provide additional points of public access to the trail or access to points of interest, and which shall be of the same scenic nature as the trail, except that connecting or side paths shall not be acquired through eminent domain.*
- (3) *Because of its extended length, the department may supplement the trail by support facilities located on certain designated parts of the trail or outside the trail. These support facilities may include, as the department deems necessary and feasible, primitive shelters, fireplaces, safe water supplies, and other related public-use facilities that shall meet department standards. No open wood fires shall be permitted on the trail except in areas with support facilities specifically designated for that purpose.*
- (4) *The trail shall be a state scenic trail, so chosen because of its unique location. It shall be limited to foot use and other nonmotorized uses as permitted on segments where deemed appropriate by the department, and as set forth in Section 5 of this Act.*
- (5) *The department shall, no later than June 30, 2003, determine the boundaries of the trail. In determining the boundaries of the trail the department shall not encroach upon any privately owned dwelling, or areas designated for residential structures and their surrounding properties, but shall route the trail around a privately owned dwelling or areas designated for a residential structure.*
- (6) *The department shall not acquire through eminent domain any cemetery or its surrounding property which is designated as a cemetery or burial ground on the effective date of this Act.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *The power of eminent domain may only be exercised to acquire land in fee within the boundaries of the trail, except that the power of eminent domain shall not be exercised to acquire any privately owned dwelling, areas designated for residential structures and their surrounding properties, or property owned or leased, including adjacent or contiguous tracts of land leased or owned or which may be acquired, for the purposes of operating an oil or gas well, surface or underground coal mine operation, or surface or*

underground mineral quarrying operation, if the person holds a state permit or license issued by the Department of Surface Mining Reclamation and Enforcement or the Department of Mines and Minerals.

- (2) *Within the boundaries of the trail, the department may acquire, on behalf of the Commonwealth, fee title or lesser interests in land. Acquisition of land may be by gift, by purchase with donated funds, by funds appropriated by the General Assembly, by the use of proceeds from the sale of bonds, by exchange, by assumption of property tax payments, or by other authorized means. Notwithstanding the provisions in KRS 350.085(3) and 353.610, in acquiring any interests the Commonwealth or its agencies shall waive the three hundred (300) foot restriction contained in KRS 350.085(3) and boundary restrictions for a well set forth in KRS 353.610.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *Within the boundaries of the trail, as designated by the department and once acquired:*
 - (a) *The natural vegetation shall be kept undisturbed except for any clearing required for construction of the trail, occasional vistas, or trail-use facilities described in Sections 1 to 12 of this Act, except as provided under paragraph (c) of subsection (3) of this section. Development and management of each segment of the trail shall be designed to harmonize with and complement any established multiple-use plans for that specific area in order to ensure continual maximum benefits from the land;*
 - (b) *Hunting of wild game shall be permitted only on or along areas as identified and permitted in administrative regulations as promulgated by the Department of Fish and Wildlife Resources after consultation with the Department of Parks, and as permitted under paragraph (c) of subsection (3) of this section; and*
 - (c) *The use of motorized vehicles by the general public within the boundaries of the trail shall be limited, and nothing in Sections 1 to 12 of this Act shall be construed as authorizing the use of motorized vehicles in this area, except upon existing or newly constructed public roadways within the boundaries of the trail and as provided under paragraph (c) of subsection (3) of this section.*
- (2) *The department may promulgate administrative regulations authorizing the use of motorized vehicles on areas other than public roadways, when these vehicles are required to meet emergencies where life or health is at risk, or to enable adjacent landowners to have access to their lands or mineral rights, as provided under paragraphs (a) and (c) of subsection (3) of this section.*
- (3)
 - (a) *Except as expressly authorized in Sections 1 to 12 of this Act or in the administrative regulations promulgated by the department, or as may be allowed under a change of use permit issued by the department, permissible land uses within the boundaries of the trail as designated by the department shall be as set forth in this section. Uses that lawfully existed upon the effective date of this Act may continue. After the trail boundaries are designated, new or additional uses shall be in compliance with the policy and purposes of Sections 1 to 12 of this Act and shall minimize disturbance to the trail. Above-ground blasting operations authorized under the provisions of KRS 351.315 to 351.375, except those operations conducted on sites utilizing no more than a total of ten thousand (10,000) pounds of explosives or the equivalent on the site, shall be prohibited for new or additional uses within an area of one thousand two hundred fifty (1,250) feet outward from the crest of Pine Mountain on the portion of the trail from Breaks Interstate Park to Bad Branch State Nature Preserve and within an area of five hundred (500) feet outward from the boundary of the trail on the portion of the trail from Bad Branch State Nature Preserve to Pine Mountain State Resort Park. Select cutting of timber or other resources removal may be allowed pursuant to Sections 1 to 12 of this Act and administrative regulations promulgated by the department upon the issuance of a change of use permit. Unless the property is purchased by the department, any net revenue from the cutting of timber or other resources removal shall inure to the benefit of the owner of the property or property rights from which the Commonwealth acquired the property. In promulgating administrative regulations related to Sections 1 to 12 of this Act and in developing the management plan as set forth in Section 7 of this Act, the department shall schedule public hearings in the county in which the trail lies that is affected by the administrative regulation and management plan.*
 - (b) *In the development of management plans as set forth in Section 7 of this Act, the department shall include provisions to allow for means of ingress and egress as provided in paragraph (c) of this subsection by owners of property rights affected by the creation of the trail, and for the construction of new roads, utility facilities, and pipelines that would encroach upon the trail. The department shall*

promulgate administrative regulations setting forth the procedures required to establish means of ingress and egress relating to obtaining rights-of-way, easements, and permits necessary for the construction of new roads, utility facilities, and pipelines that encroach upon the trail.

- (c) *When the Commonwealth acquires land for the trail authorized by Section 1 of this Act, regardless of whether the trail property is acquired by purchase, eminent domain, donation, or otherwise restricted, the person from whom the property is acquired or restricted or their successor in title shall have the following rights with regard to the property which has been acquired or restricted by the Commonwealth:*
 - 1. *Ingress, egress, and access to trail property for purposes specified in this section or any other provision of law;*
 - 2. *An easement to use trail property for the purpose of access to adjacent land of the same property owner or their successor, including but not limited to motorized travel;*
 - 3. *To hunt, fish, or trap on that portion of trail property formerly owned, in accordance with applicable law and administrative regulations;*
 - 4. *To gather and remove edible, medicinal, or ornamental plants and herbs from that portion of the trail property formerly owned, in accordance with applicable law and administrative regulations; and*
 - 5. *To access and maintain a cemetery and burial grounds on that portion of trail property formerly owned.*
- (d) *The rights specified in this section or other provisions of law or administrative regulation shall be included in any judgment when property or an interest therein is taken or restricted by eminent domain and shall be included in any contract for purchase, donation, or other acquisition of the property or an interest therein unless voluntarily waived in that document.*
- (6) *Any person owning property or property rights within the boundaries of the trail may apply to the department for a change of use permit. The secretary or the secretary's designee shall hold a public hearing after public notice on the application within sixty (60) days. Any person shall be allowed to present evidence as to whether the use proposed by the applicant is in accordance with the management plan developed pursuant to the provisions of Sections 1 to 12 of this Act, the administrative regulations promulgated pursuant to Sections 1 to 12 of this Act, and other applicable law.*
- (7) *The secretary shall, within sixty (60) days after a hearing, issue an order and accompanying opinion granting the permit, denying the permit, or recommending an alternative use to which the land may be put that is more consistent with the provisions of Sections 1 to 12 of this Act than the use for which the application was made. Any aggrieved party to the hearing shall have the right to petition the local circuit court in which the property lies within thirty (30) days after issuance of the secretary's order.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

A fund for the purpose of carrying out the provisions of Sections 1 to 12 of this Act is hereby created, to be designated as the Pine Mountain Trail fund, and shall consist of all revenues derived from privileges, concessions, contracts, or otherwise, and all moneys received by gifts, contributions, donations, and grants from public or private sources. This shall be a trust and agency fund account maintained and disbursed by the Tourism Development Cabinet to carry out the purposes of Sections 1 to 12 of this Act, after appropriations are made for administration and other expenses and purposes provided in Sections 1 to 12 of this Act. It shall not lapse, and interest earnings shall accrue to the fund.

SECTION 7. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *The trail shall be administered by the department according to the policies and criteria set forth in Sections 1 to 12 of this Act. Within six (6) months of the designation of the trail boundary, the department shall consider the needs of local area citizens and develop a management plan for the trail and shall publicize and hold public hearings and record the views expressed on the management plan in the county in which the trail lies that is affected by the management plan. Within twelve (12) months of development of the management plan, the department shall promulgate administrative regulations that are necessary for the preservation and enhancement of the trail and to carry out the purposes of Section 1 to 12 of this Act, and*

for control of recreational, educational, scientific, and other uses of these areas in a manner that shall not impair them.

- (2) *The department shall be responsible for maintaining the trail, building bridges, campsites, shelters, and related public-use facilities where required, to the extent funds are available therefor. The department may enter into written agreements as it relates to any of these functions to one (1) or more nonprofit entities or other persons.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

Nothing in Sections 1 to 12 of this Act shall be construed to confer upon any member of the public the right to use or enter upon private lands adjacent to the boundaries of the trail, or to confer on any member of the public the right to enter upon or use any private lands designated as part of the trail until such time as the department has delineated that area as being subject to an easement, purchase, or lease by the Commonwealth under subsection (1) of Section 3 of this Act.

SECTION 9. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

It shall be the duty of the department or, upon the secretary's request, the duty of the Attorney General to bring an action for the recovery of the penalties provided for in Section 10 of this Act, or to bring an action for a restraining order or temporary or permanent injunction to prevent or correct a condition that constitutes or threatens to constitute a violation of any of the provisions of Sections 1 to 12 of this Act. All actions for injunctive relief shall be brought in the name of the Commonwealth of Kentucky and shall be filed in the local Circuit Court in which the property lies.

SECTION 10. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *Any person, corporation, city, county, or other governmental subdivision who violates any of the provisions of Sections 1 to 12 of this Act shall be liable for a civil penalty not to exceed five hundred dollars (\$500) per day for any violation, and in addition may be enjoined from continuing the violation. Each day upon which any violation occurs or continues shall constitute a separate offense.*
- (2) *No person shall trespass on private land adjacent to or within the boundaries of the trail. Any person who:*
 - (a) *Unintentionally violates the provisions of this section shall be subject to a prepayable fine of one hundred dollars (\$100);*
 - (b) *Intentionally violates the provisions of this section shall be subject to a prepayable fine of two hundred dollars (\$200); and*
 - (c) *Continues to trespass or intentionally violates the provisions of this section and causes damage to the private property may be prosecuted under the provisions of KRS Chapter 512.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *Subject to the provisions of subsection (3)(a) of Section 5 of this Act, nothing in Sections 1 to 12 of this Act shall be construed or interpreted as affecting, in any way, the legitimate use of surface and subsurface property adjacent to or visible from the trail, whether such use was in effect upon the designation of the trail or not, including but not limited to timbering, oil and gas operations, mining, both by surface and underground mining means, or any other legitimate use of surface or mineral property adjacent to or within view of the trail.*
- (2) *Use of the lands outside of the boundary of the trail shall not be limited or restricted because the lands may be viewed from the trail. The viewshed of the trail shall be limited to the trail boundary for any land use regulation of lands outside the boundary of the trail.*
- (3) *The General Assembly finds that the boundaries for the trail prescribed in Sections 1 to 12 of this Act are adequate and sufficient to protect areas inside the trail that may contain fragile or historic lands; or which may have important historic, cultural, scientific, aesthetic values and natural systems; or that may be renewable resource lands which have importance in terms of long-range productivity of water supply, food, or fiber products; or which could be considered natural hazard lands, including lands subject to frequent flooding, areas of unstable geology, or areas in which the health, safety, or welfare of people, property, or the environment is threatened due to surface coal mining or similar activities conducted outside of the trail boundaries.*

SECTION 12. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 12 of this Act may be cited as the Pine Mountain Trail Act.

Approved March 30, 2002

CHAPTER 119

(HB 428)

AN ACT relating to crimes and punishments.

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

Section 1. KRS 508.130 is amended to read as follows:

As used in KRS 508.130 to 508.150, unless the context requires otherwise:

- (1) (a) To "stalk" means to engage in an intentional course of conduct:
 1. Directed at a specific person or persons;
 2. Which seriously alarms, annoys, intimidates, or harasses the person or persons; and
 3. Which serves no legitimate purpose.
- (b) The course of conduct shall be that which would cause a reasonable person to suffer substantial mental distress.
- (2) "Course of conduct" means a pattern of conduct composed of two (2) or more acts, evidencing a continuity of purpose. Constitutionally protected activity is not included within the meaning of "course of conduct." If the defendant claims that he was engaged in constitutionally protected activity, the court shall determine the validity of that claim as a matter of law and, if found valid, shall exclude that activity from evidence.
- (3) "Protective order" means:
 - (a) An emergency protective order or domestic violence order issued under KRS 403.715 to 403.785;
 - (b) A foreign protective order, as defined in KRS 403.7521(1);
 - (c) An order issued under KRS 431.064;~~and~~
 - (d) ***A restraining order issued in accordance with Section 2 of this Act; and***
 - (e) Any condition of a bond, conditional release, probation, parole, or pretrial diversion order designed to protect the victim from the offender.

SECTION 2. A NEW SECTION OF KRS CHAPTER 508 IS CREATED TO READ AS FOLLOWS:

- (1) ***A verdict of guilty or a plea of guilty to KRS 508.140 or 508.150 shall operate as an application for a restraining order limiting the contact of the defendant and the victim who was stalked, unless the victim requests otherwise.***
- (2) ***The court shall give the defendant notice of his or her right to request a hearing on the application for a restraining order. If the defendant waives his or her right to a hearing on this matter, then the court may issue the restraining order without a hearing.***
- (3) ***If the defendant requests a hearing, it shall be held at the time of the verdict or plea of guilty, unless the victim or defendant requests otherwise. The hearing shall be held in the court where the verdict or plea of guilty was entered.***
- (4) ***A restraining order may grant the following specific relief:***
 - (a) ***An order restraining the defendant from entering the residence, property, school, or place of employment of the victim; or***
 - (b) ***An order restraining the defendant from making contact with the victim, including an order forbidding the defendant from personally, or through an agent, initiating any communication likely to cause serious alarm, annoyance, intimidation, or harassment including, but not limited to, personal, written, telephonic, or any other form of written or electronic communication or contact***

with the victim. An order issued pursuant to this subsection relating to a school, place of business, or similar nonresidential location shall be sufficiently limited to protect the stalking victim but shall also protect the defendant's right to employment, education, or the right to do legitimate business with the employer of a stalking victim as long as the defendant does not have contact with the stalking victim. The provisions of this subsection shall not apply to a contact by an attorney regarding a legal matter.

- (5) *A restraining order issued pursuant to this section shall be valid for a period of not more than ten (10) years, the specific duration of which shall be determined by the court. Any restraining order shall be based upon the seriousness of the facts before the court, the probability of future violations, and the safety of the victim, his or her immediate family, or both.*
- (6) *Unless the defendant has been convicted of a felony, or is otherwise ineligible to purchase or possess a firearm under federal law, a restraining order issued pursuant to this section shall not operate as a ban on the purchase or possession of firearms or ammunition by the defendant.*
- (7) *The restraining order shall be issued on a form prescribed by the Administrative Office of the Courts and may be lifted upon application of the stalking victim to the court which granted the order.*
- (8) *Within twenty-four (24) hours of entry of a restraining order or entry of an order rescinding a restraining order, the circuit clerk shall forward a copy of the order to the Law Information Network of Kentucky (LINK).*
- (9) *A restraining order issued under this section shall be enforced in any county of the Commonwealth. Law enforcement officers acting in good faith in enforcing a restraining order shall be immune from criminal and civil liability.*
- (10) *A violation by the defendant of an order issued pursuant to this section shall be a Class A misdemeanor. Nothing in this section shall preclude the filing of a criminal complaint for stalking based on the same act which is the basis for the violation of the restraining order.*

Section 3. KRS 431.005 is amended to read as follows:

- (1) A peace officer may make an arrest:
 - (a) In obedience to a warrant; or
 - (b) Without a warrant when a felony is committed in his presence; or
 - (c) Without a warrant when he has probable cause to believe that the person being arrested has committed a felony; or
 - (d) Without a warrant when a misdemeanor, as defined in KRS 431.060, has been committed in his presence; or
 - (e) Without a warrant when a violation of KRS 189.290, 189.393, 189.520, 189.580, 511.080, or 525.070 has been committed in his presence, except that a violation of KRS 189A.010 or KRS 281A.210 need not be committed in his presence in order to make an arrest without a warrant if the officer has probable cause to believe that the person has violated KRS 189A.010 or KRS 281A.210.
- (2)
 - (a) Any peace officer may arrest a person without warrant when the peace officer has probable cause to believe that the person has intentionally or wantonly caused physical injury to a family member or member of an unmarried couple.
 - (b) For the purposes of this subsection, the term "family member" means a spouse, including a former spouse, a parent, a grandparent, a child, a stepchild, or any other person related by consanguinity or affinity within the second degree.
 - (c) For the purpose of this subsection, the term "member of an unmarried couple" means each member of an unmarried couple which allegedly has a child in common, any children of that couple, or a member of an unmarried couple who are living together or have formerly lived together.
- (3) For purposes of subsection (2) of this section, a "peace officer" is:
 - (a) A full-time sworn officer of the Kentucky State Police, a full-time sworn officer of the Kentucky Horse Park, a commissioned full-time state park ranger, a full-time officer of the Division of Law Enforcement within the Department of Fish and Wildlife Resources who is exercising authority under KRS Chapter 235, a full-time city policeman, a full-time county policeman, a full-time university safety and security

officer appointed pursuant to KRS 164.950 to 164.970, a full-time city-county policeman, a duly elected sheriff, or a full-time paid deputy sheriff; or

- (b) A part-time paid law enforcement officer, or a special paid deputy, who has completed a Kentucky law enforcement council approved education and training program referred to in KRS 403.784.
 - (c) The provisions of this section relating to training shall not apply to a deputy sheriff who is subject to the training requirements specified in KRS 70.263(3).
- (4) If a law enforcement officer has probable cause to believe that a person has violated a condition of release imposed in accordance with KRS 431.064 and verifies that the alleged violator has notice of the conditions, the officer shall, without a warrant, arrest the alleged violator whether the violation was committed in or outside the presence of the officer.
 - (5) A private person may make an arrest when a felony has been committed in fact and he has probable cause to believe that the person being arrested has committed it.
 - (6) ***If a law enforcement officer has probable cause to believe that a person has violated a restraining order issued under Section 2 of this Act, then the officer shall, without a warrant, arrest the alleged violator whether the violation was committed in or outside the presence of the officer.***

Approved April 1, 2002

CHAPTER 120

(SB 26)

AN ACT relating to crimes and punishments.

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

Section 1. KRS 509.040 is amended to read as follows:

- (1) A person is guilty of kidnapping when he unlawfully restrains another person and when his intent is:
 - (a) To hold him for ransom or reward; or
 - (b) To accomplish or to advance the commission of a felony; or
 - (c) To inflict bodily injury or to terrorize the victim or another; or
 - (d) To interfere with the performance of a governmental or political function; or
 - (e) To use him as a shield or hostage; ***or***
 - (f) ***To deprive the parents or guardian of the custody of a minor, when the person taking the minor is not a person exercising custodial control or supervision of the minor as the term "person exercising custodial control or supervision" is defined in KRS 600.020.***
- (2) Kidnapping is a Class B felony when the victim is released alive and in a safe place prior to trial, except as provided in this section. Kidnapping is a Class A felony when the victim is released alive but the victim has suffered serious physical injury during the kidnapping, or as a result of not being released in a safe place, or as a result of being released in any circumstances which are intended, known or should have been known to cause or lead to serious physical injury. Kidnapping is a capital offense when the victim is not released alive or when the victim is released alive but subsequently dies as a result of:
 - (a) Serious physical injuries suffered during the kidnapping; or
 - (b) Not being released in a safe place; or
 - (c) Being released in any circumstances which are intended, known or should have been known to cause or lead to the victim's death.

Section 2. KRS 439.3401 is amended to read as follows:

- (1) As used in this section, "violent offender" means any person who has been convicted of or pled guilty to the commission of a capital offense, Class A felony, or Class B felony involving the death of the victim or serious

physical injury to a victim, or rape in the first degree or sodomy in the first degree of the victim, ***burglary in the first degree accompanied by the commission or attempted commission of a felony sexual offense in KRS Chapter 510, burglary in the first degree accompanied by the commission or attempted commission of an assault described in KRS 508.010, 508.020, 508.032, or 508.060, burglary in the first degree accompanied by commission or attempted commission of kidnapping as prohibited by KRS 509.040, or robbery in the first degree.*** The court shall designate in its judgment if the victim suffered death or serious physical injury.

- (2) A violent offender who has been convicted of a capital offense and who has received a life sentence (and has not been sentenced to twenty-five (25) years without parole or imprisonment for life without benefit of probation or parole), or a Class A felony and receives a life sentence, or to death and his sentence is commuted to a life sentence shall not be released on probation or parole until he has served at least twenty (20) years in the penitentiary. Violent offenders may have a greater minimum parole eligibility date than other offenders who receive longer sentences, including a sentence of life imprisonment.
- (3) A violent offender who has been convicted of a capital offense or Class A felony with a sentence of a term of years or Class B felony who is a violent offender shall not be released on probation or parole until he has served at least eighty-five percent (85%) of the sentence imposed.
- (4) A violent offender may not be awarded any credit on his sentence authorized by KRS 197.045(1), except the educational credit. A violent offender may, at the discretion of the commissioner, receive credit on his sentence authorized by KRS 197.045(3). In no event shall a violent offender be given credit on his sentence if the credit reduces the term of imprisonment to less than eighty-five percent (85%) of the sentence.
- (5) This section shall not apply to a person who has been determined by a court to have been a victim of domestic violence or abuse pursuant to KRS 533.060 with regard to the offenses involving the death of the victim or serious physical injury to the victim. The provisions of this subsection shall not extend to rape in the first degree or sodomy in the first degree by the defendant.
- (6) This section shall apply only to those persons who commit offenses after July 15, 1998.
- (7) For offenses committed prior to July 15, 1998, the version of this statute in effect immediately prior to that date shall continue to apply.
- (8) ***The provisions of subsection (1) of this section extending the definition of "violent offender" to persons convicted of or pleading guilty to robbery in the first degree shall apply only to persons whose crime was committed after the effective date of this Act.***

Approved April 1, 2002

CHAPTER 121

(HB 45)

AN ACT relating to eligibility for high school diplomas.

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

Section 1. KRS 158.140 is amended to read as follows:

- (1) When a pupil in any public elementary school or any approved private or parochial school completes the prescribed elementary program of studies, he is entitled to a certificate of completion signed by the teacher or teachers under whom the program was completed. The certificate shall entitle the pupil to admission into any public high school. Any promotions or credits earned in attendance in any approved public school are valid in any other public school to which a pupil may go, but the superintendent or principal of a school, as the case may be, may assign the pupil to the class or grade to which the pupil is best suited. In case a pupil transfers from the school of one (1) district to the school of another district, an assignment to a lower grade or course shall not be made until the pupil has demonstrated that he is not suited for the work in the grade or course to which he has been promoted.
- (2) Upon successful completion of all state and local board requirements, the student shall receive a diploma indicating graduation from high school.
- (3) A local school board may award a diploma indicating graduation from high school to any student posthumously with the high school class the student was expected to graduate.

- (4) *A local board of education shall award a high school diploma to an honorably discharged veteran who was enrolled in, but did not complete, high school prior to being inducted into the United States Armed Forces during World War II as defined in KRS 40.010. Upon recommendation of the commissioner, the Kentucky Board of Education in consultation with the Kentucky Department of Veterans' Affairs shall promulgate administrative regulations to establish the guidelines for awarding these diplomas.*
- (5) The Department of Education shall establish the requirements for a vocational certificate of completion. A student who has returned to school after dropping out shall receive counseling concerning the vocational program. A student who has completed the requirements established for a vocational program shall receive a vocational certificate of completion specifying the areas of competence.

Approved April 2, 2002

CHAPTER 122

(HB 589)

AN ACT relating to state employees.

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

Section 1. KRS 18A.005 is amended to read as follows:

As used in this chapter, unless the context indicates otherwise:

- (1) "Appointing authority" means the agency head or any person whom he has authorized by law to designate to act on behalf of the agency with respect to employee appointments, position establishments, payroll documents, register requests, waiver requests, requests for certification, or other position actions. Such designation shall be in writing and signed by both the agency head and his designee. Prior to the exercise of appointing authority, such designation shall be filed with the secretary;
- (2) "Base salary or wages" means the compensation to which an employee is entitled under the salary schedules adopted pursuant to the provisions of KRS 18A.030 and 18A.110. Base salary or wages shall be adjusted as provided under the provisions of KRS 18A.355 and 48.130;
- (3) "Board" means the Personnel Board created by KRS 18A.045;
- (4) "Career employee" shall mean a state employee with sixteen (16) or more years of permanent full-time state service, or the part-time employment equivalent of at least sixteen (16) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof;
- (5) "Certification" means the referral of the name of one (1) or more qualified prospective employees by the secretary on request of an appointing officer for consideration in filling a position in the classified service;
- (6) "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be applied to each position in the group;
- (7) "Classified employee" means an employee appointed to a position in the classified service whose appointment and continued employment are subject to the classified service provisions of this chapter;
- (8) "Classified position" means a position in the executive branch of state government that is not exempt from the classified service under KRS Chapter 16, KRS 18A.115, KRS Chapter 151B, or any other provision of law;
- (9) "Classified service" includes all the employment subject to the terms of this chapter except for those positions expressly cited in KRS 18A.115; a "classified position" is a position in the classified service;
- (10) "Secretary" means the secretary of the Personnel Cabinet as provided for in KRS 18A.015;
- (11) "Demotion" means a change in the rank of an employee from a position in one (1) class to a position in another class having a lower minimum salary range or less discretion or responsibility;
- (12) "Cabinet" means the Personnel Cabinet provided for in KRS 18A.015, unless the context indicates otherwise;

- (13) "Eligible" refers to a person who has made a passing score on any examination required under KRS 18A.010 to 18A.200 and who has qualified to be placed on a register;
- (14) "Employee" means a person regularly appointed to a position in the state service for which he is compensated on a full-time, part-time, or interim basis;
- (15) "Full-time employee" means an employee in a full-time position;
- (16) "Full-time position" means a position, other than an interim position, requiring an employee to work at least thirty-seven and one-half (37.5) hours in a work week, except for the following:
 - (a) Positions in the state parks, where the work assigned is dependent upon fluctuations in tourism, may be assigned work hours from twenty-five (25) hours per week during the off seasons and remain in full-time positions; and
 - (b) Positions in health care facilities, which regularly involve three (3) consecutive days of twelve (12) hour shifts to cover weekends, shall be considered full-time;
- (17) "Initial probation" means the period of service following initial appointment to any position under KRS 18A.010 to 18A.200 which requires special observation and evaluation of an employee's work and which must be passed successfully before status may be conferred as provided in KRS 18A.110 and by the provisions of this chapter. If the appointee is granted leave in excess of twenty (20) consecutive work days during this period, his initial probation shall be extended for the same length of time as the granted leave to cover such absence~~[-. "Initial probation" does not include a probationary period served by a laid-off employee who accepts a bona fide written offer of appointment];~~
- (18) "Interim employee" means an unclassified employee without status who has been appointed to an interim position that shall be less than nine (9) months duration;
- (19) "Interim position" means a position established to address a one time or recurring need of less than nine (9) months duration and exempt from the classified service under KRS 18A.115;
- (20) "Part-time employee" means an employee in a part-time position;
- (21) "Part-time position" means a position, other than an interim position, requiring an employee to work less than one hundred (100) hours per month;
- (22) "Penalization" shall include, but not be limited to, demotion, dismissal, suspension, fines and other disciplinary actions, involuntary transfers; salary adjustments; any action that diminishes the level, rank, discretion, or responsibility of an employee without proper cause, including a reclassification or reallocation; and the abridgement or denial of other rights granted to state employees;
- (23) "Position" means an office or employment in an agency (whether part-time, full-time, or interim, occupied, or vacant) involving duties requiring the services of one (1) person;
- (24) "Promotion" means a change of rank of an employee from a position in one (1) class to a position in another class having a higher minimum salary or carrying a greater scope of discretion or responsibility;
- (25) "Promotional probation" means the period of service, consistent with the length of the initial probationary period, following the promotion of an employee with status which must be successfully completed in order for the employee to retain the position to which he has been promoted. If the employee is granted leave in excess of twenty (20) consecutive work days during this period, his promotional probation shall be extended for the same length of time as the granted leave to cover such absence;
- (26) "Reallocation" means the correction of the classification of an existing position by placement of the position into the classification that is appropriate for the duties the employee has been and shall continue to perform;
- (27) "Reclassification" shall mean the change in the classification of an employee when a material and permanent change in the duties or responsibilities of that employee occurs;
- (28) "Reemployment" shall mean the rehiring of an employee with status who has been laid off;
- (29) "Reemployment register" means the separate list of names of persons who have been separated from state service by reason of layoff. Reemployment registers shall be used as provided by the provisions of KRS 18A.110, 18A.130, and 18A.135;

- (30) "Register" means any official list of eligibles for a particular class and, except as provided in this chapter, placed in rank order according to the examination scores maintained for use in making original appointments or promotions to positions in the classified service;
- (31) "Reinstatement" shall mean the restoration of an employee who has resigned in good standing, or who has been ordered reinstated by the board or a court to a position in his former class, or to a position of like status and pay;
- (32) "Reversion" means either the returning of a status employee to his or her last position held in the classified service, if vacant, or the returning of a status employee to a vacant position in the same or similar job classification as his or her last position held in the classified service. Reversion occurs after a career employee is terminated other than for cause from the unclassified service or after a status employee fails to successfully complete promotional probation. Reversion after unsuccessful completion of promotional probation, or in the case of a career employee after termination from the unclassified service, may only be appealed to the Personnel Board under KRS 18A.095(13);
- (33) "Seniority" means the total number of months of state service;
- (34) "Status" means the acquisition of tenure with all rights and privileges granted by the provisions of this chapter after satisfactory completion of the initial probationary period by an employee in the classified service;
- (35) "Transfer" means a movement of any employee from one (1) position to another of the same grade having the same salary ranges, the same level of responsibility within the classified service, and the same salary received immediately prior to transfer.

Section 2. KRS 18A.025 is amended to read as follows:

- (1) The Governor shall appoint the secretary of personnel as provided in KRS 18A.015, who shall be considered an employee of the state. He shall be a graduate of an accredited college or university and have at least five (5) years' experience in personnel administration or in related fields, have known sympathies with the merit principle in government and shall be dedicated to the preservation of this principle. Additional education may be substituted for the required experience and additional experience may be substituted for the required education.
- (2) The secretary of the Personnel Cabinet or his designee, shall be responsible for the coordination of the state's affirmative action plan, established by KRS 18A.138.
- (3) There is established within the Personnel Cabinet the following offices and departments, each of which shall be headed by a commissioner appointed by the secretary, subject to the prior approval of the Governor, pursuant to KRS 12.050, except that the Kentucky Employees Deferred Compensation Authority shall be headed by an executive director who shall be appointed by the authority's board of directors:
 - (a) Office of the Secretary, composed of the:
 - 1. Office of Administrative and Legal Services, which shall:
 - a. Provide all administrative information systems management~~[-, and legal services]~~ to the Cabinet;~~[-and]~~
 - b. ***Provide legal services to the cabinet and to executive branch agencies and their representatives, upon request; and***
 - c. Coordinate the state's affirmative action plan established in KRS 18A.138; and
 - 2. Kentucky Public Employees Deferred Compensation Authority which shall be attached to the Office of the secretary for administrative purposes only. The authority shall be governed by a board of trustees composed of seven (7) members including the secretary of Finance and Administration, ex officio; the secretary of Personnel, ex officio; the state controller, ex officio; and four (4) at large members appointed by the Governor, one (1) of whom shall have at least five (5) years of investment or banking experience and one (1) of whom shall represent a nonstate employer. The authority shall be headed by an executive director who shall be appointed by the board of directors of the authority without the limitations imposed by KRS 12.040 and KRS Chapter 18A;
 - (b) Department for Personnel Administration, composed of the:
 - Legislative Research Commission PDF Version

1. Division of Performance Management, which shall coordinate and implement the employee performance evaluation systems throughout state government;
 2. Division of Employee Records, which shall:
 - a. Maintain the central personnel files mandated by KRS 18A.020;
 - b. Process personnel documents and position actions;
 - c. Operate and maintain a uniform payroll system;
 - d. Implement lay-off plans mandated by KRS 18A.113 to KRS 18A.1132;
 - e. Certify payrolls as required by KRS 18A.125; and
 - f. Monitor and assist state agencies in complying with the provisions of the Federal Fair Labor Standards Act (FLSA);
 3. Division of Staffing Services, which shall:
 - a. Operate a centralized applicant and employee counseling program;
 - b. Operate the examination program for State employment;
 - c. Prepare registers of candidate employment;
 - d. Coordinate outreach programs, such as recruitment and the Administrative Intern Program; and
 - e. Construct merit examinations; and
 4. Division of Classification and Compensation, which shall:
 - a. Maintain plans of classification and compensation for the State Service; and
 - b. Review and evaluate the plans;
- (c) Department for Employee Relations, composed of the:
1. Division of Employee Benefits, which shall be responsible for administering and assisting state employees with the following benefits and programs:
 - a. Workers' Compensation (KRS 18A.375);
 - b. Life Insurance (KRS 18A.205 to KRS 18A.220);
 - c. Sick leave Sharing Program (KRS 18A.197);
 - d. Annual Leave Sharing Program;
 - e. Health and Safety Programs (OSHA); and
 - f. Assessment and referral services provided to state employees;
 2. Division of Communications and Recognition, which shall:
 - a. Communicate with state employees about personnel issues and other relevant issues through publications;
 - b. Administer the employee incentive programs established by KRS 18A.202; and
 - c. Provide dispute resolution assistance to state employees and agencies; and
- (d) Office of Public Employee Health Insurance, which shall be composed of the:
1. Health Insurance Program (KRS 18A.225); and
 2. Flexible Benefit Plan (KRS 18A.227).
- (4) The cabinet shall include principal assistants appointed by the secretary, pursuant to KRS 12.050, as necessary for the development and implementation of policy. The secretary may employ, pursuant to the provisions of this chapter, personnel necessary to execute the functions and duties of the department.

Section 3. KRS 18A.111 is amended to read as follows:

- (1) Except when appointed to a job classification with an initial probationary period in excess of six (6) months, and except as provided in KRS 18A.005, an employee shall serve a six (6) months probationary period when he is initially appointed to the classified service. An employee may be separated from his position, reduced in class or rank, or replaced on the eligible list during this initial probationary period and shall not have a right to appeal, except as provided by KRS 18A.095. ~~[- If the employee is separated from his position, he shall be notified in writing at least ten (10) working days prior to separation. A copy of the notification shall be forwarded to the secretary.]~~ The employee ~~may~~ **shall** be placed on an eligible list but shall not be certified to the agency from which he was separated unless that agency so requests. Unless the appointing authority notifies the employee prior to the end of the initial probationary period that he is separated, the employee shall be deemed to have served satisfactorily and shall acquire status in the classified service.
- (2) An employee who satisfactorily completes the initial probationary period for the position to which he was initially appointed to the classified service shall be granted status and may not be demoted, disciplined, dismissed, or otherwise penalized, except as provided by the provisions of this chapter.
- (3) An employee ordered reinstated by the board shall not be required to serve a probationary period unless the board rules otherwise ~~[- as provided in KRS 18A.095]~~.
- (4) An employee with status, who has been promoted, shall serve a promotional probationary period of six (6) months, except for those employees granted leave in excess of twenty (20) consecutive work days during this period. Such probationary periods shall be extended as prescribed in KRS 18A.005. During this period, he shall retain the rights and privileges granted by the provisions of this chapter to status employees.
- (5) An employee with status may request that he be reverted to a position in his former class at any time during the promotional probationary period.
- (6) A laid-off employee who accepts a bona fide written offer of appointment to a position shall not be required to serve an initial probationary period. ~~[- Such an employee shall serve a promotional probationary period.]~~ He shall be an employee with status and shall have all rights and privileges granted employees with status under the provisions of this chapter.

Approved April 2, 2002

CHAPTER 123

(HB 648)

AN ACT relating to state personnel.

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

Section 1. KRS 18A.0551 is amended to read as follows:

- (1) (a) Elections to the board shall be scheduled every four (4) years on or before July 1. The ~~board~~ **cabinet** shall provide written notification of the date of the election to all classified employees on or before May 1; and
 - (b) Upon receipt of the notification provided for by paragraph (a) of this subsection, an employee wishing to serve on the board shall notify the ~~board~~ **cabinet**, in writing, no later than June 1. This notification shall be notarized and shall include the candidate's name, address, Social Security number, job classification, and length of state employment. It shall also include the name and address of his current employer.
- (2) On the last working day of May, the cabinet shall certify a payroll **listing to the board** that is current on such day and that contains the name, Social Security number, and home address of every classified employee.
- (3) At least fifteen (15) working days prior to the election provided for in subsection (1) of this section, the ~~board~~ **cabinet** shall mail to each classified employee whose name appeared on the payroll **listing** certified by the ~~cabinet~~ **department** at his home address:
 - (a) A list of candidates for election to the board, in alphabetical order, with a brief biography following the name of each candidate;

- (b) Instructions for voting;
 - (c) A ballot listing the names of all candidates for election to the board in alphabetical order and providing a blank space next to each name; and
 - (d) Two (2) envelopes for returning the ballot. Prior to mailing the envelopes to a state employee, one (1) envelope shall be addressed by the **board**~~[cabinet]~~ to the impartial third party selected by the **board**~~[cabinet]~~ to receive, validate, and tabulate the ballots at a post office box rented by the **board**~~[cabinet]~~ for the election. The upper left corner of the preaddressed or outer envelope shall contain a sufficient number of blank lines and spaces to permit an employee to print his name and address. The upper left corner of the second or inner envelope shall contain a sufficient number of blank lines and spaces to permit an employee to print his name, address, Social Security number, the date, and to affix his signature.
- (4) Upon receipt of his ballot, a classified employee wishing to participate in the election provided for in subsection (1) of this section shall:
- (a) Vote for no more than two (2) candidates;
 - (b) Mark his ballot by placing a mark in the blank space next to the name of the candidate for whom he is casting his vote;
 - (c) Print his name and address in the upper left corner of the preaddressed or outer envelope provided by the **board**~~[cabinet]~~;
 - (d) Print his name, address, Social Security number, the date, and affix his signature in the upper left corner of the second or inner envelope provided by the **board**~~[cabinet]~~;
 - (e) Seal his ballot in the second or inner envelope; and
 - (f) Seal the second or inner envelope in the preaddressed or outer envelope, affix a stamp to it, and post it.
- (5) The **board**~~[cabinet]~~ shall:
- (a) Select an impartial third party to receive, validate, and tabulate all returned ballots as provided by this subsection and subsection (6) of this section;
 - (b) Acquire a post office box to which all ballots shall be mailed; and
 - (c) Provide the impartial third party with a computer generated list of the names and Social Security numbers of eligible voters, with the names of the eligible voters in numerical sequence as determined by their Social Security numbers. The names and Social Security numbers listed on the list shall correspond to those appearing on the payroll certified by the cabinet under subsection (2) of this section.
- (6) The impartial third party selected by the **board**~~[cabinet]~~ shall collect all ballots, unopened, from the post office box. It shall:
- (a) Examine the postmark on each envelope;
 - (b) Set aside, unopened, any preaddressed or outer envelope postmarked with a date subsequent to the deadline provided for by this section;
 - (c) Remove the second or inner envelope from the preaddressed or outer envelope;
 - (d) Verify the name and Social Security number on the second or inner envelope by comparing them to the computer generated list of names and Social Security numbers of eligible voters provided by the cabinet;
 - (e) Set aside, unopened, any second or inner envelope containing a name and Social Security number that does not match the name and Social Security number appearing next to the name on the computer generated list;
 - (f) Tabulate the ballots by electronic data entry in duplicate, provided that ballots in envelopes specified in paragraphs (b) and (e) of this subsection shall not be counted;
 - (g) Compare the total tabulated vote with the total number of eligible employees appearing on the computer generated list provided by the cabinet;

- (h) Return the ballots; envelopes, including envelopes that have not been opened; and other election material to the **board**~~[cabinet]~~; and
- (i) Certify to the **board**~~[cabinet]~~:
 - 1. That the tabulation does not include two (2) or more ballots with the same Social Security number;
 - 2. The total number of ballots received;
 - 3. The total number of ballots not included in the tabulation, and the reason each such ballot was not included in the tabulation;
 - 4. The total number of ballots included in the tabulation; and
 - 5. The total vote for each candidate.
- (7) For at least sixty (60) days after the completion of the tabulation provided for by subsection (6) of this section, the ballots, envelopes, and other election materials provided for by this section shall be public record and open to inspection, ***but the home addresses and Social Security numbers of the eligible employees and voters shall be redacted prior to public inspection or disclosure.***
- (8) The two (2) candidates receiving the greatest number of votes shall be declared the successful candidates. In the event of a tie vote, the tie shall be broken by a coin toss in the presence of the candidates receiving the tie vote.
- (9) Successful candidates shall be notified by the **board**~~[cabinet]~~ no later than five (5) working days after the election. Successful candidates shall take office immediately upon notification.
- (10) State employees shall not use state materials or equipment for any purpose related to the election of classified employees to the board, nor shall any activity related to the election of a classified employee to the board be conducted during working hours.

Section 2. KRS 18A.245 is amended to read as follows:

- (1) The authority shall be administered by a board of trustees composed of seven (7) members, who shall be as follows:
 - (a) Secretary, Finance and Administration Cabinet, ex officio;
 - (b) Secretary of personnel, ex officio;
 - (c) The state controller, ex officio; and
 - (d) Four (4) at-large members appointed by the Governor, one (1) of whom shall have at least five (5) years of investment or banking experience and one (1) of whom shall be a representative of a nonstate government employer.
- (2) The members of the board appointed by the Governor shall serve for a period of four (4) years and the ex officio members of the board shall serve only for the period of their term of office.
- (3) Any vacancy which may occur shall be filled in the same manner provided for the selection of the particular member for a full term. Vacancies shall be filled for the unexpired term only.
- (4) Membership on the board of trustees shall not be incompatible with any other office unless a constitutional incompatibility exists, and no member shall be subject to removal from office, except upon conviction of a felony, or of a misdemeanor involving moral turpitude.
- (5) Board members who do not otherwise receive a salary or compensation from the State Treasury shall receive a per diem of ***one hundred dollars (\$100)***~~[forty five dollars (\$45)]~~ for each day they are in session or on official duty, and they shall be reimbursed for their actual and necessary expenses in accordance with state administrative regulations and standards applicable to state employees.
- (6) The board shall meet at least once in each quarter of the year, and may meet in special session upon the call of the chairman. It shall elect a chairman and a vice chairman. A majority of the members shall constitute a quorum, and all actions taken by the board shall be by affirmative vote of a majority of the members present.

- (7) The ~~authority~~~~Personnel Cabinet~~ shall ~~perform the administrative functions of the board, which shall~~ be attached to the **Personnel** Cabinet for **administrative** purposes ~~of administration~~ only. The board may **take**, but is not limited to the following actions:
- (a) Appoint such employees as it deems necessary and fix the compensation for all employees of the board, subject to the approval of the secretary. The executive director of the authority and employees appointed by the board shall serve at its will and pleasure. All other staff of the authority shall be employed under KRS 18A.005 to 18A.200;
 - (b) Require such employees as it thinks proper to execute bonds for the faithful performance of their duties;
 - (c) Establish a system of accounting;
 - (d) Contract for such services as may be necessary for the operation or administration of deferred compensation plans authorized in KRS 18A.230 to 18A.275, including annual audits;
 - (e) Do all things, take all actions, and adopt plans for participation consistent with federal ~~law~~~~requirements~~ and with the provisions of KRS 18A.230 to 18A.275, **including but not limited to:**
 1. ***Amending the board's plan for the Kentucky Public Employees 401(k) Deferred Compensation Plan or the Kentucky Employees 457 Deferred Compensation Plan, or both such plans, to adopt, maintain, and terminate a deemed IRA program under Internal Revenue Code Section 408;***
 2. ***Amending the board's plan for the Kentucky Public Employees 401(k) Deferred Compensation Plan to adopt, maintain, and terminate a qualified Roth contribution program under Internal Revenue Code Section 402A; and***
 3. ***Adopting, maintaining, and terminating an Internal Revenue Code Section 403(b) plan for qualified employees.***
- (8) The Attorney General, or an assistant designated by him, may act as legal adviser and attorney for the board. The board may also appoint legal counsel in accordance with KRS Chapter 12.
- (9) The board shall prepare an annual financial report showing all receipts, disbursements, assets, and liabilities and shall submit a copy to the Governor and the Legislative Research Commission. All board meetings and records shall be open for inspection by the public.

Approved April 2, 2002

CHAPTER 124

(HB 649)

AN ACT relating to Article 9 of the Uniform Commercial Code and declaring an emergency.

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

Section 1. KRS 355.9-109 is amended to read as follows:

- (1) Except as otherwise provided in subsections (3) and (4) of this section, this article applies to:
 - (a) A transaction, regardless of its form, that creates a security interest in personal property or fixtures by contract;
 - (b) An agricultural lien;
 - (c) A sale of accounts, chattel paper, payment intangibles, or promissory notes;
 - (d) A consignment;
 - (e) A security interest arising under KRS 355.2-401, 355.2-505, 355.2-711(3), or 355.2A-508(5), as provided in KRS 355.9-110; and
 - (f) A security interest arising under KRS 355.4-210 or 355.5-118.
- (2) The application of this article to a security interest in a secured obligation is not affected by the fact that the obligation is itself secured by a transaction or interest to which this article does not apply.

- (3) This article does not apply to the extent that:
- (a) A statute, regulation, or treaty of the United States preempts this article;
 - (b) Another statute of this Commonwealth expressly governs the creation, perfection, priority, or enforcement of a security interest created by this Commonwealth or a governmental unit of this Commonwealth;
 - (c) A statute of another state, a foreign country, or a governmental unit of another state or a foreign country, other than a statute generally applicable to security interests, expressly governs creation, perfection, priority, or enforcement of a security interest created by the state, country, or governmental unit; or
 - (d) The rights of a transferee beneficiary or nominated person under a letter of credit are independent and superior under KRS 355.5-114.
- (4) This article does not apply to:
- (a) A landlord's lien, other than an agricultural lien;
 - (b) A lien, other than an agricultural lien, given by statute or other rule of law for services or materials, but KRS 355.9-333 applies with respect to priority of the lien;
 - (c) An assignment of a claim for wages, salary, or other compensation of an employee, or for workers' compensation benefits payable to an individual;
 - (d) A sale of accounts, chattel paper, payment intangibles, or promissory notes as part of a sale of the business out of which they arose;
 - (e) An assignment of accounts, chattel paper, payment intangibles, or promissory notes which is for the purpose of collection only;
 - (f) An assignment of a right to payment under a contract to an assignee that is also obligated to perform under the contract;
 - (g) An assignment of a single account, payment intangible, or promissory note to an assignee in full or partial satisfaction of a preexisting indebtedness;
 - (h) A transfer of an interest in or an assignment of a claim under a policy of insurance, other than an assignment by or to a health-care provider of a health-care-insurance receivable and any subsequent assignment of the right to payment, but KRS 355.9-315 and 355.9-322 apply with respect to proceeds and priorities in proceeds;
 - (i) An assignment of a right represented by a judgment, other than a judgment taken on a right to payment that was collateral;
 - (j) A right of recoupment or set-off, but:
 - 1. KRS 355.9-340 applies with respect to the effectiveness of rights of recoupment or set-off against deposit accounts; and
 - 2. KRS 355.9-404 applies with respect to defenses or claims of an account debtor;
 - (k) The creation or transfer of an interest in or lien on real property, including a lease or rents thereunder, except to the extent that provision is made for:
 - 1. Liens on real property in KRS 355.9-203 and 355.9-308;
 - 2. Fixtures in KRS 355.9-334;
 - 3. Fixture filings in KRS 355.9-501, 355.9-502, 355.9-512, 355.9-516, and 355.9-519; and
 - 4. Security agreements covering personal and real property in KRS 355.9-604;
 - (l) An assignment of a claim arising in tort, other than a commercial tort claim, but KRS 355.9-315 and 355.9-322 apply with respect to proceeds and priorities in proceeds;
 - (m) An assignment of a deposit account in a consumer transaction, but KRS 355.9-315 and 355.9-322 apply with respect to proceeds and priorities in proceeds;

- (n) A claim or right to receive compensation for injuries or sickness as described in 26 U.S.C. sec. 104(a)(1) or (2), as amended from time to time;
- (o) A claim or right to receive benefits under a special needs trust as described in 42 U.S.C. sec. 1396p(d)(4), as amended from time to time;~~[-or]~~
- (p) A right to receive money under a structured settlement as defined by KRS 454.430; *or*
- (q) *A public-finance transaction or a transfer by a government or governmental unit.*

Section 2. Whereas Kentucky state and local government issuers of debt are now subject to the perfection and filing requirements of the revised Article 9 of the Uniform Commercial Code and on July 1, 2002, will be required to comply with these requirements with respect to outstanding debt obligations, resulting in an increase in the burdens and costs of borrowing for these state and local governmental entities, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 2, 2002

CHAPTER 125

(HCR 104)

A CONCURRENT RESOLUTION requesting and petitioning the Kentucky Congressional Delegation to urge the U.S. Forest Service to replace its recently established guidelines on the care, maintenance, and burials at cemeteries in the Land Between the Lakes Recreation Area with the long-established policies imposed by the Tennessee Valley Authority.

WHEREAS, the Land Between the Lakes Recreation Area encompassing portions of Lyon and Trigg Counties in Kentucky and Stewart County in Tennessee was created by the federal government as a beautiful, scenic recreational area to be enjoyed by many; and

WHEREAS, prior to the land's acquisition by the federal government, generations of families inhabited this land, dating back to the first white settlers in the area; and

WHEREAS, in acquiring the land, families with strong ancestral ties to the land were displaced; and

WHEREAS, from its inception in 1964 and throughout the creation of the Land Between the Lakes Recreation Area, assurances were made to those displaced and remaining alike, and among the most sacred was a promise to provide access to and entrust the care of the 250 or so cemeteries there to the relatives, friends, and cemetery associations; and

WHEREAS, this policy recognized the sanctity of the family by permitting additional burials if space was available, and it remained in place until 2001; and

WHEREAS, the management of the Land Between the Lakes was changed from the Tennessee Valley Authority (TVA) to the U.S. Department of Agriculture Forest Service in 1999, and the TVA's policies concerning the cemeteries have been replaced by policies viewed by the families of those interred as an encroachment of their rights to visit, be buried, or maintain the cemeteries; and

WHEREAS, the new guidelines and the possibility that they may be updated or changed every year place the families and friends of those interred or wishing to be interred in the cemeteries in an uncertain position; and

WHEREAS, the broken promises and the state of flux the families must endure have caused considerable heartache and have disrupted the continuity the families shared;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Kentucky Congressional Delegation is requested to urge the U.S. Forest Service to replace its recently established guidelines on the care, maintenance, and burials at cemeteries in the Land Between the Lakes Recreation Area with the previous, long-held policies imposed by the Tennessee Valley Authority.

Section 2. The Clerk of the House of Representatives shall transmit a copy of this resolution to Senator Mitch McConnell, 361-A Russell Senate Office Building, Washington, D.C. 20510; Senator Jim Bunning, 316 Hart Senate

Office Building, Washington, D.C. 20510; Representative Ed Whitfield, 236 Cannon House Office Building, Washington, D.C. 20515; Representative Ron Lewis, 2418 Rayburn House Office Building, Washington, D.C. 20515; Representative Ann Northup, 1004 Longworth House Office Building, Washington, D.C. 20515; Representative Ken Lucas, 1237 Longworth House Office Building, Washington, D.C. 20515; Representative Hal Rogers, 2406 Rayburn House Office Building, Washington, D.C. 20515; and Representative Ernie Fletcher, 1117 Longworth House Office Building, Washington, D.C. 20515.

Approved April 2, 2002

CHAPTER 126

(SB 147)

AN ACT relating to the Kentucky Department of Education and declaring an emergency.

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

Section 1. KRS 157.360 is amended to read as follows:

- (1) In determining the cost of the program to support education excellence in Kentucky, the statewide guaranteed base funding level, as defined in KRS 157.320, shall be computed by dividing the amount appropriated for this purpose by the prior year's statewide average daily attendance.
- (2) Each district shall receive an amount equal to the base funding level for each pupil in average daily attendance in the district in the previous year. Each district's base funding level shall be adjusted by the following factors:
 - (a) The number of at-risk students in the district. At-risk students shall be identified as those approved for the free lunch program under state and federal guidelines. The number of at-risk students shall be multiplied by a factor to be established by the General Assembly. Funds generated under this paragraph may be used to pay for:
 1. Alternative programs for students who are at risk of dropping out of school before achieving a diploma; and
 2. A hazardous duty pay supplement as determined by the local board of education to the teachers who work in alternative programs with students who are violent or assaultive;
 - (b) The number and types of exceptional children in the district as defined by KRS 157.200. Specific weights for each category of exceptionality shall be used in the calculation of the add-on factor for exceptional children; and
 - (c) Transportation costs. The per-pupil cost of transportation shall be calculated as provided by KRS 157.370. Districts which contract to furnish transportation to students attending nonpublic schools may adopt any payment formula which assures that no public school funds are used for the transportation of nonpublic students.
- (3) The program to support education excellence in Kentucky shall be fully implemented by the 1994-95 school year.
- (4) (a) Except for those schools which have implemented school-based decision making, the chief state school officer shall enforce maximum class sizes for every academic course requirement in all grades except in vocal and instrumental music, and physical education classes. Except as provided in subsection (5) of this section, the maximum number of pupils enrolled in a class shall be as follows:
 1. Twenty-four (24) in primary grades (kindergarten through third grade);
 2. Twenty-eight (28) in grade four (4);
 3. Twenty-nine (29) in grades five (5) and six (6);
 4. Thirty-one (31) in grades seven (7) to twelve (12);
- (b) Except for those schools which have implemented school-based decision making, class size loads for middle and secondary school classroom teachers shall not exceed the equivalent of one hundred fifty (150) pupil hours per day.

- (c) The chief state school officer, upon approval of the Kentucky Board of Education, shall adopt administrative regulations for enforcing this provision. These administrative regulations shall include procedures for a superintendent to request an exemption from the Kentucky Board of Education when unusual circumstances warrant an increased class size for an individual class. A request for an exemption shall include specific reasons for the increased class size with a plan for reducing the class size prior to the beginning of the next school year. A district shall not receive in any one (1) year exemptions for more classes than enroll twenty percent (20%) of the pupils in the primary grades and grades four (4) through eight (8).
- (d) In all schools the chief state school officer shall enforce the special education maximum class sizes set by administrative regulations adopted by the Kentucky Board of Education. A superintendent may request an exemption pursuant to paragraph (c) of this subsection. A local school council may request a waiver pursuant to KRS 156.160(2). An exemption or waiver shall not be granted if the increased class size will impede any exceptional child from achieving his individual education program in the least restrictive environment.
- (5) In grades four (4) through six (6) with combined grades, the maximum class size shall be the average daily attendance upon which funding is appropriated for the lowest assigned grade in the class. There shall be no exceptions to the maximum class size for combined classes. In combined classes other than the primary grades, no ungraded students shall be placed in a combined class with graded students. In addition, there shall be no more than two (2) consecutive grade levels combined in any one (1) class in grades four (4) through six (6). However, this shall not apply to schools which have implemented school-based decision making.
- (6) If a local school district, through its admission and release committee, determines that an appropriate program in the least restrictive environment for a particular child with a disability includes either part-time or full-time enrollment with a private school or agency within the state or a public or private agency in another state, the school district shall count as average daily attendance in a public school the time that the child is in attendance at the school or agency, contingent upon approval by the chief state school officer.
- (7) Pupils attending a center for child learning and study established under an agreement pursuant to KRS 65.210 to 65.300 shall, for the purpose of calculating average daily attendance, be considered as in attendance in the school district in which the child legally resides and which is party to the agreement. For purposes of subsection (1) of this section, teachers who are actually employees of the joint or cooperative action shall be considered as employees of each school district which is a party to the agreement.
- (8) Program funding shall be increased when the average daily attendance in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district for the first two (2) months of the previous school year. The program funds allotted the district shall be increased by the percent of increase. The average daily attendance in kindergarten is the kindergarten full-time equivalent pupils in average daily attendance.
- (9) If the average daily attendance for the current school year in any district decreases by ten percent (10%) or more than the average daily attendance for the previous school year, the average daily attendance for purposes of calculating program funding for the next school year shall be increased by an amount equal to two-thirds (2/3) of the decrease in average daily attendance. If the average daily attendance remains the same or decreases in the succeeding school year, the average daily attendance for purposes of calculating program funding for the following school year shall be increased by an amount equal to one-third (1/3) of the decrease for the first year of the decline.
- (10) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the program funding allotted the district for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).
- (11) (a) Instructional salaries for vocational agriculture classes shall be for twelve (12) months per year. Vocational agriculture teachers shall be responsible for the following program of instruction during the time period beyond the regular school term established by the local board of education: supervision and instruction of students in agriculture experience programs; group and individual instruction of farmers and agribusinessmen; supervision of student members of agricultural organizations who are involved in leadership training or other activity required by state or federal law; or any program of vocational agriculture established by the Division of *Career and Technical* ~~Secondary Vocational~~ Education in the Department of Education. During extended employment, no vocational agriculture teacher shall

receive salary on a day that the teacher is scheduled to attend an institution of higher education class which could be credited toward meeting any certification requirement.

- (b) Each teacher of agriculture employed shall submit an annual plan for summer program to the local school superintendent for approval. The summer plan shall include a list of tasks to be performed, purposes for each task, and time to be spent on each task. Approval by the local school superintendent shall be in compliance with the guidelines developed by the State Department of Education. The supervision and accountability of teachers of vocational agriculture's summer programs shall be the responsibility of the local school superintendent. The local school superintendent shall submit to the chief state school officer a completed report of summer tasks for each vocational agriculture teacher. Twenty percent (20%) of the approved vocational agriculture programs shall be audited annually by the State Department of Education to determine that the summer plan has been properly executed.
- (12) (a) In allotting program funds for home and hospital instruction, statewide guaranteed base funding, excluding the capital outlay, shall be allotted for each child in average daily attendance in the prior school year who has been properly identified according to Kentucky Board of Education administrative regulations. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the Department of Education; and
- (b) Pursuant to administrative regulations of the Kentucky Board of Education, local school districts shall be reimbursed for home and hospital instruction for pupils unable to attend regular school sessions because of short term health impairments. A reimbursement formula shall be established by administrative regulations to include such factors as a reasonable per hour, per child allotment for teacher instructional time, with a maximum number of funded hours per week, a reasonable allotment for teaching supplies and equipment, and a reasonable allotment for travel expenses to and from instructional assignments, but the formula shall not include an allotment for capital outlay. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported annually on forms provided by the Department of Education.
- (13) Except for those schools which have implemented school-based decision making and the school council has voted to waive this subsection, kindergarten aides shall be provided for each twenty-four (24) full-time equivalent kindergarten students enrolled.
- (14) Effective July 1, 2001, there shall be no deduction applied against the base funding level for any pupil in average daily attendance who spends a portion of his or her school day in a program at a state-operated career and technical education or vocational facility.

Section 2. The General Assembly hereby confirms Executive Order 2001-795, dated June 25, 2001, to the extent it is not otherwise confirmed by this Act, that reorganizes the Department of Education to include the Office of the Commissioner; the Bureau of Management Support Services which is renamed the Bureau of Operations and Support Services, including the Office of Budget and Financial Management which is renamed the Office of Internal Administration and Support, consisting of a Division of Budgets, Division of Financial and Materials Management, a Division of Administrative Services which is transferred from the Office of Human Resources and Equity, the Division of Human Resources which is transferred from the Office of Human Resources and Equity; the Office of Legal Services which is renamed the Office of Legal and Legislative Services, including the Division of Management Assistance Programs which is transferred from the Office of District Support Services; an Office of Communications, consisting of the Division of Public Information which is renamed the Division of Publications and Web Services, the Division of Media Services which is renamed the Division of Video and Multi-Media Services, and abolishes the Division of Community Relations; an Office of Results Planning, including the Division of Virtual Learning and the Division of Data Policy Management and Research; the Bureau of Learning Support Services which is renamed the Bureau of Learning and Results Services, including the Office of Special Instructional Services, consisting of the Division of Exceptional Children Services, the Division of Secondary Vocational Education which is renamed the Division of Career and Technical Education, the Division of Program Services which is renamed the Division of Federal Programs Services, the Division of the Kentucky School for the Blind, and the Division of the Kentucky School for the Deaf; an Office of Leadership and School Improvement, consisting of the Division of Instructional Leadership Development which is renamed the Division of Leadership Development and the Division of School Improvement; the Office of Supportive Learning Environments, consisting of the Division of Minority Educator Recruitment and Retention which is renamed the Division of Educator Recruitment and Retention; the Division of Equity which is transferred from the Office of Human Resources and Equity, the Division of Student, Family and Community Support which is transferred from the Office of District Support Services; the Office of Assessment and

Accountability consisting of the Division of Assessment Implementation and the Division of Validation and Research; the Office of Academic and Professional Development consisting of the Division of Region One Service Center, the Division of Region Two Service Center, the Division of Region Four Service Center, the Division of Region Five Service Center, the Division of Region Six Service Center, the Division of Region Seven Service Center, the Division of Region Eight Service Center, the Division of Curriculum Development, and the Division of Extended Learning Services which is transferred from the Office of Supportive Learning Environments; the Office of District Support Services which is transferred from the Bureau of Management Support Services consisting of the Division of School Finance, the Division of Facilities Management, the Division of Pupil Transportation, and the Division of School and Community Nutrition; the Office of Education Technology which is transferred from the Bureau of Management Support Services, consisting of the Division of Planning Services which is renamed the Division of School Information Technology, the Division of System Support Services which is renamed the Division of School Network Services, the Division of Customer Support Services which is renamed the Division of School Instructional Technology; abolishes the Division of Integration Services; transfers relevant duties, functions, responsibilities, records, equipment, facilities and support budgets of the department to the appropriate organizational units.

Section 3. Whereas many counties have experienced disastrous flooding that has destroyed homes and businesses, closed or destroyed roads, disrupted families and work and which will necessitate school closures for many days, the commissioner of education, notwithstanding any other statute to the contrary or administrative regulation to the contrary, shall approve the request for all disaster days from a school district for those days missed because of flooding above five (5) days missed for that reason during the 2002 spring semester.

Section 4. Whereas school districts must know how to adjust the school calendar for the remaining part of the school year, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 2, 2002

CHAPTER 127

(HB 196)

AN ACT relating to reorganization.

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

Section 1. The General Assembly confirms Executive Order 2001-1322 dated October 25, 2001, by which the Kentucky Early Intervention System (KEIS) is transferred to the Commission for Children with Special Health Care Needs, and by which the Division of Care Coordination and the Division of Medical Services within the Commission are abolished with their responsibilities transferred to a newly created Division of Health and Development and a newly created Division of Quality Outcomes Management within the Commission.

Approved April 2, 2002

CHAPTER 128

(HB 554)

AN ACT relating to insurance.

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

Section 1. KRS 304.17A-410 is amended to read as follows:

As used in KRS 304.17A-400 to 304.17A-480, unless the context requires otherwise:

- (1) "Actual guaranteed acceptance program plan losses" means a dollar amount calculated by subtracting an insurer's guaranteed acceptance program plan claims from that insurer's guaranteed acceptance program plan premiums;
- (2) "Benefits" means amounts paid by an insurer to covered lives or to third parties for the benefit of covered lives. "Benefits" do not include an insurer's administrative costs, any assessments under the plan, allocated loss adjustment expenses, reserves, or other overhead costs;

- (3) "Guaranteed acceptance program plan claims" or "alternative underwriting mechanism losses" means the dollar amount of benefits actually paid by an insurer *on behalf of a guaranteed acceptance plan enrollee for claims that were incurred while the individual was a guaranteed acceptance program plan enrollee* ~~[in a calendar year with respect to program plans]~~ or another claim measurement formula as the department may establish by administrative regulation to measure an insurer's costs, other than administrative costs, allocated loss adjustment expenses, reserves, or other overhead costs, with respect to a program plan;
- (4) "Guaranteed acceptance program plan premiums" means the dollar amount of premiums received by an insurer with respect to program plans;
- (5) "Guaranteed acceptance risk adjustment process" means the process of allocating guaranteed acceptance program plan losses provided for in KRS 304.17A-460;
- (6) "Group market" means the health insurance market under which individuals obtain health insurance coverage, directly or through any arrangement, on behalf of themselves and their dependents through a group health plan or through any arrangement other than through the individual market, or through a federal health benefit plan or program;
- (7) "Health insurance stop-loss policy" means any policy of insurance that directly or indirectly protects, in whole or in part, an employer who self-insures health benefits covering any residents in Kentucky from the risk of paying benefits in excess of any specified amount;
- (8) "Market share" means a percentage calculated by dividing an insurer's health insurance coverage premiums in both the individual and group markets by the total amount of the health insurance coverage premiums in both the individual and group markets for all insurers;
- (9) "Other coverage" means coverage under any of the following:
 - (a) A group plan;
 - (b) Part A or Part B of Title XVIII of the Social Security Act, 42 U.S.C. secs. 1995c et seq.;
 - (c) A state plan under Title XIX of the Social Security Act, or any successor program;
 - (d) Continuation coverage under any COBRA continuation provisions as defined in 42 U.S.C. sec. 300gg-91(d)(4) or under a similar program under any state law; or
 - (e) Any other health insurance coverage which is not individual health insurance coverage;
- (10) "Premiums" means amounts paid to insurers to purchase health insurance coverage and includes all amounts paid however denominated, including, but not limited to, amounts indicated as being charged for administrative costs, allocated loss adjustment expenses, reserve or other overhead costs;
- (11) "Program" means the Kentucky Guaranteed Acceptance Program;
- (12) "Refund" means an amount to be paid to an insurer by the program;
- (13) "Stop-loss carrier" means any person providing health insurance stop-loss coverage;
- (14) "Stop-loss premiums" means amounts paid to purchase health insurance stop-loss coverage; and
- (15) "Total actual guaranteed acceptance program plan losses" means a dollar amount equal to the sum of the actual program plan losses of all insurers participating in the program.

Approved April 2, 2002

CHAPTER 129

(HB 559)

AN ACT relating to elections and declaring an emergency.

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

Section 1. KRS 117.055 is amended to read as follows:

Subject to KRS 117.0551 to 117.0555:

- (1) Each county shall be divided into election precincts by the county board of elections. Each election precinct shall be composed of contiguous and, as nearly as practicable, compact areas having clearly definable boundaries and wholly contained within any larger district. The county board of ~~elections~~~~[election]~~ shall establish precincts so that no boundary of a precinct crosses the boundary of:
 - (a) The Commonwealth;
 - (b) A county or urban-county;
 - (c) A congressional district;
 - (d) A state senatorial district;
 - (e) A state representative district;
 - (f) A justice of the peace or county commissioner's district established under KRS Chapter 67; or
 - (g) An aldermanic ward established under KRS 83.440.
- (2) The county board of elections shall have the authority to draw precinct lines so as to enable more than one (1) precinct to vote at one (1) location. The county board of elections shall review election precinct boundaries as often as necessary. Without exception, they shall review the boundaries of all election precincts exceeding seven hundred (700) votes cast in the last regular election prior to each primary election, ***and the State Board of Elections may require a written report at least sixty (60) days prior to the candidate filing deadline set forth in KRS 118.165(1) on each election precinct exceeding seven hundred (700) votes cast in the last regular election.*** Consideration to the division of said election precincts should be based on the anticipated growth factor within the specified boundaries; however, the county board of elections shall not be prohibited from dividing election precincts in excess of seven hundred (700) votes cast in the last regular election or less than seven hundred (700) votes cast in the last regular election if they elect to do so. However, the State Board of Elections ***may, in its discretion, withhold from***~~[shall not remit to]~~ a county the expenses of an election ***under KRS 117.345 for any precinct containing more than one thousand five hundred (1,500) registered voters, excluding those precincts utilizing optical scan voting machines and those periods of time in which the precinct boundaries have been frozen under KRS 117.056***~~[for any precinct containing less than three hundred fifty (350) registered voters unless the county has received prior approval from the state board to establish a precinct containing less than three hundred fifty (350) registered voters. The State Board of Elections shall provide by administrative regulation under what circumstances an exception shall be granted].~~
- (3) No election precinct shall be created, divided, abolished, or consolidated or the boundaries therein changed prior to any primary election to comply with the provisions of KRS 117.055 to 117.0555 and KRS 117.0557 later than the last date prescribed by election law generally for filing notification and declaration forms with the county clerk or Secretary of State. No election precinct shall be created, divided, abolished, or consolidated or the boundaries therein changed prior to any general election to comply with the provisions of KRS 117.055 to 117.0555 and KRS 117.0557 later than the last date prescribed by election law generally for filing certificates or petitions of nomination with the county clerk or Secretary of State.
- (4) The county board of elections shall designate the name or number and the boundaries of the election precincts. Each precinct shall contain, as nearly as practicable, an equal number of voters, based on the number of registered voters in the county.
- (5) A map and listing of the exact election precinct boundaries shall be filed by the county board of elections with the State Board of Elections, and any changes in boundaries thereafter made shall also be filed with the State Board of Elections. A copy of this map indicating all precinct boundaries within the county shall be included in the election supplies of each precinct.
- (6) If the county board of elections fails to perform any of the duties required by KRS 117.055 to 117.0555 and KRS 117.0557:
 - (a) The State Board of Elections or any citizen and voter of the county may apply to the Circuit Court of the county for a summary mandatory order requiring the board to perform the duty. Appeals may be taken to the Court of Appeals by either party; and
 - (b) The State Board of Elections shall not submit claims for payments to the county under KRS 117.343 and 117.345 until the State Board of Elections determines in writing that the duty has been performed.

- (7) The county board of elections shall coordinate all precinct boundary changes with the affected school board, magisterial, and municipal boundaries.

Section 2. KRS 117.355 is amended to read as follows:

- (1) Within three (3) days after any primary or general election, the precinct election sheriff shall file a report with the chairman of the county board of elections and with the local grand jury. The report shall include any irregularities observed and any recommendations for improving the election process.
- (2) Within ten (10) days after any primary or general election, the county board of elections shall file a report with the State Board of Elections, ~~the Registry of Election Finance~~ and the local grand jury. The report shall include any irregularities of which the county board has knowledge and any recommendations for improving the election process. The report shall also include a breakdown by precinct of the number of voters requiring assistance to vote and the reasons therefor; the number of special ballots cast by category; and any other information required by the state board.
- (3) ***Within thirty (30) days after any primary or general election, the county board of elections shall transmit the information required by KRS 117.275(4).***
- (4) The State Board of Elections shall issue administrative regulations to prescribe the forms required by this section.

Section 3. KRS 117.066 is amended to read as follows:

- (1) In the case of a precinct comprised of a small number of registered voters, the county board of elections may, pursuant to KRS 117.055, utilize the facilities of another precinct as a voting location. Additionally, the county board of elections may petition the State Board of Elections to allow the precinct election officers of the larger precinct to serve as precinct election officers for the precinct that is the subject of the petition. The petition shall designate both the smaller precinct and the larger precinct with which it is to be included, ~~and~~ the type of voting machine or machines to be used, ***and whether supplemental paper ballots are to be used.*** The petition shall contain a full explanation of the reasons why inclusion is desirable.
- (2) If the petition submitted pursuant to subsection (1) of this section is approved by the State Board of Elections, the election shall be conducted according to the following provisions:
 - (a) One voting machine may be utilized for both precincts if the State Board of Elections certifies that separate ballots may be placed upon the voting machine to be used without endangering the integrity of the ballots or without violating any other election law. Otherwise, separate voting machines shall be used for each precinct. ***In the instance of a precinct which has a small number of voters such that the use of a separate voting machine would be cost-prohibitive, the county clerk may make application to the State Board of Elections to use supplemental paper ballots under Section 4 of this Act to conduct the voting for the small precinct on election day. If the use of supplemental paper ballots is approved by the State Board of Elections, at the close of voting on election day, the locked ballot box shall be transported to the county board of elections and ballots shall be counted by the county board of elections as provided by KRS 117.275(8);***
 - (b) Separate precinct voter rosters shall be maintained for each precinct, and steps shall be taken to insure that voters cast their ballot in their duly authorized precinct; and
 - (c) A separate set of elections forms and reports required by this chapter and the State Board of Elections shall be maintained for each precinct.

Section 4. KRS 118.215 is amended to read as follows:

- (1) After the order of the names has been determined as provided in KRS 118.225, the Secretary of State shall certify, to the county clerks of the respective counties entitled to participate in the nomination or election of the respective candidates, the name, place of residence, and party of each candidate or slate of candidates for each office, as specified in the nomination papers or certificates and petitions of nomination filed with him, and shall designate the device with which the candidate groups, slates of candidates, or lists of candidates of each party shall be printed, in the order in which they are to appear on the ballot, with precedence to be given to the party that polled the highest number of votes at the preceding election for presidential electors, followed by the political party which received the second highest number of votes, with the order of any other political parties and independents to be determined by lot. Candidates for county offices and local state offices shall be listed in

the following order: Commonwealth's attorney, circuit clerk, property valuation administrator, county judge/executive, county attorney, county clerk, sheriff, jailer, county commissioner, coroner, justice of the peace, and constable. The names of candidates for President and Vice President shall be certified in lieu of certifying the names of the candidates for presidential electors. The names shall be certified as follows:

- (a) Not later than the second Monday after the filing deadline for the primary;
 - (b) Not less than twenty-five (25) days before a runoff primary;
 - (c) Not later than the second Monday after the filing deadline for the general election, except as provided in paragraph (d) of this subsection; and
 - (d) Not later than the Thursday after the first Tuesday in September preceding a general election, for those years in which there is an election for President and Vice President of the United States.
- (2) Except as otherwise provided in subsection (3) of this section, all independent candidates or slates of candidates whose nominating petitions are filed with the county clerk or the Secretary of State shall be listed under the title and device designated by them as provided in KRS 118.315, or if none is designated, under the word "independent," and shall be placed on the ballot in a separate column or columns or in a separate line or lines according to the office which they seek. The order in which independent candidates or slates of candidates shall appear on the ballot shall be determined by lot by the county clerk. If the same device is selected by two (2) groups of petitioners, it shall be given to the first selecting it and the county clerk shall permit the other group to select a suitable device. This section shall not apply to candidates for municipal offices which come under subsection (3) of this section.
 - (3) The ballots used at any election in which city officers are to be elected as provided in subsection (2) of this section shall contain the names of candidates for the city offices grouped according to the offices they seek, and the candidates shall be immediately arranged with and designated by the title of office they seek. The order in which the names of the candidates for each office are to be printed on the ballot shall be determined by lot. Each group of candidates for each separate office for which the candidates are to be elected shall be clearly separated from other groups on the ballot and spaced to avoid confusion on the part of the voter.
 - (4) The Secretary of State shall not knowingly certify to the county clerk of any county the name of any candidate or slate of candidates who has not filed the required nomination papers, nor knowingly fail to certify the name of any candidate or slate of candidates who has filed the required nomination papers.
 - (5) If the county clerk determines that the number of certified candidates or slates of candidates cannot be placed on a ballot which can be accommodated by the voting machines currently in use by the county, he shall so notify the State Board of Elections not later than the last Tuesday in February preceding the primary or the last Tuesday in August preceding the general election. The State Board of Elections shall meet within five (5) days of the notice, review the ballot conditions, and determine whether supplemental paper ballots are necessary for the election. Upon approval of the State Board of Elections, supplemental paper ballots may be used for nonpartisan candidates or slates of candidates for an office or offices and public questions submitted for a yes or no vote. All candidates or slates of candidates for any particular office shall be placed either on the machine ballot or on the paper ballot. ***Supplemental paper ballots may also be used to conduct the voting, in the instance of a small precinct as provided in Section 3 of this Act.***
 - (6) The ballot position of a candidate or slate of candidates shall not be changed after the ballot position has been designated by the county clerk.

Section 5. Whereas as a result of differences among magisterial, congressional, and state legislative districts, there will exist precincts with a small number of voters in the 2002 primary elections, such that the cost of a separate voting machine for a small number of voters will be cost-prohibitive, and the privacy of the voters in the small district may be compromised by the tabulation of their votes at the precincts, an emergency is declared to exist, and Sections 3 and 4 of this Act take effect upon the passage and approval of this Act by the Governor or upon its otherwise becoming a law.

Approved April 2, 2002

CHAPTER 130**(HB 617)**

AN ACT relating to medical practice.

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

Section 1. KRS 311.530 is amended to read as follows:

There is hereby created in state government an independent board to be known as the State Board of Medical Licensure which shall exercise all medical and osteopathic licensure functions heretofore exercised by the State Board of Health. The offices of the board shall be maintained at such place as is designated by the board. The board shall consist of fifteen (15) members, including the commissioner of public health, the dean of the University of Kentucky College of Medicine, the *vice* dean *for clinical affairs* of the University of Louisville School of Medicine, the dean of the Pikeville College School of Osteopathic Medicine, and eleven (11) members appointed by the Governor. One (1) member shall be a licensed osteopathic physician and shall be appointed from a list of three (3) names submitted by the Kentucky Osteopathic Association. Seven (7) members shall be licensed medical physicians and shall be appointed from a list of three (3) names submitted for each position by the Kentucky Medical Association. Three (3) members shall be citizens at large who are representatives of any recognized consumer advocacy groups with an interest in the delivery of health care and are not associated with or financially interested in the practice or business regulated.

Section 2. KRS 311.535 is amended to read as follows:

The appointed members of the State Board of Medical Licensure shall hold office for terms of four (4) years and until their successors are appointed and qualify. The commissioner of public health and the deans of the medical schools shall hold office only while holding their respective titles. ~~[- All appointed members who held office as of January 1, 1986, shall continue to hold office until the expiration of their respective terms. -]~~ The terms of all appointed members of the board shall expire on August 31 of the last year of their respective terms.

Section 3. KRS 311.545 is amended to read as follows:

The State Board of Medical Licensure may utilize such materials, services or facilities as may be made available to it by other state agencies or may contract therefor, to such extent or degree as the board, in its discretion, may determine. It shall ~~[- have custody of all of the records formerly maintained by the State Board of Health as the medical and osteopathic licensing authority in this state and shall -]~~ keep accurate records of its activities, reporting annually to the Governor. ~~[- All unexpended funds under the control of the State Board of Health on September 1, 1972, which were derived from fees collected by it pursuant to KRS 311.565 shall be transferred to the credit of the State Board of Medical Licensure to be expended by it in the performance of the powers and duties confided to it by KRS 311.565. -]~~

Section 4. KRS 311.550 is amended to read as follows:

As used in KRS 311.530 to 311.620 and KRS 311.990(4) to (6):

- (1) "Board" means the State Board of Medical Licensure;
- (2) "President" means the president of the State Board of Medical Licensure;
- (3) "Secretary" means the secretary of the State Board of Medical Licensure;
- (4) "Executive director" means the executive director of the State Board of Medical Licensure or any assistant executive directors appointed by the board;
- (5) "General counsel" means the general counsel of the State Board of Medical Licensure or any assistant general counsel appointed by the board;
- (6) "Regular license" means a license to practice medicine or osteopathy at any place in this state;
- (7) "Limited license" means a license to practice medicine or osteopathy in a specific institution or locale to the extent indicated in the license;

- (8) "Temporary permit" means a permit issued to a person who has applied for a regular ~~for limited~~ license, and who appears from verifiable information in the application to the **executive director**~~secretary~~ to be qualified and eligible therefor;
- (9) "Emergency permit" means a permit issued to a physician currently licensed in another state, authorizing the physician to practice in this state for the duration of a specific medical emergency, not to exceed thirty (30) days;
- (10) Except as provided in subsection (11) of this section, the "practice of medicine or osteopathy" means the diagnosis, treatment, or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices, or instrumentalities;
- (11) The "practice of medicine or osteopathy" does not include the practice of Christian Science, ***the domestic administration of family remedies, the rendering of first aid or medical assistance in an emergency in the absence of a person licensed to practice medicine or osteopathy under the provisions of this chapter, the use of automatic external defibrillators in accordance with the provisions of KRS 311.665 to 311.669,*** the practice of podiatry as defined in KRS 311.380, the practice of a midlevel health care practitioner as defined in KRS 216.900, the practice of dentistry as defined in KRS 313.010, the practice of optometry as defined in KRS 320.210, the practice of chiropractic as defined in subsection (2) of KRS 312.015, the practice as a nurse as defined in KRS 314.011, the practice of physical therapy as defined in KRS 327.010, the performance of duties for which they have been trained by paramedics licensed under KRS 311.652 to 311.658, emergency medical technician first responders, or emergency medical technicians certified under KRS 311.652 to 311.658, the practice of pharmacy by persons licensed and registered under KRS 315.050, the sale of drugs, nostrums, patented or proprietary medicines, trusses, supports, spectacles, eyeglasses, lenses, instruments, apparatus, or mechanisms that are intended, advertised, or represented as being for the treatment, correction, cure, or relief of any human ailment, disease, injury, infirmity, or condition, in regular mercantile establishments, or the practice of midwifery by women. KRS 311.530 to 311.620 shall not be construed as repealing the authority conferred on the Cabinet for Health Services by KRS Chapter 211 to provide for the instruction, examination, licensing, and registration of all midwives through county health officers;
- (12) "Physician" means a doctor of medicine or a doctor of osteopathy;
- (13) "Grievance" means any allegation in whatever form alleging misconduct by a physician;
- (14) "Charge" means a specific allegation alleging a violation of a specified provision of this chapter;
- (15) "Complaint" means a formal administrative pleading that sets forth charges against a physician and commences a formal disciplinary proceeding;
- (16) As used in KRS 311.595(4), "crimes involving moral turpitude" shall mean those crimes which have dishonesty as a fundamental and necessary element, including, but not limited to, crimes involving theft, embezzlement, false swearing, perjury, fraud, or misrepresentation;
- ~~(17) "Physician assistant" means a person who has graduated from a physician assistant or surgeon assistant program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs and who has passed the certifying examination administered by the National Commission on Certification of Physician Assistants or who possesses a current physician assistant certificate issued by the board prior to July 15, 1998;~~
- ~~(18) "Supervising physician" means a physician licensed by the board who supervises physician assistants; and~~
- ~~(19) "Supervision" means overseeing the activities of, and accepting responsibility for, the medical services rendered by a physician assistant. The constant physical presence of the supervising physician is not required so long as the supervising physician and physician assistant are or can be easily in contact with one another by radio, telephone, or other telecommunication device. Each team of physicians and physician assistants shall ensure that the delegation of medical tasks is appropriate to the physician assistant's level of training and experience; that the identification of and access to the supervising physician is defined; and that a process for evaluation of the physician assistant's performance is established.~~
- ~~(20) "Telehealth" means the use of interactive audio, video, or other electronic media to deliver health care. It includes the use of electronic media for diagnosis, consultation, treatment, transfer of medical data, and medical education;~~

- (18) *"Order" means a direction of the board or its panels made or entered in writing that determines some point or directs some step in the proceeding and is not included in the final order;*
- (19) *"Agreed order" means a written document that includes but is not limited to stipulations of fact or stipulated conclusions of law that finally resolves a grievance, a complaint, or a show cause order issued informally without expectation of further formal proceedings in accordance with subsection (6) of Section 13 of this Act;*
- (20) *"Final order" means an order issued by the hearing panel that imposes one (1) or more disciplinary sanctions authorized by this chapter;*
- (21) *"Letter of agreement" means a written document that informally resolves a grievance, a complaint, or a show cause order and is confidential in accordance with Section 22 of this Act;*
- (22) *"Letter of concern" means an advisory letter to notify a physician that, although there is insufficient evidence to support disciplinary action, the board believes the physician should modify or eliminate certain practices and that the continuation of those practices may result in action against the physician's license;*
- (23) *"Motion to revoke probation" means a pleading filed by the board alleging that the licensee has violated a term or condition of probation and that fixes a date and time for a revocation hearing;*
- (24) *"Revocation hearing" means a hearing conducted in accordance with KRS Chapter 13B to determine whether the licensee has violated a term or condition of probation;*
- (25) *"Chronic or persistent alcoholic" means an individual who is suffering from a medically diagnosable disease characterized by chronic, habitual, or periodic consumption of alcoholic beverages resulting in the interference with the individual's social or economic functions in the community or the loss of powers of self-control regarding the use of alcoholic beverages;*
- (26) *"Addicted to a controlled substance" means an individual who is suffering from a medically diagnosable disease characterized by chronic, habitual, or periodic use of any narcotic drug or controlled substance resulting in the interference with the individual's social or economic functions in the community or the loss of powers of self-control regarding the use of any narcotic drug or controlled substance;*
- (27) *"Provisional permit" means a temporary permit issued to a licensee engaged in the active practice of medicine within this Commonwealth who has admitted to violating any provision of Section 16 of this Act that permits the licensee to continue the practice of medicine until the board issues a final order on the registration or reregistration of the licensee; and*
- (28) *"Fellowship training license" means a license to practice medicine or osteopathy in a fellowship training program as specified by the license.*

Section 5. KRS 311.560 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section, no person shall engage or attempt to engage in the practice of medicine or osteopathy within this state, or open, maintain, or occupy an office or place of business within this state for engaging in practice, or in any manner announce or express a readiness to engage in practice within this state, unless the person holds a valid and effective license or permit issued by the board as hereinafter provided.
- (2) The provisions of subsection (1) of this section shall not apply to:
 - (a) Commissioned medical officers of the Armed Forces of the United States, or medical officers of the United States Public Health Service, the United States Veterans Administration, and other agencies of the government of the United States of America, while said persons are engaged in the performance, within this state, of their official duties under federal laws;
 - (b)
 - 1. Persons who, being nonresidents of Kentucky and lawfully licensed to practice medicine or osteopathy in their states of actual residence, infrequently engage in the practice of medicine or osteopathy within this state, when called to see or attend particular patients in consultation and association with a physician licensed pursuant to this chapter; or
 - 2. Persons who, being current participants in a medical residency program outside of Kentucky and lawfully licensed to practice medicine or osteopathy in the states of their medical residency programs, who participate in a temporary residency rotation of no more than sixty (60) days at a

hospital in this Commonwealth. All persons who participate in a temporary residency rotation under this paragraph shall register with the board at no cost, on forms provided by the board, and shall be subject to the jurisdiction of the board for so long as they participate in the residency rotation. Persons who wish to participate in a second or subsequent temporary residency rotation under this paragraph shall seek advance approval of the board;~~{or}~~

- (c) Graduates of medical or osteopathic schools approved by the board, while engaged in performing supervised internship or first-year postgraduate training approved by the board at hospitals in this state. All first-year postgraduate trainees shall register with the board at no cost, on forms provided by the board. This shall not be construed to otherwise exempt interns or first-year postgraduate trainees, or to exempt in any manner resident or staff physicians of hospitals, from the licensure requirements of KRS 311.530 to 311.620. A residency physician who participates in a temporary residency rotation under paragraph (b) of this subsection shall not be required to obtain a license under KRS 311.530 to 311.620;
or
- (d) *Physicians employed by a sports entity visiting Kentucky for a specific sporting event when the physician holds an active medical or osteopathic license in another state and limits the practice of medicine in Kentucky to medical treatment of the members, coaches, and staff of the sports entity that employs the physician.*

~~{(3) Physician assistants shall be considered to practice medicine or osteopathy with physician supervision. A physician assistant may perform those duties and responsibilities that are delegated by the supervising physician. A physician assistant shall be considered the agent of the supervising physician in the performance of all practice related activities, including, but not limited to, the performance of or ordering of diagnostic, therapeutic, and other medical services. A physician assistant shall not render services in hospitals or other licensed health care facilities without the express written permission of the facility's governing body. The facility may restrict the physician assistant's scope of practice within the facility as the facility deems appropriate.}~~

~~{(4) A physician assistant may prescribe and administer drugs and medical devices to the extent delegated by the supervising physician. Prescribing and administering of drugs may include all nonscheduled legend drugs. Any physician assistant who is delegated prescribing privileges may request, receive, and sign for professional sample drugs and distribute professional sample drugs to patients.}~~

Section 6. KRS 311.565 is amended to read as follows:

- (1) The board may:
 - (a) Exercise all the administrative functions of the state in the prevention of empiricism and in the regulation of the practice of medicine and osteopathy which shall include, but not be limited to, promulgation of reasonable administrative regulations enabling the board to regulate the conduct of its licensees;
 - (b) Promulgate reasonable administrative regulations establishing moral, physical, intellectual, educational, scientific, technical, and professional qualifications of applicants for licenses and permits that may be issued by the board;
 - (c) Issue, deny, suspend, limit, restrict, and revoke any licenses or permits that may be issued by the board, and to reprimand or to place licensees on probation, in compliance with the provisions of KRS 311.530 to 311.620;
 - (d) Appoint an executive director and assistant executive directors and fix their compensation. The executive director shall oversee the work of the board, shall be authorized to discharge the duties of the secretary, as provided by KRS 311.530 to 311.620, and shall carry out the duties of the executive director as set forth elsewhere in this chapter;
 - (e) Appoint a general counsel and assistant general counsel and fix their compensation;
 - (f) Appoint investigatory personnel and fix their compensation;
 - (g) Appoint one (1) or more hearing officers, who need not be members of the board, and fix their compensation. Every hearing officer shall be vested with the full and complete power and authority of the board to schedule and conduct hearings on behalf of and in the name of the board on all matters referred for hearing by the board or secretary thereof, including, among other things, proceedings for

placing licensees on probation and for limitation, suspension, and revocation of licenses. All administrative hearings conducted by the board, a member of the board, or a hearing officer appointed by the board, shall be conducted in accordance with KRS Chapter 13B. No hearing officer shall be empowered to place any licensee on probation or to issue, refuse, suspend, limit, or revoke any license;

- (h) Appoint committees of licensees, who need not be board members, to review issues of public or medical interest before the board and to make recommendations to the board on the issues;
 - (i) Promulgate administrative regulations to promote the efficient and fair conduct of disciplinary proceedings;
 - (j) Promulgate a code of conduct governing the practice of medicine and osteopathy, which shall be based upon generally-recognized principles of professional ethical conduct;
 - (k) Utilize the services and facilities of professional organizations, and procure and receive the assistance and recommendations of professional organizations in administering KRS 311.530 to 311.620;
 - (l) Make its personnel and facilities available to other governmental entities under mutually agreeable terms and conditions;
 - (m) Issue regular licenses without further testing by endorsement from another state having qualifications and standards at least as high as those of this state or by endorsement from the National Board of Medical Examiners, the National Board of Examiners for Osteopathic Physicians and Surgeons, the National ~~Joint-Gain~~ Committee of Preregistration Physician Training Programs, or any approved successors thereof;
 - (n) Issue and renew regular licenses to practice medicine or osteopathy in accordance with KRS 311.530 to 311.620 and any reasonable regulations of the board;
 - (o) Issue and renew, or refuse to issue or renew, or cancel and terminate limited licenses pursuant to administrative regulations promulgated by the board; provided however, no person who held a limited license for institutional practice or general practice as of September 1, 1972, shall be denied the renewal of that limited license for nondisciplinary reasons;
 - (p) Appoint examiners, who need not be members of the board, and employ or contract with the Federation of State Medical Boards of the United States, Inc., or the National Board of Medical Examiners or other organizations, agencies, or individuals to prepare examination questions and grade examination papers;
 - (q) Determine the schools, colleges, universities, institutions, and training acceptable in connection with licensure under KRS 311.530 to 311.620;
 - (r) Prescribe the time, place, method, manner, scope, and content of examinations~~[- but at least two (2) examinations shall be held annually];~~
 - (s) Prescribe all forms which it considers appropriate, and require the submission of photographs, fingerprints, and personal history data, **and when deemed appropriate, obtain criminal history information regarding applicants from the National Crime Information Center or comparable sources;**
 - (t) Prescribe and collect reasonable fees and charges for examinations, directories, and the issuance and renewal of licenses and permits; and
 - (u) Impose fines of not greater than five thousand dollars (\$5,000) per violation **and require the licensee to reimburse the board for the costs of the administrative proceedings including consultant fees,** upon a finding pursuant to disciplinary proceedings that the licensee has violated any provision of KRS 311.595 to 311.597 or duly-promulgated disciplinary regulation of the board.
- (2) The board shall develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by a physician licensed by the board. The guidelines shall include investigation, inquiry, and hearing procedures which ensure that the process does not revictimize the alleged victim or cause harm if a physician is falsely accused.
- (3) The board, the hearing officer, and investigators hired by the board shall receive training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the

offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedure in sex offense cases, and effective intervention with victims and offenders.

Section 7. KRS 311.571 is amended to read as follows:

- (1) No applicant who is a graduate of a medical or osteopathic school located within the United States and its territories and protectorates or Canada shall be eligible for a regular license to practice medicine in the Commonwealth unless the applicant:
 - (a) Is able to understandably speak, read, and write the English language;
 - (b) Has graduated from an accredited college or university or has satisfactorily completed a collegiate course of study necessary for entry into an approved medical or osteopathic school or college;
 - (c) Has graduated from a prescribed course of instruction in a medical or osteopathic school or college situated in the United States or Canada and approved by the board;
 - (d) Has satisfactorily completed a prescribed course of postgraduate training of a duration to be established by the board in an administrative regulation promulgated in accordance with KRS Chapter 13A, after consultation with the University of Kentucky College of Medicine, the University of Louisville School of Medicine, and the Pikeville College School of Osteopathic Medicine;
 - (e) Has successfully completed~~[- in a single sitting,]~~ an examination prescribed by the board;
 - (f) Has complied with the requirements of KRS 214.615(1); and
 - (g) Has fulfilled all other reasonable qualifications for regular licensure that the board may prescribe by regulation.
- (2) No applicant who is a graduate of a medical or osteopathic school located outside the United States or Canada shall be eligible for a regular license to practice medicine in the Commonwealth unless the applicant:
 - (a) Is able to understandably speak, read, and write the English language;
 - (b) Has successfully completed a course of study necessary for entry into an approved medical or osteopathic school or college;
 - (c) Has graduated from a prescribed course of instruction in a medical or osteopathic school or college situated outside the United States or Canada and approved by the board or is a citizen of the United States and has been awarded a diploma by an approved medical or osteopathic school located within the United States or Canada as part of a program designed to allow for the transfer of students to such schools from schools located outside the United States or Canada;
 - (d) Has successfully completed~~[- in a single sitting,]~~ an examination prescribed by the board;
 - (e) Has been certified by the educational commission for foreign medical graduates or by an approved United States specialty board;
 - (f) Has satisfactorily completed a prescribed course of postgraduate training of a duration to be established by the board in an administrative regulation promulgated in accordance with KRS Chapter 13A, after consultation with the University of Kentucky College of Medicine, the University of Louisville School of Medicine, and the Pikeville College School of Osteopathic Medicine;
 - (g) Has complied with the requirements of KRS 214.615(1); and
 - (h) Has fulfilled all other reasonable qualifications for regular licensure that the board may prescribe by regulation.
- (3) No applicant shall be eligible for a limited license-institutional practice unless the applicant:
 - (a) Has fulfilled all the requirements for regular licensure as delineated in subsection (1) of this section; or
 - (b) Has fulfilled the requirements for regular licensure as delineated in paragraphs (a) through (e) and (h) of subsection (2) of this section and in addition has satisfactorily completed a prescribed course of postgraduate training of at least one (1) full year's duration approved by the board;
 - (c) Has complied with the requirements of KRS 214.615(1); and

- (d) Has fulfilled all other reasonable qualifications for limited licensure that the board may prescribe by regulation.
- (4) The board may grant an applicant a limited license-institutional practice for ***a renewable***~~[an unrenewable]~~ period of one (1) year if the applicant:
 - (a) Has fulfilled the requirements for regular licensure as delineated in paragraphs (a), (b), (d), (e), and (h) of subsection (2) of this section;
 - (b) Has fulfilled the requirements for a limited license-institutional practice as indicated in subsection (3)(d) of this section;
 - (c) Has satisfactorily completed a prescribed course of postgraduate training of at least one (1) full year's duration approved by the board; and
 - (d) Has complied with the requirements of KRS 214.615(1).
- (5) ***The board may grant an applicant a fellowship training license for a renewable period of one (1) year if the applicant:***
 - (a) ***Has been accepted for a fellowship approved by the administration of any of Kentucky's medical schools and conducted under the auspices of that medical school; or***
 - (b) ***Has graduated from a medical school located outside the United States or Canada that has been approved by the board; and***
 - 1. ***Has been certified by the appropriate licensing authority in his or her home country in the subject specialty of the fellowship; and***
 - 2. ***Is able to demonstrate that he or she is a physician of good character and is in good standing in the country where he normally practices medicine.***
- (6) An applicant seeking regular licensure in the Commonwealth who was originally licensed in another state may obtain licensure in the Commonwealth without further testing and training if the applicant:
 - (a) Has been endorsed in writing by the applicant's original licensing state as being~~[currently]~~ licensed in good standing in that state; and
 - (b) Would have satisfied all the requirements for regular licensure described in the preceding subsections had the applicant sought original licensure in this state.
- ~~(7)(6)~~ No applicant shall be granted licensure in the Commonwealth unless the applicant has successfully completed an examination prescribed by the board in accordance with any rules that the board may establish by regulation concerning passing scores, testing opportunities and test score recognition.
- ~~(8)(7)~~ Notwithstanding any of the requirements for licensure established by subsections (1) to ~~(7)(6)~~ of this section ***and after providing the applicant or reregistrant with reasonable notice of its intended action and after providing a reasonable opportunity to be heard***, the board may deny licensure to an applicant or the reregistrant of an inactive license without a prior ***evidentiary*** hearing upon a finding that the applicant or reregistrant has violated any provision of KRS 311.595 or 311.597 or is otherwise unfit to practice. Orders denying licensure may be appealed pursuant to KRS 311.593.
- ~~(9)(8)~~ Notwithstanding any of the foregoing, the board may grant licensure to an applicant in extraordinary circumstances upon a finding by the board that based on the applicant's exceptional education, training, and practice credentials, the applicant's practice in the Commonwealth would be beneficial to the public welfare.
- (10) ***Notwithstanding any provision of this section, the board may exercise its discretion to grant a visiting professor license to an applicant after considering the following:***
 - (a) ***Whether the applicant meets the qualifications for a regular license;***
 - (b) ***Whether the applicant is licensed to practice medicine in other states or in other countries; and***
 - (c) ***The recommendation of the program director of an accredited medical school that confirms the applicant's employment as a visiting professor and that includes, if necessary, written justification for a waiver of the requirements specified in subsections (1) and (2) of this section.***

Orders denying applications for a visiting professor license shall not be appealed under KRS 311.593.

Section 8. KRS 311.572 is amended to read as follows:

- (1) The board may issue an order directing an applicant for a license or the holder of a license to show cause why the applicant should be granted a license or the licensee should not be disciplined, respectively, when:
 - (a) An applicant admits or is otherwise found to have committed an act which constitutes a violation of the provisions of this chapter; or
 - (b) A licensee admits or is otherwise found to have committed an act in violation of the provisions of this chapter in any document relating to the registration or reregistration of a license.
- (2) The order shall be signed by an officer of the board and shall state those violations which the board believes to have been committed. The matter shall be assigned to a hearing panel and shall proceed in accordance with KRS 311.591. The burden of proof shall lie with the charged physician.
- (3) The board ***may issue a provisional permit to practice medicine as provided in subsection (27) of Section 4 of this Act and the board*** shall not approve any application for licensure or application for reregistration of an inactive license ***or provisional permit*** until a final order on the matter has been issued.

Section 9. KRS 311.575 is amended to read as follows:

- (1) Whenever, in the opinion of the ***executive director***~~[secretary]~~, based upon verified information contained in the application, an applicant for a license to practice medicine or osteopathy is eligible therefor under subsections (1) and (2) of KRS 311.571, the ***executive director***~~[secretary]~~ may issue to such applicant, on behalf of the board, a temporary permit which shall entitle the holder to practice medicine or osteopathy in this state for a maximum of six (6) months from date of issuance thereof unless the temporary permit is sooner canceled by the ***executive director***~~[secretary]~~, who may cancel it at any time, without a hearing, for reasons deemed sufficient to him ***with appropriate consultation with the president***, and who shall cancel it immediately upon direction by the board or upon the board's denial of the holder's application for a regular license. The permit shall not be renewable.
- (2) The ***executive director***~~[secretary]~~ shall present to the board the application for a license made by the holder of the temporary permit. In the event the board issues a regular license to the holder of a temporary permit, the fee paid in connection with any temporary permit then in effect shall be applied upon the prescribed license fee.
- (3) When the ***executive director***~~[secretary]~~ cancels a temporary permit, he shall promptly notify, by certified United States mail, the holder of the temporary permit, at his last known address as reflected by the files of the board, and the temporary permit shall become terminated and of no further force and effect three (3) days after the giving of said notice to the holder.

Section 10. KRS 311.580 is amended to read as follows:

- (1) Every certificate of regular license, limited license, ***fellowship training license, provisional permit***, and temporary permit shall be in such form as is approved by the board or by the ***executive director***~~[secretary]~~ thereof; provided, however, that each certificate shall be signed by the ***executive director***~~[secretary]~~ and shall contain the date of issuance, the name of the person to whom issued, and whether the holder is authorized to practice medicine or osteopathy.
- (2) Limited license ***and fellowship training*** certificates, whether originals or renewals, shall expressly state the period therefor, which shall not be in excess of one (1) year, and shall expressly state the nature and place of work authorized thereunder.
- (3) Temporary permits shall expressly state the date of issuance, that they shall be for a period of not more than six (6) months from date of issuance, and that they are subject to cancellation as provided by KRS 311.575.

Section 11. KRS 311.586 is amended to read as follows:

- (1) Every physician who is practicing medicine or osteopathy in this state~~[on September 1, 1972,]~~ shall~~[, within ninety (90) days]~~ report to the board the address or addresses at which he maintains an office, and every new licensee shall make the same report within ninety (90) days after commencing the practice of medicine or osteopathy in this state.
- (2) Every physician who, after notifying the board of his ***official***~~[office]~~ address or addresses, moves his office to a new address shall immediately notify the board of the change.

Section 12. KRS 311.590 is amended to read as follows:

- (1) No person shall make any statement or submit any document, paper, or thing to the board, or to its **executive director**~~secretary~~, or to any county clerk, relating in any manner to issuance, registration, suspension, or revocation of any license or permit, knowing same to be false, forged, or fraudulent.
- (2) No person shall engage in dishonesty, fraud, deceit, collusion, or conspiracy in connection with any examination, hearings, or disciplinary proceedings conducted by the board.
- (3) No person shall make or issue any false or counterfeit certificate that purports to have been issued by the board, or by its **executive director**~~secretary~~, or forge the signature of any person thereon, or alter any such certificate that has been issued by the board or by its **executive director**~~secretary~~.

Section 13. KRS 311.591 is amended to read as follows:

- (1) The president of the board shall divide the membership of the board, excluding himself, into two (2) panels of **seven (7)**~~six (6)~~ members, each panel to include **at least one (1)** consumer member. Each panel shall have the power to act as an inquiry or a hearing panel. The president shall not be a **permanent** member of either panel, but shall have the power to render the deciding vote whenever a tie vote is rendered by either panel **and shall have the power to serve as a member of either panel when necessary to achieve a quorum by majority**.
- (2) Grievances may be submitted by an individual (including board members), organization, or entity. Each grievance shall be investigated as necessary and the executive director shall assign each grievance to an inquiry panel. All inquiry panels and the executive director shall have the power to issue investigatory subpoenas for the appearance of any person or production of any record, document, or other item within the jurisdiction of the Commonwealth. The panel or executive director may seek enforcement of investigatory subpoenas and search warrants in the courts of the Commonwealth as may be necessary.
- (3) Upon completion of its inquiry, the inquiry panel shall make a finding that:
 - (a) ***There is no evidence of a violation of any medical practice act***~~The grievance is without merit~~ and no further action is necessary;
 - (b) ***There is insufficient evidence of a violation to warrant the issuance of a complaint, but that there is evidence of a practice or activity that requires modification and the panel may issue a letter of concern under subsection (22) of Section 4 of this Act. The letter of concern shall be a public document and may be used in future disciplinary actions against the physician;***
 - (c) The grievance discloses an instance of misconduct which does not warrant the issuance of a complaint; in these instances, the panel may admonish the physician for his misconduct; or
 - ~~(d)(e)~~ The grievance discloses one (1) or more violations of the provisions of this chapter which warrant the issuance of a complaint; in these instances, the panel shall cause a complaint to be prepared, signed by the presiding officer, which shall contain sufficient information to apprise the named physician of the general nature of the charges.
- (4) The inquiry panel shall cause a complaint to be served on the charged physician by personal delivery or by certified mail to the physician's last address of which the board has record. The physician shall submit a response within thirty (30) days after service. Failure to submit a timely response or willful avoidance of service may be taken by the board as an admission of the charges.
- (5) Upon the issuance of the complaint, the executive director shall assign the matter for an administrative hearing by a hearing panel. No member who served on the inquiry panel may also serve as a member of the hearing panel. The hearing panel or the hearing officer on behalf of the panel shall preside over all proceedings pursuant to the issuance of a complaint.
- (6) The board may promulgate administrative regulations regarding the informal disposition of any complaint, and an informal disposition may be made at any stage of the proceeding.
- (7) Upon completion of an administrative hearing, the hearing panel shall issue a final order that:
 - (a) Dismisses the complaint upon a conclusion that the provisions of this chapter have not been violated;
 - (b) Finds a violation of the provisions of this chapter, but does not impose discipline because the panel does not believe discipline to be necessary under the circumstances; or

- (c) Imposes discipline upon the licensee; in these instances, the panel may revoke, suspend, restrict, deny, or limit a license, or may reprimand *a licensee* or place a licensee on probation under terms the panel may establish to protect the licensee, his patients, or the general public. The hearing panel may impose a fine whenever it finds that a violation of this chapter has occurred. If the board substantiates that sexual contact occurred between the physician and the patient while the patient was under the care of or in a professional relationship with the physician, the physician's license may be revoked or suspended with mandatory treatment of the physician as prescribed by the board. The board may require the physician to pay a specified amount for mental health services for the patient which are needed as a result of the sexual contact. The hearing panel's order shall be considered the final order of the board regarding the matter.
- (8) Regardless of the restrictions on public disclosure of information established in subsection (9)~~[(10)]~~ of this section, the board may order information derived from any investigation or inquiry be released to the physician licensure authority of another state or to any health care or mental health care facility licensed and regulated by the Commonwealth of Kentucky upon a showing that the information is necessary to determine the propriety of a physician practicing in a particular state or facility.
- (9) The presiding officer at any proceeding held pursuant to a complaint or show cause order shall take whatever measures are necessary to protect the privacy interests of individuals other than the charged physician upon a showing that evidence is to be introduced, the public disclosure of which would constitute a clear invasion of personal privacy. It is the general policy of the Commonwealth that administrative proceedings should be open to the public. Therefore, in applying this subsection, the presiding officer shall balance the competing interests and employ the least restrictive measures available to protect the privacy interests involved.

SECTION 14. A NEW SECTION OF KRS 311.530 TO 311.620 IS CREATED TO READ AS FOLLOWS:

- (1) *When a hearing panel imposes discipline in a final order pursuant to KRS 13B.120 and subsection (7) of Section 13 of this Act, the panel may fix the appropriate sanction for the violation, but withhold imposition of the sanction under an order of probation for a period of not more than five (5) years, with the requirement that the physician fully comply with the terms and conditions specified by the panel as necessary for the protection of the public and rehabilitation of the physician's practice.*
- (2) *If the board receives information that a licensee has violated a term or condition of an order of probation issued under subsection (1) of this section during the effective period of that order, the board shall investigate the allegations as necessary. The board shall have all of the powers outlined in subsection (2) of Section 13 of this Act and subsection (2) of Section 19 of this Act to conduct its investigation.*
- (3) *Upon completion of its inquiry relating to a violation of probation, the hearing panel shall make a finding that:*
 - (a) *The investigation does not disclose a violation of the order of probation;*
 - (b) *The investigation discloses a violation of a term or condition of the order of probation but that revocation of probation and imposition of the previously fixed sanction may not be necessary for protection of the public, and the panel may admonish or issue a letter of concern to the physician stating its findings and cautioning that another violation shall result in revocation of probation and imposition of the previously fixed sanction; or*
 - (c) *The investigation discloses one (1) or more violations of the terms and conditions of the order of probation, and the panel shall cause a motion to revoke probation to be prepared and signed by the presiding officer. The motion shall identify the term or condition violated and include a general statement of the nature of the violation and shall set a date and time for a revocation hearing.*
- (4) *The hearing panel shall cause the motion to revoke probation to be served on the physician by personal delivery or by certified mail to the last address on record with the board for the physician or the physician's representative.*
- (5) *The hearing on the motion to revoke probation shall be conducted in accordance with KRS Chapter 13B, but the single issue to be decided shall be whether the physician has violated a term or condition of the order of probation. Any recommended order issued under KRS 13B.110 shall be limited to recommended findings of fact and recommended conclusions of law.*
- (6) *Upon completion of the hearing on the motion to revoke probation, the hearing panel shall issue an order that:*

- (a) *Denies the motion upon a conclusion that the order of probation has not been violated;*
- (b) *Finds a violation of the order of probation but does not impose the previously fixed sanction and the panel may:*
 - 1. *Modify the terms and conditions of probation to address issues presented during the hearing; or*
 - 2. *Admonish the physician or issue a letter of concern to the physician; or*
- (c) *Imposes the previously fixed sanction.*

Section 15. KRS 311.592 is amended to read as follows:

- (1) At any time when an inquiry panel has probable cause to believe that a physician has violated the terms of an **agreed** order ~~or violated the terms of a disciplinary order~~~~[placing him on probation]~~, or a physician's practice constitutes a danger to the health, welfare, and safety of his patients or the general public, the inquiry panel may issue an emergency order, in accordance with KRS 13B.125, suspending, limiting, or restricting the physician's license.
- (2) *For the purposes of a hearing conducted under KRS 13B.125 on an emergency order issued under subsection (1) of this section, the findings of fact in the emergency order shall constitute a rebuttable presumption of substantial evidence of a violation of law that constitutes immediate danger to the health, welfare, or safety of patients or the general public. For the purposes of this hearing only, hearsay shall be admissible and may serve as a basis of the board's findings.*
- (3) An emergency order as described in subsection (1) of this section shall not be issued unless grounds exist for the issuance of a complaint. The inquiry panel shall issue a complaint prior to the date of the emergency hearing or the emergency order shall become void.
- ~~(4)(3)~~ An order of temporary suspension, restriction, or limitation shall not be maintained after a final order is served on the charged physician pursuant to the proceeding on the complaint. An appeal of an emergency order shall not prejudice the board from proceeding upon the complaint.

Section 16. KRS 311.595 is amended to read as follows:

If the power has not been transferred by statute to some other board, commission, or agency of this state, the board may deny an application or reregistration for a license; place a licensee on probation for a period not to exceed five (5) years; suspend a license for a period not to exceed five (5) years; limit or restrict a license for an indefinite period; or revoke any license heretofore or hereafter issued by the board, upon proof that the licensee has:

- (1) Knowingly made or presented, or caused to be made or presented, any false, fraudulent, or forged statement, writing, certificate, diploma, or other thing, in connection with an application for a license or permit;
- (2) Practiced, or aided or abetted in the practice of fraud, forgery, deception, collusion, or conspiracy in connection with an examination for a license;
- (3) Committed, procured, or aided in the procurement of an unlawful abortion, including a partial-birth abortion;
- (4) Entered a guilty or nolo contendere plea, or been convicted, by any court within or without the Commonwealth of Kentucky, of committing an act which is, or would be a felony under the laws of the Commonwealth of Kentucky, or of the United States, or of any crime involving moral turpitude which is a misdemeanor, under the laws;
- (5) Been convicted of a misdemeanor offense under KRS Chapter 510 involving a patient, or a felony offense under KRS Chapter 510, 530.064, or 531.310, or been found by the board to have had sexual contact as defined in KRS 510.010(7) with a patient while the patient was under the care of the physician;
- (6) Become addicted to a controlled substance;
- (7) Become a chronic or persistent alcoholic;
- (8) *Been unable or is unable to practice medicine according to acceptable and prevailing standards of care by reason of mental or physical illness or other condition including but not limited to physical deterioration that adversely affects cognitive, motor, or perceptive skills, or by reason of an extended absence from the*

~~*active practice of medicine* [Developed a physical or mental disability, or other condition, that continued practice is dangerous to patients or to the public];~~

- (9) Engaged in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public or any member thereof;
- (10) Knowingly made, or caused to be made, or aided or abetted in the making of, a false statement in any document executed in connection with the practice of his profession;
- (11) Employed, as a practitioner of medicine or osteopathy in the practice of his profession in this state, any person not duly licensed or otherwise aided, assisted, or abetted the unlawful practice of medicine or osteopathy or any other healing art;
- (12) Violated or attempted to violate, directly or indirectly, or assisted in or abetted the violation of, or conspired to violate any provision or term of any medical practice act, including, but not limited to, the code of conduct promulgated by the board under KRS 311.601 or any other valid regulation of the board;
- (13) Violated any agreed order, letter of agreement, ***final order, or emergency order*** ~~[of suspension, or the terms or conditions of any order of probation,]~~ issued by the board;
- (14) Engaged in or attempted to engage in the practice of medicine or osteopathy under a false or assumed name, or impersonated another practitioner of a like, similar, or different name;
- (15) Obtained a fee or other thing of value on the fraudulent representation that a manifestly incurable condition could be cured;
- (16) Willfully violated a confidential communication;
- (17) Had his license to practice medicine or osteopathy in any other state, territory, or foreign nation revoked, suspended, restricted, or limited or has been subjected to other disciplinary action by the licensing authority thereof. This subsection shall not require relitigation of the disciplinary action;
- (18) Failed or refused, without legal justification, to practice medicine in a rural area of this state in violation of a valid medical scholarship loan contract with the trustees of the rural Kentucky medical scholarship fund;
- (19) Given or received, directly or indirectly, from any person, firm, or corporation, any fee, commission, rebate, or other form of compensation for sending, referring, or otherwise inducing a person to communicate with a person licensed under KRS 311.530 to 311.620 in his professional capacity or for any professional services not actually and personally rendered; provided, however, that nothing contained in this subsection shall prohibit persons holding valid and current licenses under KRS 311.530 to 311.620 from practicing medicine in partnership or association or in a professional service corporation authorized by KRS Chapter 274, as now or hereinafter amended, or from pooling, sharing, dividing, or apportioning the fees and moneys received by them or by the partnership, corporation, or association in accordance with the partnership agreement or the policies of the board of directors of the corporation or association. Nothing contained in this subsection shall abrogate the right of two (2) or more persons holding valid and current licenses under KRS 311.530 to 311.620 to receive adequate compensation for concurrently rendering professional care to a single patient and divide a fee, if the patient has full knowledge of this division and if the division is made in proportion to the services performed and responsibility assumed by each;
- (20) Been removed, suspended, expelled, or disciplined by any professional medical association or society when the action was based upon what the association or society found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provision of KRS Chapter 311. This subsection shall not require relitigation of the disciplinary action; or
- (21) Been disciplined by a licensed hospital or medical staff of the hospital, including removal, suspension, limitation of hospital privileges, failing to renew privileges for cause, resignation of privileges under pressure or investigation, or other disciplinary action if the action was based upon what the hospital or medical staff found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provisions of KRS Chapter 311. This subsection shall not require relitigation of the disciplinary action.

Section 17. KRS 311.597 is amended to read as follows:

As used in KRS 311.595(9), "dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public or any member thereof" shall include, but not be limited to, the following acts by a licensee:

- (1) Prescribes or dispenses any medication:
- (a) With the intent or knowledge that a medication will be used or is likely to be used other than medicinally or for an accepted therapeutic purpose;~~[-]~~
 - (b) With the intent to evade any law with respect to sale, use, or disposition of the medication;~~[-]~~
 - (c) For the licensee's personal use or for the use of his immediate family when the licensee knows or has reason to know that an abuse of **a** controlled **substance**~~[substance(s)]~~ is occurring, or may result from such a practice;~~[- or]~~
 - (d) In such amounts that the licensee knows or has reason to know, under the attendant circumstances, that said amounts so prescribed or dispensed are excessive under accepted and prevailing medical practice standards; **or**
 - (e) ***In response to any communication transmitted or received by computer or other electronic means, when the licensee fails to take the following actions to establish and maintain a proper physician-patient relationship:***
 - 1. Verification that the person requesting medication is in fact who the patient claims to be;***
 - 2. Establishment of a documented diagnosis through the use of accepted medical practices; and***
 - 3. Maintenance of a current medical record.***

For the purposes of this paragraph, an electronic, on-line, or telephonic evaluation by questionnaire is inadequate for the initial evaluation of the patient or for any follow-up evaluation.
- (2) Issues, publishes, or makes oral or written, representations in which grossly improbable or extravagant statements are made which have a tendency to deceive or defraud the public, or a member thereof, including, but not limited to:
- (a) Any representation in which the licensee claims that he can cure or treat diseases, ailments, or infirmities by any method, procedure, treatment, or medicine which the licensee knows or has reason to know has little or no therapeutic value;
 - (b) Represents or professes or holds himself out as being able and willing to treat diseases, ailments, or infirmities under a system or school of practice:
 - 1. Other than that for which he holds a certificate or license granted by the board, or
 - 2. Other than that for which he holds a degree or diploma from a school otherwise recognized as accredited by the board, or
 - 3. Under a school or system which he professes to be self-taught.

For purposes of this subsection, actual injury to a patient need not be established.

- (3) A serious act, or a pattern of acts committed during the course of his medical practice which, under the attendant circumstances, would be deemed to be gross incompetence, gross ignorance, gross negligence, or malpractice.
- (4) Conduct which is calculated or has the effect of bringing the medical profession into disrepute, including, but not limited to, any departure from, or failure to conform to the standards of acceptable and prevailing medical practice within the Commonwealth of Kentucky, and any departure from, or failure to conform to the principles of medical ethics of the American Medical Association or the code of ethics of the American Osteopathic Association. For the purposes of this subsection, actual injury to a patient need not be established.
- (5) Failure by a licensee to report a known or observed violation of KRS Chapter 311 by another licensee as described in KRS 311.606.

SECTION 18. A NEW SECTION OF KRS 311.530 TO 311.620 IS CREATED TO READ AS FOLLOWS:

- (1) ***When a hearing or inquiry panel receives information that a physician has not been engaged in the active practice of medicine for at least two (2) years, the panel may order the physician to successfully complete a board-approved clinical competency examination or a board-approved clinical skills assessment program at the expense of the physician. The panel shall review the results of the examination or assessment and***

determine whether the physician may resume the practice of medicine without undue risk or danger to patients or the public.

- (2) *Failure of a physician to successfully complete the clinical competency examination or the clinical skills assessment when directed shall constitute an admission that the physician is unable to practice medicine according to accepted and prevailing standards, unless the failure was due to circumstances beyond the control of the physician. The failure shall constitute a default and a final order may be entered without additional testimony or without presentation of additional evidence.*
- (3) *A physician whose license has been suspended, limited, restricted, or revoked under this section or subsection (8) of Section 16 of this Act shall be afforded an opportunity at reasonable intervals to demonstrate that he or she has the competency and skill to resume the practice of medicine.*

Section 19. KRS 311.605 is amended to read as follows:

- (1) ~~Every county board of health shall, at such times as are fixed by the board, report to the board the name and address of each person believed to be engaged in the practice of medicine or osteopathy, as defined by KRS 311.550, within their respective jurisdictions. The county boards of health shall also report to the board and to the county and Commonwealth's attorneys of their respective counties all violations of KRS 311.550 to 311.620 and shall assist in the enforcement thereof.~~
- (2) For the purpose of enforcing the provisions of KRS 311.550 to 311.620, agents of the board shall have the power and authority to administer oaths, to enter upon premises at all times for the purpose of making inspections, to seize evidence, including, but not limited to, psychiatric or nonpsychiatric records, to interrogate all persons, and to require the production of books, papers, documents, or other evidence. The term "premises" as used in this subsection shall include physician offices and all pharmacies and health care facilities licensed or regulated by the Commonwealth. Agents of the board may only require pharmacies to produce prescription records and health care facilities to produce records of patients or physician peer reviews. Such inspection or seizure of peer review records shall not affect the confidential nature of those records as provided in KRS 311.377, and the board shall maintain such peer review records so as to protect the confidentiality thereof.
- (3) The board may institute, in its own name, proceedings to temporarily or permanently restrain and enjoin *the practice of medicine by:*
 - (a) *An individual who is not licensed to practice medicine or who is not involved in conduct specifically exempted from the requirements of this chapter by subsection (11) of Section 4 of this Act; or*
 - (b) *An individual who was previously licensed by the board to practice medicine but is currently practicing medicine in violation of an emergency order of restriction or suspension* ~~[violations of KRS 311.550 to 311.620]~~, regardless of whether the *respondent* ~~[defendant]~~ has been convicted for violation of the penal provisions thereof.
- (4) *A petition for injunction filed under subsection (3) of this section may be filed in Jefferson Circuit Court, in the county of residence of the respondent, or in the county in which the acts are alleged to have been committed, and the board shall not be required to pay any costs or filing fees or furnish any bond in connection therewith.*
 - (a) *In the petition it shall be sufficient to charge that the respondent on a day certain in a named county engaged in the practice of medicine in violation of subsection (3)(a) or (b) of this section. No showing of damage or injury shall be required.*
 - (b) *Issuance of an injunction shall enjoin any act specified under subsection (3)(a) or (b) of this section and shall remain in place as long as necessary to prevent the unlawful practice of medicine.*
 - (c) *Issuance of an injunction shall not relieve the respondent from being subject to any other proceeding under law provided by this chapter or otherwise.*
 - (d) Violation of injunctions and restraining orders shall be punished as a contempt without the intervention of a jury.

Section 20. KRS 311.616 is amended to read as follows:

- (1) The board may establish *by contract or otherwise* an impaired physicians *program* ~~[committee, to be designated as the Kentucky Committee on Impaired Physicians,]~~ to promote the early identification,

intervention, treatment, and rehabilitation of physicians who may be impaired by reason of illness, alcohol or drug abuse, or as a result of any physical or mental condition.

- (2) ***The board may promulgate administrative regulations under the provisions of KRS Chapter 13A to implement any program formed under this section and may expend any funds necessary to provide for operational expenses of a program formed under this section.***

Section 21. KRS 311.618 is amended to read as follows:

Any member of the ***program formed under Section 20 of this Act***~~[Kentucky Committee on Impaired Physicians]~~, as well as any administrator, staff member, consultant, agent, or employee of the ***program***~~[committee]~~ acting within the scope of their duties and without actual malice, and all other persons who furnish information to the ***program***~~[committee]~~ in good faith and without actual malice, shall not be liable for any claim or damages as a result of any statement, decision, opinion, investigation, or action taken by the ***program***~~[committee]~~, or by any individual member of the ***program***~~[committee]~~.

Section 22. KRS 311.619 is amended to read as follows:

- (1) All information, interviews, reports, statements, memoranda, or other documents furnished to or produced by the ***program formed under Section 20 of this Act***~~[Kentucky Committee on Impaired Physicians]~~, as well as all communications to or from the ***program***~~[committee]~~, and any findings, conclusions, interventions, treatment, or rehabilitation, or other proceedings of the ***program***~~[committee]~~ which in any way pertain or refer to a physician who may be, or who is actually, impaired shall be privileged and confidential.
- (2) All records and proceedings of the ***program***~~[committee]~~ which pertain or refer to a physician who may be, or who actually is, impaired shall be privileged and confidential and shall be used by the ***program***~~[committee]~~ and its members only in the exercise of the proper function of the ***program***~~[committee]~~ and shall not be considered public records nor shall they be subject to court subpoena or subject to discovery or introduction as evidence in any civil, criminal, or administrative proceedings except as described in subsection (3) of this section.
- (3) The ***program***~~[committee]~~ may disclose information relative to an impaired physician only:
- When it is essential to disclose such information to further the intervention, treatment, or rehabilitation needs of the impaired physician, and then only to those persons or organizations with a need to know;
 - When its release is authorized in writing by the impaired physician; or
 - When the ***program***~~[committee]~~ is required to make a report to the board.
- (4) ***The program shall report any suspected violation of Section 16 of this Act to the board.***

SECTION 23. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

As used in Sections 23 to 34 of this Act:

- (1) ***"Board" means the Kentucky Board of Medical Licensure;***
- (2) ***"Complaint" means a formal administrative pleading that sets forth charges against a physician assistant and commences a formal disciplinary proceeding;***
- (3) ***"Physician assistant" means a person who:***
 - Has graduated from a physician assistant or surgeon assistant program accredited by the Accreditation Review Commission on Education for Physician Assistants or its predecessor or successor agencies and has passed the certifying examination administered by the National Commission on Certification of Physician Assistants or its predecessor or successor agencies; or***
 - Possesses a current physician assistant certificate issued by the board prior to the effective date of this Act;***
- (4) ***"Supervising physician" means a physician licensed by the board who supervises one (1) or more physician assistants;***
- (5) ***"Supervising physician in anesthesia" means a physician licensed by the board who has completed postgraduate training in anesthesiology at an anesthesiology program accredited by the Accreditation Council for Graduate Medical Education or its equivalent; and***

- (6) *"Supervision" means overseeing the activities of and accepting of responsibility for the medical services rendered by a physician assistant. Each team of physicians and physician assistants shall ensure that the delegation of medical tasks is appropriate to the physician assistant's level of training and experience, that the identifications of and access to the supervising physician are clearly defined, and that a process for evaluation of the physician assistant's performance is established.*

SECTION 24. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall promulgate administrative regulations in accordance with KRS Chapter 13A relating to the certification and regulation, including temporary certification, of physician assistants.*
- (2) *The board shall establish a nine (9) member Physician Assistant Advisory Committee that shall review and make recommendations to the board regarding all matters relating to physician assistants that come before the board, including but not limited to:*
- (a) *Applications for physician assistant certification;*
 - (b) *Certification renewal requirements;*
 - (c) *Approval of supervising physicians;*
 - (d) *Disciplinary actions; and*
 - (e) *Promulgation and revision of administrative regulations.*
- (3) *Members of the Physician Assistant Advisory Committee shall be appointed by the board for four (4) year terms and shall consist of:*
- (a) *Five (5) practicing physician assistants;*
 - (b) *Two (2) supervising physicians;*
 - (c) *One (1) member of the board; and*
 - (d) *One (1) citizen at large.*
- (4) *The chairperson of the committee shall be elected by a majority vote of the committee members and shall be responsible for presiding over meetings that shall be held on a regular basis.*
- (5) *Members shall receive reimbursement for expenditures relating to attendance at committee meetings consistent with state policies for reimbursement of travel expenses for state employees.*
- (6) *Nothing in this chapter shall be construed to require certification of a physician assistant student enrolled in a physician assistant or surgeon assistant program accredited by the Accreditation Review Commission Education for Physician Assistants or its successor agencies or of a physician assistant employed in the service of the federal government while performing duties relating to that employment.*

SECTION 25. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *To be certified by the board as a physician assistant, an applicant shall:*
- (a) *Submit a completed application form with the required fee;*
 - (b) *Be of good character and reputation;*
 - (c) *Be a graduate of an approved program; and*
 - (d) *Have passed an examination approved by the board within three (3) attempts.*
- (2) *A physician assistant who is authorized to practice in another state and who is in good standing may apply for certification by endorsement from the state of his or her credentialing if that state has standards substantially equivalent to those of this Commonwealth.*
- (3) *A physician assistant's certification shall be renewed upon fulfillment of the following requirements:*
- (a) *The holder shall be of good character and reputation;*
 - (b) *The holder shall provide evidence of completion during the previous two (2) years of a minimum of one hundred (100) hours of continuing education approved by the American Medical Association, the American Osteopathic Association, the American Academy of Family Physicians, the American Academy of Physician Assistants, or by another entity approved by the board;*

- (c) *The holder shall provide evidence of completion of a continuing education course on the human immunodeficiency virus and acquired immunodeficiency syndrome in the previous ten (10) years that meets the requirements of KRS 214.610; and*
- (d) *The holder shall provide proof of current certification with the National Commission on Certification of Physician Assistants.*

SECTION 26. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *The examination of the National Commission on Certification of Physician Assistants for certification as a physician assistant shall be approved by the board.*
- (2) *Educational and training programs approved by the board shall include physician assistant programs that are accredited by the Accreditation Review Commission on Education for Physician Assistants or its predecessor or successor agencies.*
- (3) *Training programs for the provision of general or regional anesthesia shall be accredited by the Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs.*
- (4) *A trainee enrolled in an approved program shall be supervised and the training program shall be responsible for the services provided by the trainee. A trainee shall have the same scope of practice as a physician assistant and shall not be considered to be practicing without authorization while enrolled in a training program.*

SECTION 27. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "medical emergency" means a real and substantial threat to public health or the health of an individual as determined by the executive director of the board that requires additional professional resources.*
- (2) *In a medical emergency, the board may approve an additional physician assistant for a supervising physician practicing in this Commonwealth for a period not to exceed thirty (30) days who:*
 - (a) *Submits satisfactorily completed forms to the board; and*
 - (b) *Is credentialed and in good standing in this Commonwealth.*
- (3) *In a medical emergency, the board may issue an emergency permit to a physician assistant who:*
 - (a) *Is credentialed and in good standing in another state or Canadian province;*
 - (b) *Submits satisfactorily completed forms to the board; and*
 - (c) *Based on verifiable information, meets the requirements for regular certification under Section 25 of this Act.*
- (4) *An emergency permit:*
 - (a) *Shall be valid for a period of time not to exceed thirty (30) days;*
 - (b) *Shall not be renewed or reissued and shall be immediately canceled if a medical emergency no longer exists;*
 - (c) *May be canceled by the executive director upon reasonable cause without a prior hearing; and*
 - (d) *Shall not authorize a physician assistant to practice beyond a specified geographical area, beyond the scope of practice encompassed by the medical emergency, or without the supervision of a supervising physician.*

SECTION 28. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *The board may revoke, suspend, deny, decline to renew, limit, or restrict the certification of a physician assistant, or may fine, reprimand or place a physician assistant on probation for no more than five (5) years upon proof that a physician assistant has:*
 - (a) *Knowingly made or presented or caused to be made or presented any false, fraudulent, or forged statement, writing, certificate, diploma, or other document relating to an application for certification;*

- (b) *Practiced, aided, or abetted in the practice of fraud, forgery, deception, collusion, or conspiracy relating to an examination for certification;*
 - (c) *Been convicted by any court of a misdemeanor offense involving moral turpitude or been convicted of an act that is or would be a felony under the laws of the Commonwealth of Kentucky or of the United States;*
 - (d) *Become addicted to or is an abuser of alcohol, drugs, or any illegal substance;*
 - (e) *Developed a physical or mental disability or other condition that presents a danger in continuing to practice medicine to patients, the public, or other health care personnel;*
 - (f) *Knowingly made or caused to be made or aided or abetted in the making of a false statement in any document executed in connection with the practice of medicine or osteopathy;*
 - (g) *Performed any act or service as a physician assistant without a designated supervising physician;*
 - (h) *Exceeded the scope of medical services described by the supervising physician in the applications required under Section 30 of this Act;*
 - (i) *Exceeded the scope of practice for which the physician assistant was credentialed by the governing board of a hospital or licensed health care facility under Sections 31 and 32 of this Act;*
 - (j) *Aided, assisted, or abetted the unlawful practice of medicine or osteopathy or any healing art including the unlawful practice of physician assistants;*
 - (k) *Willfully violated a confidential communication;*
 - (l) *Performed the services of a physician assistant in an unprofessional, incompetent, or grossly or chronically negligent manner;*
 - (m) *Been removed, suspended, expelled, or placed on probation by any health care facility or professional society for unprofessional conduct, incompetence, negligence, or violation of any provision of this section or Section 32 or 34 of this Act;*
 - (n) *Violated any applicable provision of administrative regulations relating to physician assistant practice;*
 - (o) *Violated any term of probation or other discipline imposed by the board; or*
 - (p) *Failed to complete the required number of hours of approved continuing education.*
- (2) *All disciplinary proceedings against a physician assistant shall be conducted in accordance with the provisions of Sections 13 and 15 of this Act, KRS 311.593, 311.599, and KRS Chapter 13B and related administrative regulations promulgated under KRS Chapter 311.*

SECTION 29. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *At any time when an inquiry panel established under Section 13 of this Act has probable cause to believe that a physician assistant has violated the terms of an agreed order as defined in subsection (19) of Section 4 of this Act, or violated the terms of a disciplinary order, or that a physician assistant's practice constitutes a danger to the health, welfare, or safety of his or her patients or the general public, the inquiry panel may issue an emergency order in accordance with KRS 13B.125 suspending, limiting, or restricting the physician assistant's certification.*
- (2) *For the purposes of a hearing conducted under KRS 13B.125 on an emergency order issued under this section, the findings of fact in the emergency order shall constitute a rebuttable presumption of substantial evidence of a violation of law that constitutes immediate danger to the health, welfare, or safety of patients or the general public. For the purposes of this hearing only, hearsay shall be admissible and may serve as a basis of the board's findings.*
- (3) *An emergency order as described in subsection (1) of this section shall not be issued unless grounds exist for the issuance of a complaint. The inquiry panel shall issue a complaint prior to the date of the emergency hearing or the emergency order shall become void.*
- (4) *An order of temporary suspension, restriction, or limitation shall not be maintained after a final order as defined in subsection (20) of Section 4 of this Act is served on the charged physician assistant pursuant to*

the proceeding on the complaint. An appeal of an emergency order shall not prejudice the board from proceeding with the complaint.

SECTION 30. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *A physician shall not supervise a physician assistant without approval of the board. Failure to obtain board approval as a supervising physician or failure to comply with the requirements of Sections 23 to 34 of this Act or related administrative regulations shall be considered unprofessional conduct and shall be subject to disciplinary action by the board that may include revocation, suspension, restriction, or placing on probation the supervising physician's right to supervise a physician assistant.*
- (2) *To be approved by the board as a supervising physician, a physician shall:*
 - (a) *Be currently licensed and in good standing with the board;*
 - (b) *Maintain a practice primarily within this Commonwealth. The board in its discretion may modify or waive this requirement;*
 - (c) *Submit a completed application and the required fee to the board. The application shall include but is not limited to:*
 1. *A description of the nature of the physician's practice;*
 2. *A statement of assurance by the supervising physician that the scope of medical services and procedures described in the application or in any supplemental information shall not exceed the normal scope of practice of the supervising physician;*
 3. *A description of the means by which the physician shall maintain communication with the physician assistant when they are not in the same physical location;*
 4. *The name, address, and area of practice of one (1) or more physicians who agree in writing to accept responsibility for supervising the physician assistant in the absence of the supervising physician; and*
 5. *A description of the scope of medical services and procedures to be performed by the physician assistant for which the physician assistant has been trained in an approved program.*
- (3) *Prior to a physician assistant performing any service or procedure beyond those described in the initial application submitted to the board under subsection (2)(c) of this section, the supervising physician shall supplement that application with information that includes but is not limited to:*
 - (a) *A description of the additional service or procedure;*
 - (b) *A description of the physician assistant's education, training, experience, and institutional credentialing;*
 - (c) *A description of the level of supervision to be provided for the additional service or procedure; and*
 - (d) *The location or locations where the additional service or procedure will be provided.*

The initial and supplemental applications required under this section may be submitted to the board at the same time.
- (4) *A physician who has been supervising a physician assistant prior to the effective date of this Act may continue supervision and the physician assistant may continue to perform all medical services and procedures that were provided by the physician assistant prior to the effective date of this Act. The supervising physician shall submit the initial application and any supplemental application as required in this section by October 15, 2002.*
- (5) *A physician may enter into supervision agreements with a maximum of four (4) physician assistants but shall not supervise more than two (2) physician assistants at any one (1) time. Application for board approval to be a supervising physician shall be obtained individually for each physician assistant.*
- (6) *The board may impose restrictions on the scope of practice of a physician assistant or on the methods of supervision by the supervising physician upon consideration of recommendations of the Physician Assistant Advisory Committee established in Section 24 of this Act after providing the applicant with reasonable notice of its intended action and after providing a reasonable opportunity to be heard.*

SECTION 31. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

A supervising physician shall:

- (1) *Restrict the services of a physician assistant to services within the physician assistant's scope of practice and to the provisions of Sections 32 to 34 of this Act;*
- (2) *Prohibit a physician assistant from prescribing or dispensing controlled substances;*
- (3) *Inform all patients in contact with a physician assistant of the status of the physician assistant;*
- (4) *Post a notice stating that a physician assistant practices medicine or osteopathy in all locations where the physician assistant may practice;*
- (5) *Require a physician assistant to wear identification that clearly states that he or she is a physician assistant;*
- (6) *Prohibit a physician assistant from independently billing any patient or other payor for services rendered by the physician assistant;*
- (7) *If necessary, participate with the governing body of any hospital or other licensed health care facility in a credentialing process established by the facility;*
- (8) *Not require a physician assistant to perform services or other acts that the physician assistant feels incapable of carrying out safely and properly;*
- (9) *Maintain adequate, active, and continuous supervision of a physician assistant's activities to assure that the physician assistant is performing as directed and complying with the requirements of Sections 23 to 34 of this Act and all related administrative regulations;*
- (10) *Sign all records of service rendered by a physician assistant in a timely manner as certification that the physician assistant performed the services as delegated;*
- (11)
 - (a) *Reevaluate the reliability, accountability, and professional knowledge of a physician assistant two (2) years after the physician assistant's original certification in this Commonwealth and every two (2) years thereafter; and*
 - (b) *Based on the reevaluation, recommend approval or disapproval of certification or recertification to the board; and*
- (12) *Notify the board within three (3) business days if the supervising physician:*
 - (a) *Ceases to supervise or employ the physician assistant; or*
 - (b) *Believes in good faith that a physician assistant violated any disciplinary rule of Sections 23 to 34 of this Act or related administrative regulations.*

SECTION 32. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *A physician assistant may perform medical services and procedures within the scope of medical services and procedures described in the initial or any supplemental application received by the board under Section 30 of this Act.*
- (2) *A physician assistant shall be considered an agent of the supervising physician in performing medical services and procedures described in the initial application or any supplemental application received by the board under Section 30 of this Act.*
- (3) *A physician assistant may initiate evaluation and treatment in emergency situations without specific approval.*
- (4) *A physician assistant may prescribe and administer all nonscheduled legend drugs and medical devices as delegated by the supervising physician. A physician assistant who is delegated prescribing authority may request, receive, and distribute professional sample drugs to patients.*
- (5) *A physician assistant shall not submit direct billing for medical services and procedures performed by the physician assistant.*
- (6) *A physician assistant may perform local infiltrative anesthesia under the provisions of subsection (1) of this section, but a physician assistant shall not administer or monitor general or regional anesthesia unless the requirements of Section 34 of this Act are met.*

- (7) *A physician assistant may perform services in the offices or clinics of the supervising physician. A physician assistant may also render services in hospitals or other licensed health care facilities only with written permission of the facility's governing body, and the facility may restrict the physician assistant's scope of practice within the facility as deemed appropriate by the facility.*
- (8) *A physician assistant shall not practice medicine or osteopathy independently. Each physician assistant shall practice under supervision as defined in Section 23 of this Act.*

SECTION 33. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *A supervising physician who uses the services of a physician assistant in an office or clinic separate from the physician's primary office shall submit for board approval a specific written request that describes the services to be provided by the physician assistant in the separate office or clinic, the distance between the primary office and the separate location, and the means and availability of direct communication at all times with the supervising physician.*
- (2) *A physician assistant shall not practice medicine or osteopathy in an office, clinic, or separate location from the supervising physician unless the physician assistant has two (2) continuous years of experience in a non-separate location. The board in its discretion may modify or waive the requirements of this subsection.*
- (3) *Except as provided by Section 34 of this Act, a physician assistant may perform services when the supervising physician is not physically present in the supervising physician's office or clinic when a reliable means of direct communication with the supervising physician is available at all times.*
- (4) *Except as provided by Section 34 of this Act, a physician assistant may perform services when the supervising physician is not physically present in a hospital or other licensed health care facility when a reliable means of direct communication with the supervising physician is available at all times and the hospital or facility has given specific approval for the provision of physician assistant services without the physical presence of the supervising physician.*

SECTION 34. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *A physician assistant who was practicing as an anesthesiology assistant in Kentucky prior to the effective date of this Act, may continue to practice if the physician assistant:*
 - (a) *Met the practice, education, training, and certification requirements specified in Sections 25 and 26 of this Act;*
 - (b) *Is a graduate of an approved program accredited by the Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs that is specifically designed to train an individual to administer general or regional anesthesia; and*
 - (c) *Is employed by a supervising physician in anesthesia.*
- (2) *A physician assistant who has not practiced as an anesthesiology assistant in Kentucky prior to the effective date of this Act, shall meet the following requirements prior to practicing as an anesthesiology assistant:*
 - (a) *Graduation from an approved four (4) year physician assistant program as specified in subsection (1)(b) of this section and graduation from another two (2) year approved and accredited program that consists of academic and clinical training in anesthesiology;*
 - (b) *Compliance with the practice, education, training, and certification requirements specified in Sections 25 and 26 of this Act; and*
 - (c) *Employment with a supervising physician in anesthesia.*
- (3) *A physician assistant practicing as an anesthesiology assistant shall not administer or monitor general or regional anesthesia unless the supervising physician in anesthesia:*
 - (a) *Is physically present in the room during induction and emergence;*
 - (b) *Is not concurrently performing any other anesthesiology procedure; and*
 - (c) *Is available to provide immediate physical presence in the room.*

Section 35. KRS 217.015 is amended to read as follows:

For the purposes of KRS 217.005 to 217.215:

- (1) "Advertisement" means all representations, disseminated in any manner or by any means, other than by labeling, for the purpose of inducing, or which are likely to induce, directly or indirectly, the purchase of food, drugs, devices, or cosmetics;
- (2) "Bread" and "enriched bread" mean only the foods commonly known and described as white bread, white rolls, white buns, enriched white bread, enriched rolls, and enriched white buns, as defined under the federal act;
- (3) "Cabinet" means the Cabinet for Health Services or its designee;
- (4) "Color" means but is not limited to black, white, and intermediate grays;
- (5) "Color additive" means a material that:
 - (a) Is a dye, pigment, or other substance made by a process of synthesis or similar artifice, or extracted, isolated, or otherwise derived, with or without intermediate or final change of identity, from a vegetable, animal, mineral, or other source. Nothing in this paragraph shall be construed to apply to any pesticide chemical, soil or plant nutrient, or other agricultural chemical solely because of its effect in aiding, retarding, or otherwise affecting, directly or indirectly, the growth or other natural physiological process of produce of the soil and thereby affecting its color, whether before or after harvest; or
 - (b) When added or applied to a food, drug, or cosmetic, or to the human body or any part thereof, is capable, alone or through reaction with another substance, of imparting color. "Color additive" does not include any material that has been or may in the future be exempted under the federal act;
- (6) "Contaminated with filth" means any food, drug, device, or cosmetic that is not securely protected from dust, dirt, and as far as may be necessary by all reasonable means, from all foreign or injurious contaminants;
- (7) "Cosmetic" means:
 - (a) Articles intended to be rubbed, poured, sprinkled, sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance; and
 - (b) Articles intended for use as a component of those articles, except that the term shall not include soap;
- (8) "Device," except when used in subsection (48) of this section, KRS 217.035(6), KRS 217.065(3), KRS 217.095(3), and KRS 217.175(10), means instruments, apparatus, and contrivances, including their components, parts, and accessories, intended:
 - (a) For use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; or
 - (b) To affect the structure or any function of the body of man or other animals;
- (9) "Dispense" means to deliver a drug or device to an ultimate user or research subject by or pursuant to the lawful order of a practitioner, including the packaging, labeling, or compounding necessary to prepare the substance for that delivery;
- (10) "Dispenser" means a person who lawfully dispenses a drug or device to or for the use of an ultimate user;
- (11) "Drug" means:
 - (a) Articles recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or any supplement to any of them;
 - (b) Articles intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease in man or other animals;
 - (c) Articles, other than food, intended to affect the structure or any function of the body of man or other animals; and
 - (d) Articles intended for use as a component of any article specified in this subsection but does not include devices or their components, parts, or accessories;
- (12) "Enriched," as applied to flour, means the addition to flour of vitamins and other nutritional ingredients necessary to make it conform to the definition and standard of enriched flour as defined under the federal act;

- (13) "Environmental Pesticide Control Act of 1972" means the Federal Environmental Pesticide Control Act of 1972, Pub. L. 92-516, and all amendments thereto;
- (14) "Fair Packaging and Labeling Act" means the Fair Packaging and Labeling Act as it relates to foods and cosmetics, 15 U.S.C. secs. 1451 et seq., and all amendments thereto;
- (15) "Federal act" means the Federal Food, Drug and Cosmetic Act, 21 U.S.C. secs. 301 et seq., 52 Stat. 1040 et seq., or amendments thereto;
- (16) "Filled milk" means any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, frozen, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, except the fat or oil of contained eggs and nuts and the fat or oil of substances used for flavoring purposes only, so that the resulting product is an imitation or semblance of milk, cream, skimmed milk, ice cream mix, ice cream, or frozen desserts, whether or not condensed, evaporated, concentrated, frozen, powdered, dried, or desiccated, whether in bulk or in containers, hermetically sealed or unsealed. This definition does not mean or include any milk or cream from which no part of the milk or butter fat has been extracted, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added any substance rich in vitamins, nor any distinctive proprietary food compound not readily mistaken for milk or cream or for condensed, evaporated, concentrated, powdered, dried, or desiccated milk or cream, if the compound is prepared and designed for the feeding of infants or young children, sick or infirm persons, and customarily used on the order of a physician, and is packed in individual containers bearing a label in bold type that the contents are to be used for those purposes; nor shall this definition prevent the use, blending, or compounding of chocolate as a flavor with milk, cream, or skimmed milk, desiccated, whether in bulk or in containers, hermetically sealed or unsealed, to or with which has been added, blended or compounded no other fat or oil other than milk or butter fat;
- (17) "Flour" means only the foods commonly known as flour, white flour, wheat flour, plain flour, bromated flour, self-rising flour, self-rising white flour, self-rising wheat flour, phosphated flour, phosphated white flour, and phosphated wheat flour, defined under the federal act;
- (18) "Food" means:
 - (a) Articles used for food or drink for man or other animals;
 - (b) Chewing gum; and
 - (c) Articles used for components of any such article;
- (19) "Food additive" means any substance the intended use of which results or may be reasonably expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristics of any food, including any substance intended for use in producing, manufacturing, packing, processing, preparing, treating, packaging, transporting, or holding food; and including any source of radiation intended for any of these uses, if the substance is not generally recognized, among experts qualified by scientific training and experience to evaluate its safety, as having been adequately shown through scientific procedures or, in the case of a substance used in a food prior to January 1, 1958, through either scientific procedures or experience based on common use in food to be safe under the conditions of its intended use; except that the term does not include:
 - (a) A pesticide chemical in or on a raw agricultural commodity;
 - (b) A pesticide chemical to the extent that it is intended for use or is used in the production, storage, or transportation of any raw agricultural commodity;
 - (c) A color additive; or
 - (d) Any substance used in accordance with a sanction or approval granted prior to the enactment of the Food Additives Amendment of 1958, pursuant to the federal act; the Poultry Products Inspection Act, 21 U.S.C. secs. 451 et seq.; or the Meat Inspection Act of 1907; and amendments thereto;
- (20) "Food processing establishment" means any commercial establishment in which food is manufactured, processed, or packaged for human consumption, but does not include retail food establishments;
- (21) "Food service establishment" means any fixed or mobile commercial establishment that engages in the preparation and serving of ready-to-eat foods in portions to the consumer, including, but not limited to: restaurants; coffee shops; cafeterias; short order cafes; luncheonettes; grills; tea rooms; sandwich shops; soda

fountains; taverns; bars; cocktail lounges; nightclubs; roadside stands; industrial feeding establishments; private, public or nonprofit organizations or institutions routinely serving food; catering kitchens; commissaries; charitable food kitchens; or similar places in which food is prepared for sale or service on the premises or elsewhere with or without charge. It does not include food vending machines, establishments serving beverages only in single service or original containers, or retail food stores which only cut, slice, and prepare cold-cut sandwiches for individual consumption;

- (22) "Food storage warehouse" means any establishment in which food is stored for subsequent distribution;
- (23) "Immediate container" does not include package liners;
- (24) "Imminent health hazard" means a significant threat or danger to health that is considered to exist when there is evidence sufficient to show that a product, practice, circumstance, or event creates a situation that requires immediate correction or cessation of operation to prevent illness or injury based on:
 - (a) The number of potential illnesses or injuries; or
 - (b) The nature, severity, and duration of the anticipated illness or injury;
- (25) "Interference" means threatening or otherwise preventing the performance of lawful inspections or duties by agents of the cabinet during all reasonable times of operation;
- (26) "Label" means a display of written, printed, or graphic matter upon the immediate container of any article; and a requirement made by or under authority of KRS 217.005 to 217.215 that any word, statement, or other information appearing on the label shall not be considered to be complied with unless the word, statement, or other information also appears on the outside container or wrapper, if any there be, of the retail package of the article, or is easily legible through the outside container or wrapper;
- (27) "Labeling" means all labels and other written, printed, or graphic matter:
 - (a) Upon an article or any of its containers or wrappers; or
 - (b) Accompanying the article;
- (28) "Legend drug" means a drug defined by the Federal Food, Drug and Cosmetic Act, as amended, and under which definition its label is required to bear the statement "Caution: Federal law prohibits dispensing without prescription.";
- (29) "Meat Inspection Act" means the Federal Meat Inspection Act, 21 U.S.C. secs. 71 et seq., 34 Stat. 1260 et seq., including any amendments thereto;
- (30) "New drug" means:
 - (a) Any drug the composition of which is such that the drug is not generally recognized among experts qualified by scientific training and experience to evaluate the safety of drugs as safe for use under the conditions prescribed, recommended, or suggested in the labeling thereof; or
 - (b) Any drug the composition of which is such that the drug, as a result of investigations to determine its safety for use under prescribed conditions, has become so recognized, but which has not, otherwise than in the investigations, been used to a material extent or for a material time under the conditions;
- (31) "Official compendium" means the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, official national formulary, or any supplement to any of them;
- (32) "Person" means an individual, firm, partnership, company, corporation, trustee, association, or any public or private entity;
- (33) "Pesticide chemical" means any substance that alone in chemical combination, or in formulation with one or more other substances, is an "economic poison" within the meaning of the Federal Insecticide, Fungicide and Rodenticide Act and amendments thereto, and that is used in the production, storage, or transportation of raw agricultural commodities;
- (34) "Poultry Products Inspection Act" means the Federal Poultry and Poultry Products Inspection Act, 21 U.S.C. secs. 451 et seq., Pub. L. 85-172, 71 Stat. 441, and any amendments thereto;
- (35) "Practitioner" means medical or osteopathic physicians, dentists, chiropractors, and veterinarians who are licensed under the professional licensing laws of Kentucky to prescribe and administer drugs and devices. "Practitioner" includes optometrists when administering or prescribing pharmaceutical agents authorized in

KRS 320.240(12) to (14), advanced registered nurse practitioners as authorized in KRS 314.011 and 314.042, and physician assistants when administering or prescribing pharmaceutical agents as authorized in ***Section 32 of this Act*** ~~[KRS 311.560(3) and (4)]~~;

- (36) "Prescription" means a written or oral order for a drug or medicine, or combination or mixture of drugs or medicines, or proprietary preparation, that is signed, given, or authorized by a medical, dental, chiropody, veterinarian, or optometric practitioner, and intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals;
- (37) "Prescription blank" means a document that conforms with KRS 217.216 and is intended for prescribing a drug to an ultimate user;
- (38) "Raw agricultural commodity" means any food in its raw or natural state, including all fruits that are washed, colored, or otherwise treated in their unpeeled natural form prior to marketing;
- (39) "Retail food establishment" means any food service establishment, retail food store, or a combination of both within the same establishment;
- (40) "Retail food store" means any fixed or mobile establishment where food or food products, including prepackaged, labeled sandwiches or other foods to be heated in a microwave or infrared oven at the time of purchase, are offered for sale to the consumer, and intended for off-premises consumption, but does not include establishments which handle only prepackaged, snack-type, nonpotentially hazardous foods, markets that offer only fresh fruits and vegetables for sale, food service establishments, food and beverage vending machines, vending machine commissaries, or food processing establishments;
- (41) "Salvage distributor" means a person who engages in the business of distributing, peddling, or otherwise trafficking in any salvaged merchandise;
- (42) "Salvage processing plant" means an establishment operated by a person engaged in the business of reconditioning, labeling, relabeling, repackaging, recoopering, sorting, cleaning, culling or who by other means salvages, sells, offers for sale, or distributes for human or animal consumption or use any salvaged food, beverage, including beer, wine and distilled spirits, vitamins, food supplements, dentifrices, cosmetics, single-service food containers or utensils, containers and packaging materials used for foods and cosmetics, soda straws, paper napkins, or any other product of a similar nature that has been damaged or contaminated by fire, water, smoke, chemicals, transit, or by any other means;
- (43) "Second or subsequent offense" has the same meaning as it does in KRS 218A.010;
- (44) "Secretary" means the secretary of the Cabinet for Health Services;
- (45) "Temporary food service establishment" means any food service establishment which operates at a fixed location for a period of time, not to exceed fourteen (14) consecutive days;
- (46) "Traffic" has the same meaning as it does in KRS 218A.010;
- (47) "Ultimate user" has the same meaning as it does in KRS 218A.010;
- (48) If an article is alleged to be misbranded because the labeling is misleading, or if an advertisement is alleged to be false because it is misleading, in determining whether the labeling or advertisement is misleading, there shall be taken into account, among other things, not only representations made or suggested by statement, word, design, device, sound, or in any combination thereof, but also the extent to which the labeling or advertisement fails to reveal facts that are material in the light of the representations or material with respect to consequences which may result from the use of the article to which the labeling or advertisement relates under the conditions of use prescribed in the labeling or advertisement thereof or under the conditions of use as are customary or usual;
- (49) The representation of a drug in its labeling or advertisement as an antiseptic shall be considered to be a representation that it is a germicide, except in the case of a drug purporting to be, or represented as, an antiseptic for inhibitory use as a wet dressing, ointment, dusting powder, or other use involving prolonged contact with the body; and
- (50) The provisions of KRS 217.005 to 217.215 regarding the selling of food, drugs, devices, or cosmetics shall be considered to include the manufacture, production, processing, packing, exposure, offer, possession, and

holding of those articles for sale, the sale, dispensing, and giving of those articles, and the supplying or applying of those articles in the conduct of any food, drug, or cosmetic establishment.

Section 36. The following KRS sections are repealed:

311.567 Authority for administrative regulations -- Physician Assistant Advisory Committee.

311.618 Committee's immunity for official acts.

Approved April 2, 2002

CHAPTER 131

(HB 626)

AN ACT relating to extended school services.

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

Section 1. KRS 158.070 is amended to read as follows:

- (1) The minimum school term shall be one hundred eighty-five (185) days, including no less than the equivalent of one hundred seventy-five (175) six (6) hour instructional days. A board of education may extend its term beyond the minimum term.
- (2) The local board of education, upon recommendation of the local school district superintendent, shall adopt a school calendar for the upcoming school year that establishes the opening and closing dates of the school term, beginning and ending dates of each school month, instructional days, and days on which schools shall be dismissed. The local board may schedule days for breaks in the school calendar that shall not be counted as a part of the minimum school term.
- (3) Any local board of education operating its schools on a year-round school program basis shall conform with administrative regulations promulgated and adopted by the Kentucky Board of Education upon the recommendation of the commissioner of education, which regulations must be in conformity with the following criteria:
 - (a) The year-round school program shall be operated on a fiscal year beginning July 1 and ending June 30;
 - (b) A pupil's required attendance in school shall be for at least the minimum instructional term; and
 - (c) No teacher shall be required to teach more than the minimum term during the school year.
- (4)
 - (a) Each local board of education shall use four (4) days of the minimum school term for professional development and collegial planning activities for the professional staff without the presence of pupils pursuant to the requirements of KRS 156.095. At the discretion of the superintendent, one (1) day of professional development may be used for district-wide activities and for training that is mandated by federal or state law. The use of three (3) days shall be planned by each school council, except that the district is encouraged to provide technical assistance and leadership to school councils to maximize existing resources and to encourage shared planning.
 - (b) A local board may approve a school's flexible professional development plan that permits teachers or other certified personnel within a school to participate in professional development activities outside the days scheduled in the school calendar or the regularly scheduled hours in the school work day and receive credit towards the four (4) day professional development requirement within the minimum one hundred eighty-five (185) days that a teacher shall be employed.
 1. A flexible schedule option shall be reflected in the school's professional development component within the school improvement plan or consolidated plan and approved by the local board. Credit for approved professional development activities may be accumulated in periods of time other than full day segments.
 2. No teacher or administrator shall be permitted to count participation in a professional development activity under the flexible schedule option unless the activity is related to the teacher's classroom assignment and content area, or the administrator's job requirements, or is required by the school improvement or consolidated plan, or is tied to the teacher's or the administrator's individual growth plan. The supervisor shall give prior approval and shall monitor

compliance with the requirements of this paragraph. In the case of teachers, a professional development committee or the school council by council policy may be responsible for reviewing requests for approval.

- (c) The local board of each school district may use up to a maximum of four (4) days of the minimum school term for holidays; provided, however, any holiday which occurs on Saturday may be observed on the preceding Friday.
- (d) Each local board may use two (2) days for planning activities without the presence of pupils.
- (e) Each local board may use the number of days deemed necessary for:
 - 1. National or state disaster or mourning when proclaimed by the President of the United States or the Governor of the Commonwealth of Kentucky;
 - 2. Local disaster which would endanger the health or safety of children; and
 - 3. Mourning when so designated by the local board of education and approved by the Kentucky Board of Education upon recommendation of the commissioner of education.
- (5) The Kentucky Board of Education, upon recommendation of the commissioner of education, shall adopt administrative regulations governing the use of school days, including days missed from the regular school day as a result of local disaster, as defined in subsection (4)(e)2. of this section, and regulations setting forth the guidelines and procedures to be observed for the approval of the days utilized for the opening and closing of school and the days utilized for professional development and planning activities for the professional staff.
- (6) (a) In setting the school calendar, school may be closed for two (2) consecutive days for the purpose of permitting professional school employees to attend statewide professional meetings. These two (2) days for statewide professional meetings may be scheduled to begin with the first Thursday after Easter, or upon request of the statewide professional education association having the largest paid membership, the commissioner of education may designate alternate dates. If schools are scheduled to operate during days designated for the statewide professional meeting, the school district shall permit teachers who are delegates to attend as compensated professional leave time and shall employ substitute teachers in their absence. The commissioner of education shall designate one (1) additional day during the school year when schools shall be closed to permit professional school employees to participate in regional or district professional meetings. These three (3) days so designated for attendance at professional meetings shall not be counted as a part of the minimum school term. School shall be closed on the day of a regular election, and that day may be used for professional development activities, professional meetings, or parent-teacher conferences.
- (b) All schools shall be closed on the third Monday of January in observance of the birthday of Martin Luther King, Jr. Districts may:
 - 1. Designate the day as one (1) of the four (4) holidays permitted under subsection (4)(c) of this section; or
 - 2. Not include the day in the minimum school term specified in subsection (1) of this section.
- (7) Students applying for excused absence for attendance at the Kentucky State Fair shall be granted one (1) day of excused absence.
- (8) Schools shall provide continuing education for those students who are determined to need additional time to achieve the outcomes defined in KRS 158.6451, and schools shall not be limited to the minimum school term in providing this education. Continuing education time may include extended days, extended weeks, or extended years. A local board of education may adopt a policy requiring its students to participate in continuing education. The local policy shall set out the conditions under which attendance will be required and any exceptions which are provided. The Kentucky Board of Education shall promulgate administrative regulations establishing criteria for the allotment of grants to local school districts ***and shall include criteria by which the commissioner of education may approve a district's request for a waiver to use an alternative service delivery option, including providing services during the school day on a limited basis.*** These grants shall be allotted to school districts to provide instructional programs for pupils who are identified as needing additional time to achieve the outcomes defined in KRS 158.6451. A school district that has a school operating a model early reading program under KRS 158.792 may use a portion of its grant money as part of the

matching funds to provide individualized or small group reading instruction to qualified students outside of the regular classroom during the school day.

- (9) Notwithstanding any other statute, each school term shall include no less than the equivalent of the minimum number of instructional days required by this section.
- (10) Notwithstanding the provisions of KRS 158.060(3) and the provisions of subsection (1) of this section, a school district shall arrange bus schedules so that all buses arrive in sufficient time to provide breakfast prior to the instructional day. In the event of an unforeseen bus delay, the administrator of a school that participates in the Federal School Breakfast Program may authorize up to fifteen (15) minutes of the six (6) hour instructional day if necessary to provide the opportunity for children to eat breakfast not to exceed eight (8) times during the school year within a school building.

Approved April 2, 2002

CHAPTER 132

(HB 157)

AN ACT relating to peace officer certification.

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

Section 1. KRS 15.380 is amended to read as follows:

- (1) The following officers employed or appointed as full-time, part-time, or auxiliary officers, whether paid or unpaid, shall be certified:
 - (a) State Police officers, but for the commissioner of the State Police;
 - (b) City, county, and urban-county police officers;
 - (c) Deputy sheriffs, except those identified in KRS 70.045 and 70.263(3);
 - (d) State or public university safety and security officers appointed pursuant to KRS 164.950;
 - (e) School security officers employed by local boards of education who are special law enforcement officers appointed under KRS 61.902;
 - (f) Airport safety and security officers appointed under KRS 183.880;
 - (g) Department of Alcoholic Beverage Control field representatives and investigators appointed under KRS 241.090; and
 - (h) Division of Insurance Fraud Investigation investigators appointed under KRS 304.47-040.
- (2) The requirements of KRS 15.380 to ~~15.404~~~~[15.402]~~ for certification may apply to all state peace officers employed pursuant to KRS Chapter 18A and shall, if adopted, be incorporated by the Department of Personnel for job specifications.
- (3) Additional training in excess of the standards set forth in KRS 15.380 to ~~15.404~~~~[15.402]~~ for all peace officers possessing arrest powers who have specialized law enforcement responsibilities shall be the responsibility of the employing agency.
- (4) The following officers may, upon request of the employing agency, be certified by the council:
 - (a) Deputy coroners;
 - (b) Deputy constables;
 - (c) Deputy jailers;
 - (d) Deputy sheriffs under KRS 70.045 and 70.263(3);
 - (e) Officers appointed under KRS 61.360;
 - (f) Officers appointed under KRS 61.902, except those who are school security officers employed by local boards of education;
 - (g) Private security officers;

- (h) Employees of a correctional services division created pursuant to KRS 67A.028 and employees of a metropolitan correctional services department created pursuant to KRS 67B.010 to 67B.080; and
 - (i) Investigators employed by the Division of Charitable Gaming in accordance with KRS 238.510.
- (5) The following officers shall be exempted from the certification requirements but may upon their request be certified by the council:
- (a) Sheriffs;
 - (b) Coroners;
 - (c) Constables;
 - (d) Jailers;
 - (e) Racing Commission security officers employed under KRS 230.240; and
 - (f) Commissioner of the State Police; and
- (6) Federal peace officers cannot be certified under KRS 15.380 to ~~15.404~~~~[15.402]~~.

Section 2. KRS 15.382 is amended to read as follows:

A person certified after December 1, 1998, under KRS 15.380 to ~~15.404~~~~[15.402]~~ shall, at the time of becoming certified, meet the following minimum qualifications:

- (1) Be a citizen of the United States;
- (2) Be at least twenty-one (21) years of age;
- (3) Be a high school graduate or have successfully completed a General Education Development (G.E.D.) examination;
- (4) Possess a valid license to operate a motor vehicle;
- (5) Be fingerprinted for a criminal background check;
- (6) Not have been convicted of any felony;
- (7) Not be prohibited by federal or state law from possessing a firearm;
- (8) Have received and read the Kentucky Law Enforcement Officers Code of Ethics as established by the council;
- (9) Have not received a dishonorable discharge, or general discharge under other than honorable conditions if having served in any branch of the armed forces of the United States;
- (10) Have passed a medical examination as defined by the council by administrative regulation to determine if he can perform peace officer duties as determined by a validated job task analysis. However, if the employing agency has its own validated job task analysis, the person shall pass the medical examination, appropriate to the agency's job task analysis, of the employing agency. All agencies shall certify passing medical examination results to the council, which shall accept them as complying with KRS 15.315 to 15.510;
- (11) Have passed a drug screening test administered or approved by the council by administrative regulation. A person shall be deemed to have passed a drug screening test if the results of the test are negative for the use of an illegal controlled substance or prescription drug abuse. Any agency that administers its own test that meets or exceeds this standard shall certify passing test results to the council, which shall accept them as complying with KRS 15.315 to 15.510;
- (12) Have undergone a background investigation established or approved by the council by administrative regulation to determine suitability for the position of a peace officer. If the employing agency has established its own background investigation that meets or exceeds the standards of the council, as set forth by administrative regulation, the agency shall conduct the background investigation and shall certify background investigation results to the council, which shall accept them as complying with KRS 15.315 to 15.510;
- (13) Have been interviewed by the employing agency;
- (14) Not have had certification as a peace officer permanently revoked in another state;

- (15) Have taken a psychological suitability screening administered or approved by the council by administrative regulation to determine the person's suitability to perform peace officer duties as determined by a council validated job task analysis. However, if the employing agency has its own validated job task analysis, the person shall take that agency's psychological examination, appropriate to the agency's job task analysis. All agencies shall certify psychological examination results to the council, which shall accept them as complying with KRS 15.315 to 15.510;
- (16) Have passed a physical agility test administered or approved by the council by administrative regulation to determine his suitability to perform peace officer duties as determined by a council validated job task analysis. However, if the employing agency has its own validated job task analysis, the person shall take the physical agility examination of the employing agency. All agencies shall certify physical agility examination results to the council, which shall accept them as demonstrating compliance with KRS 15.315 to 15.510; and
- (17) Have taken a polygraph examination administered or approved by the council by administrative regulation to determine his suitability to perform peace officer duties. Any agency that administers its own polygraph examination as approved by the council shall certify the results that indicate whether a person is suitable for employment as a peace officer to the council, which shall accept them as complying with KRS 15.315 to 15.510.

Section 3. KRS 15.386 is amended to read as follows:

The following certification categories shall exist:

- (1) "Precertification status" *means that*~~[]~~ the officer is currently employed or appointed by an agency and meets or exceeds all those minimum qualifications set forth in KRS 15.382, but has not successfully completed a basic training course, except those officers covered by KRS 15.400. Upon the council's verification that the minimum qualifications have been met, the officer shall have full peace officer powers as authorized under the statute under which he was appointed or employed. If an officer fails to successfully complete a basic training course within one (1) year of employment, his *or her* enforcement powers shall automatically terminate~~[]~~, ~~and he shall not exercise peace officer powers in the Commonwealth until he has successfully completed a basic training course.~~
- (2) "Certification status" *means that*~~[]~~ unless the certification is in revoked status or inactive status, the officer is currently employed or appointed by an agency and has met all training requirements. The officer shall have full peace officer powers as authorized under the statute under which he was appointed or employed.
- (3) (a) "Inactive status" *means that unless the certification is in revoked status:*~~[]~~
 - 1.~~[(a)]~~ The person has been separated on or after December 1, 1998, from the agency by which he was employed or appointed and has no peace officer powers; or
 - 2.~~[(b)]~~ The person is on military active duty for a period exceeding three hundred sixty-five (365) days.

(b) The person may remain on inactive status. A person who is on inactive status and who returns to a peace officer position shall have certification status restored if he *or she has successfully completed a basic training course approved and recognized by the council*, has not committed an act for which his *or her* certified status may be revoked pursuant to KRS 15.380 to ~~15.404~~~~[15.402]~~ and ~~by~~ successfully ~~completes~~~~[completing forty (40) hours of]~~ in-service training as prescribed by the council, *as follows:*

 1. *No more that forty (40) hours if the person has been on inactive status for a period of less than three (3) years, and the person was not in training deficiency status at the time of separation; or*
 2. *No more than eighty (80) hours if the person has been on inactive status for a period of three (3) years or more, or the person was in training deficiency status at the time of separation.*
- (4) "Training deficiency status" *means that unless the certification is in revoked status or inactive status, the officer is currently employed or appointed by an agency and has failed to meet all in-service training requirements. The officer's enforcement powers shall automatically terminate, and he or she shall not exercise peace officer powers in the Commonwealth until he or she has corrected the in-service training deficiency.*
- (5)~~[(4)]~~ "Revoked~~[]~~ or denied~~[]~~ status" *means that*~~[]~~ the officer has no enforcement powers and has been separated from an enforcement agency for any one (1) of the following reasons:

- (a) Failure to meet or maintain training requirements;
 - (b) Willful falsification of information to obtain or maintain certified status;
 - (c) Certification was the result of an administrative error;
 - (d) Plea of guilty to, conviction of, or entering of an Alford plea to any felony;
 - (e) Prohibition by federal or state law from possessing a firearm.
- (6) ***"Denied status" means that a person does not meet the requirements to achieve precertification status or certification status.***
- (7)~~(5)~~ The design of a certificate may be changed periodically. When a new certificate is produced, it shall be distributed free of charge to each currently certified peace officer.

Section 4. KRS 15.388 is amended to read as follows:

- (1) Within five (5) working days of employment or appointment, the chief executive officer of the employing agency, or his designee, shall file a report with the council certifying that the newly employed officer is certified or meets or exceeds the precertification qualifications of KRS 15.382.
- (2) If the person is certified, the council shall continue certified status.
- (3) If the person is on inactive status, the council shall upgrade to certified status unless the certification is revoked ***or denied*** as provided by KRS 15.380 to ***15.404***~~[15.402]~~.
- (4) ***If the person is not certified and not on inactive status, but has successfully completed a basic training course approved and recognized by the council, the council shall designate the person as being in certified status unless the certification is revoked or denied as provided by KRS 15.380 to 15.404.***
- (5) If the person is not certified and not on inactive status, ***and has not successfully completed a basic training course approved and recognized by the council,*** the council shall designate the person as being in precertification status.
- (6)~~(5)~~ A person who is in precertification status shall, upon successful completion of the required basic training, be certified unless he has committed an act that would result in revocation of his certificate in which case he shall be denied certification.
- (7)~~(6)~~ A person who is denied certified status under this section shall have the same right of appeal as a person who has been revoked under KRS 15.380 to ***15.404***~~[15.402]~~.
- (8)~~(7)~~ If the certified officer has successfully completed the basic training required by KRS 15.404 and transfers from a peace officer position from a current employer to a peace officer position for another employer, and both employers have, at least ten (10) working days prior to the effective date of the transfer, notified the council in writing of the transfer, the council shall maintain the officer in certified status.

Section 5. KRS 15.392 is amended to read as follows:

- (1) Within ten (10) working days from separation from service, the chief executive officer of the employing agency or his designee shall file with the council a summary report that provides the relevant information about the person's separation from service.
- (2) If the person has been separated for ***any reason justifying revoked or denied status pursuant to KRS 15.386***~~[having pled guilty to, been convicted of, or entered an Alford plea to a felony]~~, the council shall revoke the person's certification.
- (3) If the person has been separated for any other reason other than death, ***or one justifying revoked or denied status pursuant to KRS 15.386; and***
 - (a) ***The person has successfully completed basic training at a school certified or recognized by the council,*** the council shall place the certification on inactive status; ***or***
 - (b) ***The person has not successfully completed basic training at a school certified or recognized by the council, the certification shall lapse.***
- (4) If the person has been separated due to death, the certification shall be retired.

(5)~~(4)~~ The employing agency's findings of fact and evidentiary conclusions shall be deemed final. The council shall be limited only to revoking the certification.

(6)~~(5)~~ The council shall not accept or hear complaints.

Section 6. KRS 15.396 is amended to read as follows:

- (1) An agency may be required to pay for all training received by a person from the Department of Criminal Justice Training or any other facility approved by the Kentucky Law Enforcement Council if the agency knowingly employs or appoints a person to be an officer of any type as enumerated in KRS 15.380 and if that person fails to achieve certified status as required by KRS 15.380 to ~~15.404~~~~15.402~~.
- (2) The agency shall be denied participation in the Kentucky Law Enforcement Foundation Program Fund if the agency knowingly employs or appoints a person to be an officer of any type as enumerated in KRS 15.380 and if that person:
 - (a) Fails to meet those minimum qualifications set forth in KRS 15.402;
 - (b) Fails to achieve certified status as required by KRS 15.380 to ~~15.404~~~~15.402~~; or
 - (c) Fails to maintain the minimum training requirements set forth in KRS 15.404.
- (3) An agency that is in violation of subsection (1) or (2) of this section may be relieved of the associated penalty upon:
 - (a) Termination of the officer who is the source of the violation; or
 - (b) Correction of the officer's deficiency.

Section 7. KRS 15.398 is amended to read as follows:

- (1) The following Kentucky Revised Statutes and any administrative regulations promulgated thereunder affecting those peace officers required to be certified pursuant to KRS 15.380 to ~~15.404~~~~15.402~~ shall not be superseded by the provisions of KRS 15.380 to ~~15.404~~~~15.402~~, and in all instances the provisions of all statutes specified below shall prevail:
 - (a) KRS Chapter 16, relating to Kentucky State Police Officers;
 - (b) KRS Chapter 70, relating to sheriffs, and deputy sheriffs;
 - (c) KRS Chapter 78, relating to county police;
 - (d) KRS Chapters 15 and 95, *except for KRS 95.955*, relating to city and urban-county police;
 - (e) KRS Chapter 183, relating to airport safety and security officers;
 - (f) KRS Chapter 164, relating to State Universities and Colleges; Regional Education and Archaeology officers;
 - (g) KRS Chapter 18A, relating to all state peace officers;
 - (h) KRS 241.090, relating to Department of Alcoholic Beverage Control field representatives and investigators;
 - (i) KRS 304.47-040, relating to Division of Insurance Fraud Investigators; and
 - (j) Any other statutes affecting peace officers not specifically cited herein.

Section 8. KRS 15.400 is amended to read as follows:

- (1) The effective date of KRS 15.380 to ~~15.404~~~~15.402~~ shall be December 1, 1998. All peace officers employed as of December 1, 1998, shall be deemed to have met all the requirements of KRS 15.380 to ~~15.404~~~~15.402~~ and shall be granted certified status as long as they remain in continuous employment of the agency by which they were employed as of December 1, 1998, or shall have successfully completed an approved basic training course approved and recognized by the Kentucky Law Enforcement Council pursuant to KRS 15.440(4) when seeking employment with another law enforcement agency.
- (2) Any peace officers employed after December 1, 1998, shall comply with all minimum standards specified in KRS 15.380 to ~~15.404~~~~15.402~~. Persons newly employed or appointed after December 1, 1998, shall have one (1) year within which to gain certified status or they shall lose their law enforcement powers.

- (3) The Open Records Act notwithstanding, the person's home address, telephone number, date of birth, Social Security number, background investigation, medical examination, psychological examination, and polygraph examination conducted *for any person seeking certification* pursuant to **KRS 15.380 to 15.404**~~[this statute]~~ shall not be subject to disclosure.

Section 9. KRS 15.402 is amended to read as follows:

No provisions of KRS 15.380 to **15.404**~~[15.402]~~ shall preclude an appointing or employing agency from having requirements that are in excess of or in addition to any requirements specified by **KRS 15.380 to 15.404**~~[1998 Ky. Acts Ch. 606]~~ or an administrative regulation promulgated under KRS 15.380 to **15.404**~~[15.402]~~.

Section 10. KRS 15.404 is amended to read as follows:

- (1) Any peace officers employed or appointed after December 1, 1998, who have not successfully completed basic training at a school certified or recognized by the Kentucky Law Enforcement Council, shall within one (1) year of their appointment or employment, successfully complete at least six hundred forty (640) hours of basic training at a school certified or recognized by the Kentucky Law Enforcement Council.
- (2) All peace officers with active certification status shall successfully complete forty (40) hours of annual in-service training that has been certified or recognized by the Kentucky Law Enforcement Council, that is appropriate to the officer's rank and responsibility and the size and location of his department.
- (3) In the event of extenuating circumstances beyond the control of an officer that prevent the officer from completing the basic or in-service training within the time specified in subsections (1) and (2) of this section, the *commissioner of the department*~~secretary of the Justice Cabinet~~ or his *or her* designee may grant the officer an extension of time, not to exceed one hundred eighty (180) days in which to complete the training.
- (4) Any peace officer who fails to successfully complete~~the~~ basic~~or in-service~~ training within the specified time *periods, including extensions*~~period~~ shall lose his *or her* law enforcement powers and *his or her precertification*~~certification~~ status *shall lapse. Any peace officer who fails to successfully complete in-service training within the specified time periods, including extensions, shall lose his or her law enforcement powers and his or her certification status shall be changed to training deficiency status. When a peace officer is deficient in required training, the commissioner of the department or his or her designee shall notify the council, which shall notify the peace officer and his or her agency.*
- ~~(5)~~~~(4)~~ An officer who has lost his *or her* law enforcement powers due solely to his *or her* failure to meet the *in-service* training requirements of this section~~or any other applicable provision of Kentucky law mandating law enforcement training~~ may regain his *or her* certification status and law enforcement powers upon successful completion of the training deficiency.

Approved April 2, 2002

CHAPTER 133

(HB 154)

AN ACT relating to the Kentucky Law Enforcement Council.

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

Section 1. KRS 15.330 is amended to read as follows:

- (1) The council is vested with the following functions and powers:
 - (a) To prescribe standards for the approval and continuation of approval of schools at which law enforcement training courses required under KRS 15.310 to 15.510 and KRS 15.990 to 15.992 shall be conducted, including but not limited to minimum standards for facilities, faculty, curriculum, and hours of attendance related thereto;
 - (b) To prescribe minimum qualifications for instructors at such schools, except that institutions of higher education shall be exempt from council requirements;
 - (c) To prescribe qualifications for attendance and conditions for expulsion from such schools;

- (d) *To prescribe minimum standards and qualifications for voluntary career development programs for certified peace officers and telecommunicators, including minimum standards for experience, education, and training, and to issue certificates to those meeting the minimum standards;*
 - (e) To approve, to issue, and to revoke for cause certificates to schools and instructors as having met requirements under KRS 15.310 to 15.510 and KRS 15.990 to 15.992;
 - ~~(f)(e)~~ To approve law enforcement officers and other persons as having met requirements under KRS 15.310 to 15.510 and KRS 15.990 to 15.992;
 - ~~(g)(f)~~ To inspect and evaluate schools at any time and to require of schools, instructors, and persons approved or to be approved under the provisions of KRS 15.310 to 15.510 and KRS 15.990 to 15.992, any information or documents;
 - ~~(h)(g)~~ To promulgate reasonable rules and administrative regulations in accordance with KRS Chapter 13A to accomplish the purposes of KRS 15.310 to 15.510 and KRS 15.990 to 15.992;
 - ~~(i)(h)~~ To monitor the Law Enforcement Foundation Program as prescribed in KRS 15.410 to 15.510;
 - ~~(j)(i)~~ To adopt bylaws for the conduct of its business not otherwise provided for; and
 - ~~(k)(j)~~ The council shall have the authority to certify police officers as set out in this chapter.
- (2) The provisions of KRS 15.310 to 15.510 and KRS 15.990 to 15.992 do not apply to the Department of State Police except for the certification requirement established by this chapter.

Approved April 2, 2002

CHAPTER 134

(HB 400)

AN ACT relating to honey.

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

SECTION 1. A NEW SECTION OF KRS 217.005 TO 217.215 IS CREATED TO READ AS FOLLOWS:

If a person sells less than one hundred fifty (150) gallons of honey in a year off the farm, the person shall not be required to process the honey in a certified honey house or food processing establishment, nor shall the person be required to obtain a permit from the cabinet. The person shall be required to comply with the other provisions of KRS 217.005 to 217.215 as those provisions apply.

Approved April 2, 2002

CHAPTER 135

(HB 402)

AN ACT relating to teachers and declaring an emergency.

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

Section 1. KRS 157.420 is amended to read as follows:

Public school funds made available to the credit of each district during any year shall be received, held, and expended by the district board, subject to the provisions of law and administrative regulations of the Kentucky Board of Education. The following restrictions shall govern the expenditure of funds from the public school fund:

- (1) The salary paid any rank of teachers shall be at least equivalent to the amount set forth in the biennial budget schedule for each rank and experience for a term of one hundred eighty-five (185) days for full-time service during the regular school year.
- (2) ***Beginning with the 2004-2006 biennium***, the Kentucky Board of Education shall not approve any working budget or salary schedule for local boards of education for any school year unless the one hundred eighty-five (185) day salary schedule for certified staff has been adjusted over the previous year's salary schedule by ***a percentage increase at least equal to the cost-of-living adjustment that is provided state government workers***

under the biennial budget. The base funding level in the program for support education excellence in Kentucky as defined in KRS 157.320 shall be increased by the statewide dollar value of the annual required cost-of-living percentage adjustment that shall be estimated on the sum of the previous year's statewide teachers' salaries~~[the lesser of:~~

- ~~(a) The percent increase in the average annual consumer price index for all urban consumers between the two (2) most recent calendar years, as published by the United States Bureau of Labor Statistics and stated in the statutory budget memorandum and the biennial budget report; or~~
- ~~(b) The percent increase of the base funding level in the program for support education excellence in Kentucky as defined in KRS 157.320].~~
- (3) A district that compensates its teachers or employees for unused sick leave at the time of retirement, pursuant to KRS 161.155, may create an escrow account to maintain the amount of funds necessary to pay teachers or employees who qualify for receipt of the benefit. The fund is limited to not more than fifty percent (50%) of the maximum liability for the current year to be determined according to the number of staff employed by the district on September 15. Interest generated by the account shall be calculated as part of the total amount. The funds shall not be used for any purpose other than compensation for unused sick leave at the time of retirement and shall not be considered as part of the general fund balance in determining available local revenue for purposes of KRS 157.620.
- (4) The per pupil capital outlay allotment for each district from the public school fund and from local sources shall be kept in a separate account and may be used by the district only for capital outlay projects approved by the chief state school officer in accordance with requirements of law, and based on a survey made in accordance with administrative regulations of the Kentucky Board of Education. These funds shall be used for the following capital outlay purposes:
 - (a) For direct payment of construction costs;
 - (b) For debt service on voted and funding bonds;
 - (c) For payment or lease-rental agreements under which the board eventually will acquire ownership of a school plant;
 - (d) For the retirement of any deficit resulting from overexpenditure for capital construction, if such deficit resulted from an emergency declared by the Kentucky Board of Education under KRS 160.550; and
 - (e) As a reserve fund for the above-named purposes, to be carried forward in ensuing budgets.
- (5) The district may contribute capital outlay funds for energy conservation measures under guaranteed energy savings contracts pursuant to KRS 45A.345, 45A.352, and 45A.353. Use of these funds, provided in KRS 45A.353, 56.774, and 58.600, shall be based on the following:
 - (a) The energy conservation measures shall include facility alteration;
 - (b) The energy conservation measures shall be identified in the district's approved facility plan;
 - (c) The current facility systems are consuming excess maintenance and operating costs;
 - (d) The savings generated by the energy conservation measures are guaranteed;
 - (e) The capital outlay funds contributed to the energy conservation measures shall be defined as capital cost avoidance as provided in KRS 45A.345(2) and shall be subject to the restrictions on usage as specified in KRS 45A.352(9); and
 - (f) The equipment that is replaced shall have exceeded its useful life as determined by a life-cycle cost analysis.
- (6) If any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of that levy for the above-named purposes, the chief state school officer under administrative regulations of the Kentucky Board of Education, may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses. However, a district which uses capital outlay funds for current expenses shall not be eligible to participate in the School Facilities Construction Commission funds.

- (7) If a survey shows that a school district has no capital outlay needs as shown in paragraphs (a), (b), (c), and (d) of subsection (4) of this section, upon approval of the chief state school officer, these funds may be used for school plant maintenance, repair, insurance on buildings, replacement of equipment, purchase of school buses, and the purchase of modern technological equipment, including telecommunications hardware, televisions, computers, and other technological hardware to be utilized for educational purposes only.
- (8) In surveying the schools, the Department of Education shall designate each school facility as a permanent, functional, or transitional center.
 - (a) "Permanent center" means a center which meets the program standards approved by the Kentucky Board of Education, is located so that students are not subjected to an excessive amount of time being transported to the site, and has established an attendance area which will maintain enrollment at capacity but will also avoid overcrowding.
 - (b) "Functional center" means a center which does not meet all the criteria established for a permanent facility, but is adequate to meet accreditation program standards to insure no substantial academic or building deficiency. The facility plan shall include additions and renovations necessary to meet current accreditation standards for which federal, state, and local funds may be used.
 - (c) "Transitional center" means a center which the local board of education has determined shall no longer be designated permanent or functional. The center shall be destined to be closed and shall not be eligible for new construction, additions, or major renovation. However, the board of education shall maintain any operating transitional center to provide a safe and healthy environment for students.
- (9) If a local school board authorized elementary, middle, or secondary education classes in a facility of a historical settlement school on January 1, 1994, the board shall continue to use the facilities provided by the settlement school if the facilities meet health and safety standards for education facilities as required by administrative regulations. The local school board and the governing body of the settlement school shall enter into a cooperative agreement that delineates the role, responsibilities, and financial obligations for each party.

SECTION 2. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

- (1) *For purposes of this section, "compensation" means the combination of base salary, salary supplements, and other benefits provided a teacher.*
- (2)
 - (a) *A school district may develop differentiated compensation programs that provide additional compensation above the single salary schedule described in Section 1 of this Act and defined in KRS 157.320. Differentiated compensation plans shall have one (1) or more of the following purposes: to recruit and retain teachers in critical shortage areas, to help reduce the number of emergency certified teachers employed in the district, to provide incentives to recruit and retain highly skilled teachers to serve in difficult assignments and hard-to-fill positions, to provide career advancement opportunities for classroom teachers who voluntarily wish to participate, or to reward teachers for increasing their skills, knowledge, and instructional leadership within the district or school.*
 - (b) *The Kentucky Board of Education shall promulgate administrative regulations defining the factors that may be included in a differentiated compensation plan and procedures that shall be used in the development and approval of differentiated compensation plans.*
- (3)
 - (a) *There is hereby established a professional compensation fund in the State Treasury. Beginning in the 2002-2004 biennium and thereafter, the fund shall be used to provide grants to school districts to pilot differentiated compensation programs for teachers. During the 2002-2004 biennium, the fund shall provide grants to at least five (5) school districts for a two (2) year period. The number of grants may increase or decrease based on the funds available and as deemed feasible by the Kentucky Department of Education.*
 - (b) *The district grants shall be used for one (1) or more of the purposes described in subsection (2)(a) of this section.*
 - (c) *The professional compensation fund may receive state appropriations, gifts, and grants from public and private sources, and federal funds. Any unallotted or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9). Income earned from the investments shall be credited to the fund. Any fund balance at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated for the purposes specified in this section.*

- (d) *The fund shall be administered by the Kentucky Department of Education and shall be distributed on the basis of criteria promulgated in an administrative regulation by the Kentucky Board of Education. The administrative regulation shall specify the maximum size of grants, the application and selection process, the obligations of the local board of education, the evaluation and data requirements, and other details as deemed necessary by the board.*
- (4) *Upon request, the Kentucky Department of Education shall provide assistance to any district that wishes to develop a differentiated compensation program.*
- (5) *During the 2002-2004 biennium, the Kentucky Department of Education shall gather information and summarize the characteristics and impact of the various differentiated compensation programs. By October 1, 2004, the department shall provide recommendations to the Interim Joint Committee on Education as to the feasibility of establishing a statewide teacher advancement program or other ideas for modifying teacher compensation.*

SECTION 3. A NEW SECTION OF KRS 164.740 TO 164.785 IS CREATED TO READ AS FOLLOWS:

- (1) *For purposes of this section unless the context requires otherwise:*
 - (a) *"Critical shortage area" means an area in which there are insufficient numbers of fully certified staff in a particular subject, school, or geographic location.*
 - (b) *"Emergency certified teacher" means an individual who has not completed certification requirements but has been awarded a temporary certificate for a certification area in which no fully qualified teacher was available.*
 - (c) *"Qualified teacher" means a teacher who holds the appropriate certification for a position unless the superintendent of the employing local school district has documented evidence that the teacher is unsuitable for appointment.*
 - (d) *"Qualified teaching service" means teaching for at least seventy (70) days each semester or the equivalent in the certification area for which an individual received a forgivable loan in the Kentucky school district that recommended the individual for a loan or in another Kentucky private or public school district in the certification area for which an individual received a forgivable loan if no position was available in the recommending school district at the time when the individual completed his or her certification.*
 - (e) *"Semester" means a period which usually makes up one-half (1/2) of a school year or one-half (1/2) of a postsecondary institution's academic year.*
 - (f) *"Summer term" means an academic period consisting of one (1) or more sessions of instruction between a spring and a fall semester at a postsecondary education institution.*
- (2) *To increase the number of qualified teachers in local school districts and to reduce the number of emergency certified teachers, there is hereby created the district teacher certification loan fund in the State Treasury. The loans shall be used to provide forgivable loans to emergency certified personnel, fully certified teachers who are willing to seek additional certification in hard-to-fill or critical shortage areas, and paraprofessionals in local school districts to become fully certified teachers and to continue service within the local district.*
- (3) *The fund shall be administered by the Kentucky Higher Education Assistance Authority. The authority shall promulgate administrative regulations to specify the terms and conditions of the award, cancellation, and repayment of loans including, but not limited to, the maximum amount that may be loaned per term and the maximum aggregate amount per applicant, the selection process, eligibility for renewal, the specific administrative procedures for utilizing the funds, and the rate of repayment.*
- (4) *To qualify for a forgivable loan, an applicant shall meet the following requirements:*
 - (a) *Be employed by a specific local district as a certified teacher, an emergency full-time or part-time teacher, an emergency substitute teacher, or a paraprofessional at the time he or she makes application for the loan;*
 - (b) *Be recommended by the superintendent as an individual that he or she would recommend to be employed in a teaching position for which the applicant is pursuing certification if the applicant fulfills all credentialing requirements;*

- (c) *Be endorsed by the school-based decision making council of the school in which he or she serves to receive a loan for the purposes of obtaining teacher certification in a specific certification area; except that the endorsement shall not be construed as a commitment of securing a position in the particular school in the future;*
 - (d) *Be admitted and enrolled as an undergraduate or graduate student in a Kentucky private or public postsecondary institution that offers a teacher certification program in the area for which he or she is seeking certification; and*
 - (e) *Be enrolled in a minimum of six (6) credit hours and not more than nine (9) credit hours during each semester of an academic term while employed concurrently in the school district and in not less than six (6) credit hours during the summer term. If a school district recommends an applicant for a loan under provisions of this section and grants a leave of absence to the employee to pursue certification, the employee shall be enrolled as a full-time undergraduate or graduate student as defined by the institution in which he or she is enrolled.*
- (5) *A participant in a local district alternative certification program as defined in KRS 161.048(2) may be eligible for a loan under provisions of this section to offset costs associated with the program. The authority shall establish by administrative regulation the specific requirements, notwithstanding requirements in subsection (4) of this section.*
 - (6) *A loan shall not be awarded or a promissory note cancellation shall not be granted to any person who is in default on any obligation to the authority under any program administered pursuant to KRS 164.740 to 164.785 until financial obligations to the authority are satisfied, except that ineligibility for this reason may be waived by the authority for cause.*
 - (7) *Recipients shall render one (1) semester of qualified teaching service for each semester or summer term for which a loan was received. Upon completion of each semester of qualified teacher service, the authority shall cancel the appropriate portion of the promissory notes.*
 - (8) *If the recipient of a loan fails to complete the certification at a participating institution or fails to render qualified teaching service in any semester following certification, unless the failure is temporarily waived for cause by the authority, the recipient shall immediately become liable to the authority for repayment of the sum of all outstanding promissory notes and accrued interest. Persons liable for repayment of loans under this paragraph shall be liable for interest accruing from the dates on which the loans were disbursed.*
 - (9) *Failure to meet repayment obligations imposed by this section shall be cause for the revocation of a person's certification, subject to the procedures set forth in KRS 161.120.*
 - (10) *All moneys repaid to the authority under this section shall be added to the fund in this section. Any fund balance at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year and continuously appropriated for the purposes specified in this section.*
 - (11) *The authority may execute appropriate contracts and promissory notes for administering this section.*
 - (12) *If available funds are insufficient for all requested loans for eligible applicants during any fiscal year, the authority shall give priority consideration to eligible applicants who previously received loans. If funds are insufficient to make all requested renewal loans to eligible applicants, the authority shall reduce all loans to the extent necessary to provide loans to all qualified renewal applicants. If, after awarding all eligible renewal applicants, funds are not depleted, priority shall be given to loans for those applicants who are seeking certification in critical shortage areas.*

Section 4. KRS 156.553 is amended to read as follows:

- (1) The Teachers' Professional Growth Fund is hereby created to provide teachers with high quality professional development in content knowledge in ~~the core disciplines of~~ mathematics, science, language arts, ~~and~~ social studies, **arts and humanities, practical living, vocational studies, and foreign languages** as well as teaching methodologies to impart the content to students. During the years 2000 to 2004, priority for funding shall be given to middle school teachers, and, based upon available funds, and in subsequent years, funding shall be made available to teachers in all grade levels in the subject areas listed in this subsection. ~~During the years 2000 to 2002, improving the content knowledge of mathematics by middle school teachers shall be given priority in the use of funds, except that the Department of Education may approve funding for improving teachers' knowledge and skills in other content areas if all funds are not needed for middle school mathematics teachers. In subsequent years,~~ **Based on available funds, student achievement data, and teacher data,** the

Kentucky Board of Education~~[Department of Education, under provisions of this section,]~~ shall **annually** determine the priority for content emphasis ***based on the greatest needs***.

- (2) The fund may provide moneys to teachers for:
 - (a) Tuition reimbursement for successful completion of college or university level courses, ***including on-line courses and seminars***, approved for this purpose by the Education Professional Standards Board;
 - (b) Stipends for participation in and successful completion of:
 1. College or university courses, ***including on-line courses and seminars***, approved for this purpose by the Education Professional Standards Board;
 2. Teacher institutes developed for core content instructors by the Department of Education in compliance with KRS 156.095; and
 3. Other professional development programs approved by the Kentucky Department of Education;~~{ and }~~
 - (c) ***Reimbursement for the purchase of materials required for professional development programs; and***
 - (d) Reimbursement for other approved professional development activities throughout the school year, including reimbursement for:
 1. Travel to and from professional development workshops; and
 2. Travel to and from other schools for the observation of, and consultation with, peer mentors.
- (3) The Education Professional Standards Board shall determine the college and university courses, ***including on-line courses and seminars***, for which teachers may receive reimbursement from the fund.
- (4) The Department of Education shall:
 - (a) Administer the fund. In order to process reimbursements to teachers promptly, the reimbursements shall not be subject to KRS 45A.690 to KRS 45A.725;
 - (b) Determine the professional development programs for which teachers may receive reimbursement from the fund;
 - (c) Determine the level of stipend or reimbursement, subject to the availability of appropriated funds, for particular courses and programs, under subsection (2) of this section; and
 - (d) Provide an accounting of fund expenditures to the Center for Middle School Academic Achievement, upon request of the center, for use in preparing the center's annual report.
- (5) The professional development programs approved by the Department of Education for which teachers may receive support from the fund shall:
 - (a) Focus on improving the content knowledge of ~~[core-discipline]~~ teachers;
 - (b) Provide instruction on teaching methods to effectively impart ~~[core-discipline]~~ content knowledge to all students;
 - (c) Include intensive training institutes and workshops during the summer;
 - (d) Provide programs for the ongoing support of teacher participants throughout the year, which may include:
 1. A peer coaching or mentoring, and assessment program; and
 2. Planned activities, including:
 - a. Follow-up workshops; and
 - b. Support networks of teachers of the core disciplines using technologies including, but not limited to, telephone, video, and on-line computer networks; and
 - (e) Provide teacher participants with professional development credit toward renewal of certification under the provisions of KRS 161.095, relating to continuing education for teachers.

- (6) The Kentucky Board of Education shall specify through promulgation of administrative regulations:
- (a) The application and approval process for receipt of funds;
 - (b) The requirements and process for the disbursement of funds; and
 - (c) The number of each kind of approved course for which applicants may receive funds.
- (7) *Notwithstanding any other provisions to the contrary, a local school board may advance the funds necessary for its teachers to participate in a college course, or professional development seminar or activity, approved by the Kentucky Department of Education and the Education Professional Standards Board under provisions of this section and receive reimbursement from the department at the conclusion of the activity or course by the teacher. If funds are advanced for the benefit of a teacher under this subsection, but the teacher does not fulfill his or her obligation, the teacher shall reimburse the school district for the funds expended by the district on the teacher's behalf.*
- (8) Notwithstanding the provisions of KRS 45.229, unexpended funds in the Teachers' Professional Growth Fund in the 2000-2001 fiscal year or in any subsequent fiscal year shall not lapse but shall carry forward to the next fiscal year and shall be used for the purposes established in subsections (1) and (2) of this section.

Section 5. KRS 157.390 is amended to read as follows:

- (1) For purposes of the state teacher salary schedule, teachers shall be placed on the schedule based on certification rank as established by the Education Professional Standards Board under KRS 161.1211 and by their years of experience as follows:
- 1. Zero (0) to three (3) years;
 - 2. Four (4) to nine (9) years;
 - 3. Ten (10) to fourteen (14) years;
 - 4. Fifteen (15) to nineteen (19) years; and
 - 5. Twenty (20) or more years.
- (2) The rank and experience of the teacher shall be determined on September 15 of each year.
- (3) The amount to be included in the base funding level for capital outlay shall be determined by multiplying the average daily attendance by the amounts set forth in the biennial budget.
- (4) The amount to be included in the public school fund of each district for transportation shall be determined in accordance with the provisions of KRS 157.370.
- (5) The total amount of money distributable to each district from the public school fund shall include the base funding per pupil in average daily attendance, an amount for at-risk students, an amount for the types and numbers of students with disabilities, an amount for students served in home and hospital settings, and the allotments in subsections (3) and (4) of this section, less the amount of local tax revenues generated for school purposes, up to a maximum equivalent local rate of thirty cents (\$0.30) as defined by KRS 157.615(6).
- (6) A classroom teacher or administrator may be provided additional compensation, ***funds for instructional and program materials, and other related costs*** for serving as a classroom mentor, teaching partner, or professional development leader in core discipline areas including reading, and other subject areas as appropriate to other education professionals in a state approved program or state approved activities. The Kentucky Department of Education shall administer the funds appropriated for these purposes. The Kentucky Board of Education shall promulgate administrative regulations to define the guidelines for programs and activities that qualify for funds including the application and approval process, the individual participant requirements, the amount of compensation, the timelines, and reporting requirements. The board shall solicit recommendations from the Education Professional Standards Board and staff of the Kentucky Department of Education in developing its administrative regulations.

Section 6. Between July 15, 2002, and August 31, 2003, the Interim Joint Committee on Education shall conduct a study of the effectiveness and efficiency of the principal and teacher internship programs and shall make recommendations to the Legislative Research Commission regarding any changes, including recommendations relating to extending support for new teachers for a second year, stipends for teachers who serve as resource teachers, and other appropriate changes. Provisions of this section to the contrary notwithstanding, the Legislative Research

Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Section 7. Section 1 of this Act takes effect July 1, 2004.

Section 8. Whereas it will require time for the Kentucky Board of Education to develop administrative regulations and school districts to determine whether or not they wish to develop differentiated teacher compensation plans, an emergency is declared to exist, and Sections 2 through 6 of this Act take effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 2, 2002

CHAPTER 136

(HB 381)

AN ACT relating to searching for and rescue of lost persons.

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

Section 1. KRS 39F.180 is amended to read as follows:

- (1) All 911 centers and dispatch centers, law enforcement agencies, law enforcement dispatchers, fire departments, rescue squads, emergency medical service agencies, and emergency management agencies shall report the information required to be reported by administrative regulation, for all reports of persons missing, lost, or overdue, if a search for the lost person has lasted for more than two (2) hours to:
 - (a) The local emergency management director; and
 - (b) The local search and rescue coordinator for the jurisdiction in which the person is reported missing.
- (2) (a) Any search for a missing minor, as that term is defined in KRS 2.015, shall be reported to the Kentucky State Police by the person or organization to whom the missing minor is reported.
 - (b) ***A search for a person who is known or reported to have an organic brain disorder, including but not limited to Alzheimer's disease, shall immediately be reported to the local emergency management director, local search and rescue coordinator if different from the local emergency manager, and the duty officer of the Division of Emergency Management by the person managing the search or by the organization conducting the search. The provisions of this section do not apply to any licensed long-term health care provider conducting a search for a missing resident until the provider requests a search by a person or organization specified in subsection (1) of this section.***
 - (c) The making of this report does not relieve the person or organization from the duty to make other notifications and reports required in this section.
- (3) Any search and rescue mission which has lasted four (4) hours without the subject being located, shall be immediately reported to the duty officer of the Division of Emergency Management by telephone or radio.
- (4) The results of each lost, missing, or overdue person report or search mission required to be reported under subsections (1) to (3) of this section shall be reported to the division and the local director on forms provided by the division and containing the information required by administrative regulation. The report shall be filed within twenty (20) days after:
 - (a) The search and rescue mission is discontinued; or
 - (b) The victim has not been found and a decision is made to keep the case open or continue searching on a limited basis, whichever occurs earlier.
- (5) Each agency required to notify a local emergency management director or the division of a report of a missing person, or a search mission pursuant to this section shall develop a written standard operating procedure for handling and reporting requests to search for missing, lost, or overdue persons. This standard operating procedure shall be a public record.

- (6) The contents of reports, information to be conveyed upon notification, and other matters relating to the administration of this section and the securing of information required hereby shall be specified by the division by administrative regulations.
- (7) *There is no requirement in Kentucky to delay the search for or rescue of any lost, missing, or overdue person. Any person who is reported lost, missing, or overdue, adult or child, may be searched for immediately by any emergency management, fire, law enforcement, emergency medical services, search and rescue, rescue squad, or other similar organization to which a missing or overdue person is reported. No public safety answering point, emergency dispatch center, or 911 center shall delay any call reporting a person lost, overdue, or missing to the organization specified in the county search and rescue annex of the county emergency management plan as responsible for searching for lost, missing, or overdue persons.*

Approved April 2, 2002

CHAPTER 137

(HB 156)

AN ACT relating to the Law Enforcement Foundation Program Fund.

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

Section 1. KRS 15.440 is amended to read as follows:

- (1) Each local unit of government which meets the following requirements shall be eligible to share in the distribution of funds from the Law Enforcement Foundation Program fund:
- (a)~~1~~ Employs one (1) or more police officers;
 - (b)~~2~~ Pays every police officer at least the minimum federal wage;
 - (c)~~3~~ Maintains the minimum educational requirement of a high school degree, or its equivalent as determined by the Kentucky Law Enforcement Council, for employment of police officers on or after July 1, 1972, and for all sheriffs appointed or elected on or after July 15, 1998, and all deputy sheriffs, and state or public university police officers employed after July 15, 1998; provided, however, that all police officers employed prior to July 1, 1972, shall be deemed to have met the requirements of this subsection, and that all sheriffs serving in office on July 15, 1998, all deputy sheriffs, and state or public university police, employed prior to July 15, 1998 shall be deemed to have met the requirements of this subsection;
 - (d)~~4~~ Requires all police officers employed on or after July 1, 1972, and all sheriffs appointed or elected on or after July 15, 1998, and deputy sheriffs, and state or public university police officers employed on or after January 1, 1998, to successfully complete a basic training course of at least six hundred forty (640) hours' duration within one (1) year of the date of employment at a school certified or recognized by the Kentucky Law Enforcement Council. All sheriffs serving in office on July 15, 1998, all deputy sheriffs, and state or public university police, employed prior to January 1, 1998, shall be deemed to have met the requirements of this subsection. The council may, by the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A, set the number of hours for basic training at a number higher than six hundred forty (640) hours based upon a training curriculum approved by the Kentucky Law Enforcement Council as determined by a validated job task analysis;
 - (e)~~5~~ Requires all police officers, whether originally employed before or after July 1, 1972, and all sheriffs appointed or elected before, on, or after July 15, 1998, and all deputy sheriffs and state or public police officers employed before, on, or after July 15, 1998, to successfully complete each calendar year an in-service training course, appropriate to the officer's rank and responsibility and the size and location of his department, of at least forty (40) hours' duration at a school certified or recognized by the Kentucky Law Enforcement Council;
 - (f)~~6~~ Requires compliance with all provisions of law applicable to local police, state or public university police, or sheriffs and their deputies, including transmission of data to the centralized criminal history record information system as required by KRS 17.150;

~~(g)(7)~~ Requires compliance with all reasonable rules and regulations, appropriate to the size and location of the local police department, state or public university police department, or sheriff's office, issued by the Justice Cabinet to facilitate the administration of the fund and further the purposes of KRS 15.410 to 15.510;

~~(2)(8)~~ ~~Provided, however, that~~ No local unit of government which meets the criteria of this section shall be eligible to continue sharing in the distribution of funds from the Law Enforcement Foundation Program fund unless the local police department, state or public university police department, or sheriff's office actually begins and continues to comply with the requirements of this section; provided, further, that no local unit shall be eligible to share in the distribution of funds from the Law Enforcement Foundation Program fund until the local police department, state or public university police department, or sheriff's office has substantially complied with **subsection (1), (f) and (g)**~~subsections (6) and (7)~~ of this section.

(3) A sheriff's office shall not lose eligibility to share in the distribution of funds from the Law Enforcement Foundation Program fund if the sheriff does not participate in the Law Enforcement Foundation Program fund.

Section 2. KRS 15.400 is amended to read as follows:

- (1) The effective date of KRS 15.380 to 15.402 shall be December 1, 1998. All peace officers employed as of December 1, 1998, shall be deemed to have met all the requirements of KRS 15.380 to 15.402 and shall be granted certified status as long as they remain in continuous employment of the agency by which they were employed as of December 1, 1998, or shall have successfully completed an approved basic training course approved and recognized by the Kentucky Law Enforcement Council pursuant to KRS 15.440~~(1)(d)(4)~~ when seeking employment with another law enforcement agency.
- (2) Any peace officers employed after December 1, 1998, shall comply with all minimum standards specified in KRS 15.380 to 15.402. Persons newly employed or appointed after December 1, 1998, shall have one (1) year within which to gain certified status or they shall lose their law enforcement powers.
- (3) The Open Records Act notwithstanding, the person's home address, telephone number, date of birth, social security number, background investigation, medical examination, psychological examination, and polygraph examination conducted pursuant to this statute shall not be subject to disclosure.

Section 3. KRS 15.470 is amended to read as follows:

Law Enforcement Foundation Program funds made available to local units shall be received, held, and expended in accordance with the provisions of KRS 15.410 to 15.510, including the rules and regulations issued by the Justice Cabinet, and the following specific restrictions:

- (1) Funds provided shall be used only as a cash salary supplement to police officers, for payments to the defined benefit pension plan to which the officer belongs to cover employer retirement costs on the cash salary supplement, and for administrative costs as provided in KRS 15.450;
- (2) Funds provided shall be used only to compensate police officers who have complied with KRS 15.440~~(1), (c), (d), and (e)(3), (4), and (5)~~.
- (3) Each police officer shall be entitled to receive the state supplement which his qualifications brought to the local unit;
- (4) Funds provided shall not be used to supplant existing salaries or as a substitute for normal salary increases periodically due to police officers.

Approved April 2, 2002

CHAPTER 138

(HB 56)

AN ACT relating to school employees' sick leave.

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

Section 1. KRS 161.155 is amended to read as follows:

- (1) As used in this section:
 - (a) "Teacher" shall mean any person for whom certification is required as a basis of employment in the common schools of the state;
 - (b) "Employee" shall mean any person, other than a teacher, employed in the public schools, whether on a full or part-time basis;
 - (c) "Immediate family" shall mean the teacher's spouse, children including stepchildren *and foster children*, grandchildren, daughters-in-law and sons-in law, brothers and sisters, parents and spouse's parents, and grandparents and spouse's grandparents, without reference to the location or residence of said relative, and any other blood relative who resides in the teacher's home; and
 - (d) "Sick leave bank" shall mean an aggregation of sick leave days contributed by teachers or employees for use by teachers or employees who have exhausted all sick leave and other available paid leave days.
- (2) Each district board of education shall allow to each teacher in its common school system not less than ten (10) days of sick leave during each school year, without deduction of salary. Sick leave shall be granted to a teacher if he presents a personal affidavit or a certificate of a physician stating that the teacher was ill, that the teacher was absent for the purpose of attending to a member of his immediate family who was ill, or for the purpose of mourning a member of his immediate family. The ten (10) days of sick leave granted in this subsection may be taken by a teacher on any ten (10) days of the school year and shall be granted in addition to accumulated sick leave days that have been credited to the teacher under the provisions of subsection (3) of this section.
- (3) Days of sick leave not taken by an employee or a teacher during any school year shall accumulate without limitation and be credited to that employee or teacher. Accumulated sick leave may be taken in any school year. Any district board of education may, in its discretion, allow employees or teachers in its common school system sick leave in excess of the number of days prescribed in this section and may allow school district employees and teachers to use up to three (3) days' sick leave per school year for emergency leave pursuant to KRS 161.152(3). Any accumulated sick leave days credited to an employee or a teacher shall remain so credited in the event he transfers his place of employment from one (1) school district to another within the state or to the Kentucky Department of Education or transfers from the Department of Education to a school district.
- (4) Accumulated days of sick leave shall be granted to a teacher if, prior to the opening day of the school year, an affidavit or a certificate of a physician is presented to the district board of education, stating that the teacher is unable to commence his duties on the opening day of the school year, but will be able to assume his duties within a period of time that the board determines to be reasonable.
- (5) Any school teacher or employee may repurchase previously used sick leave days with the concurrence of the local school board by paying to the district an amount equal to the total of all costs associated with the used sick leave.
- (6) A district board of education may adopt a plan for a sick leave bank. The plan may include limitations upon the number of days a teacher or employee may annually contribute to the bank and limitations upon the number of days a teacher or employee may annually draw from the bank. Only those teachers or employees who contribute to the bank may draw upon the bank. Days contributed will be deducted from the days available to the contributing teacher or employee. The sick leave bank shall be administered in accordance with a policy adopted by the board of education.
- (7)
 - (a) A district board of education shall establish a sick leave donation program to permit teachers or employees to voluntarily contribute sick leave to teachers or employees in the same school district who are in need of an extended absence from school. A teacher or employee who has accrued more than fifteen (15) days' sick leave may request the board of education to transfer a designated amount of sick leave to another teacher or employee who is authorized to receive the sick leave donated. A teacher or employee may not request an amount of sick leave be donated that reduces his or her sick leave balance to less than fifteen (15) days.
 - (b) A teacher or employee may receive donations of sick leave if:
 1. a. The teacher or employee or a member of his or her immediate family suffers from a medically certified illness, injury, impairment, or physical or mental condition that has caused or is likely to cause the teacher or employee to be absent for at least ten (10) days;
or

- b. The teacher or employee suffers from a catastrophic loss to his or her personal or real property, due to either a natural disaster or fire, that either has caused or will likely cause the employee to be absent for at least ten (10) consecutive working days;
- 2. The teacher's or employee's need for the absence and use of leave are certified by a licensed physician for leave requested under subparagraph 1.a. of this subsection;
- 3. The teacher or employee has exhausted his or her accumulated sick leave, personal leave, and any other leave granted by the school district; and
- 4. The teacher or employee has complied with the school district's policies governing the use of sick leave.
- (c) While a teacher or employee is on sick leave provided by this section, he or she shall be considered a school district employee, and his or her salary, wages, and other employee benefits shall not be affected.
- (d) Any sick leave that remains unused, is not needed by a teacher or employee, and will not be needed in the future shall be returned to the teacher or employee donating the sick leave.
- (e) The board of education shall adopt policies and procedures necessary to implement the sick leave donation program.
- (8) A teacher may use up to thirty (30) days of sick leave following the birth or adoption of a child or children. Additional days may be used when the need is verified by a physician's statement.
- (9) After July 1, 1982, a district board of education may compensate, at the time of retirement or upon the death of a member in active contributing status at the time of death who was eligible to retire by reason of service, an employee or a teacher, or the estate of an employee or teacher, for each unused sick leave day. The rate of compensation for each unused sick leave day shall be based on a percentage of the daily salary rate calculated from the employee's or teacher's last annual salary, not to exceed thirty percent (30%). Payment for unused sick leave days shall be incorporated into the annual salary of the final year of service; provided that the member makes the regular retirement contribution for members on the sick leave payment. The accumulation of these days includes unused sick leave days held by the employee or teacher at the time of implementation of the program.
- (10) Any statute to the contrary notwithstanding, employees and teachers who transferred from the Department of Education to a school district, from a school district to the Department of Education, or from one (1) school district to another school district after July 15, 1981, shall receive credit for any unused sick leave to which the employee or teacher was entitled on the date of transfer. This credit shall be for the purposes set forth in subsection (9) of this section.
- (11) The death benefit provided in subsection (9) of this section may be cited as the Baughn Benefit.

Approved April 2, 2002

CHAPTER 139

(SJR 3)

A JOINT RESOLUTION honoring the memory of Alvin C. Poweleit, M.D.

We pause in humble reverence to pay tribute to a fallen hero, our native son Alvin C. Poweleit, M.D., who has crossed that final bourne from which no traveler returns.

WHEREAS, in 1942, 70,000 American and Filipino soldiers were captured by the Japanese on the Bataan peninsula of Western Luzon, in the Republic of the Philippines; and

WHEREAS, what history has branded "The Bataan Death March" began on April 9, 1942, when these 70,000 prisoners of war were forced to march fifty-five miles from Mariveles, on the southern end of the Bataan peninsula, to San Fernando, where they were taken by rail to Capas, and then forced to march the remaining eight miles to Camp O'Donnell; and

WHEREAS, during the forced march across the Bataan peninsula, the American and Filipino prisoners of war were treated savagely by their captors, being starved, kicked, and beaten, with many who fell along the way bayoneted; and

WHEREAS, of the 70,000 men who began the Bataan Death March, only 54,000 struggled into Camp O'Donnell because almost 10,000 of their compatriots died as a result of the horrific conditions under which they were forced to march -- the remainder were assumed to have escaped into the Philippine jungle, their fate unknown; and

WHEREAS, Alvin C. Poweleit, M.D., found the courage and the fortitude to survive the Bataan Death March and he dedicated his life in search of compassion for his fellow man; and

WHEREAS, Alvin C. Poweleit, M.D., was a respected physician in Northern Kentucky for decades, never turning away anyone in need of medical treatment; and

WHEREAS, Alvin C. Poweleit, M.D., was a benevolent humanitarian who tirelessly worked in a myriad of charitable endeavors; and

WHEREAS, Alvin C. Poweleit, M.D., was a devoted husband and father of three beautiful children;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The members of the General Assembly, both individually and collectively, do hereby posthumously proclaim Alvin C. Poweleit, M.D., to have been an outstanding Kentuckian and exemplary representative of the Commonwealth.

Section 2. The Transportation Cabinet is directed to name the bridges on Interstate 275 in Kenton County over the Licking River at the Campbell County line in the westbound and eastbound lanes, identified as Bridge Numbers B00052 and B00052P, "The Alvin C. Poweleit, M.D., Memorial Bridge."

Section 3. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs at each bridge approach to the bridges identified in Section 2 of this Resolution that read "The Alvin C. Poweleit, M.D., Memorial Bridge."

Approved April 2, 2002

CHAPTER 140

(SJR 109)

A JOINT RESOLUTION Naming the "Earl Johnson Memorial Bridge" in Pike County.

WHEREAS, Earl Johnson, born in Hellier, Kentucky, spent his entire life enriching the lives of Pike Countians; and

WHEREAS, Earl Johnson worked in the coal mines before establishing his own business, Johnson's Store, in 1938; and

WHEREAS, Earl Johnson ran his store continuously until his retirement in 1975, when it was taken over by his son, who runs it today; and

WHEREAS, Johnson's Store remains a fixture in the Marrowbone Creek community; and

WHEREAS, Earl Johnson also served as a director of Pikeville National Bank, a position in which he helped many get needed loans for homes and businesses; and

WHEREAS, Earl Johnson was instrumental in the development of the Marrowbone Water District; and

WHEREAS, Earl Johnson, who passed away in 1990, is fondly remembered and sorely missed by his widow, Oma Coleman Johnson, his son, Earl Johnson, Jr., his daughter, Carol Salyers, and his five grandchildren; and

WHEREAS, Earl Johnson should be remembered and honored for doing the little things that, over a lifetime, make a difference in a community;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet is directed to rename the bridge on Kentucky Route 195 at the intersection of United States Route 460 over the Russell Fork River the "Earl Johnson Memorial Bridge."

Section 2. The Transportation Cabinet shall erect signs identifying the "Earl Johnson Memorial Bridge" within thirty (30) days of the effective date of this Resolution at each end of the bridge specified in Section 1 of this Resolution.

Approved April 2, 2002

CHAPTER 141

(SB 211)

AN ACT relating to teacher tribunals.

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

Section 1. KRS 161.790 is amended to read as follows:

- (1) The contract of a teacher shall remain in force during good behavior and efficient and competent service by the teacher and shall not be terminated except for any of the following causes:
 - (a) Insubordination, including but not limited to violation of the school laws of the state or administrative regulations adopted by the Kentucky Board of Education, the Education Professional Standards Board, or lawful rules and regulations established by the local board of education for the operation of schools, or refusal to recognize or obey the authority of the superintendent, principal, or any other supervisory personnel of the board in the performance of their duties;
 - (b) Immoral character or conduct unbecoming a teacher;
 - (c) Physical or mental disability;
 - (d) Inefficiency, incompetency, or neglect of duty, when a written statement identifying the problems or difficulties has been furnished the teacher or teachers involved.
- (2) Charges under subsections (1)(a) and (1)(d) of this section shall be supported by a written record of teacher performance by the superintendent, principal, or other supervisory personnel of the district, except when the charges are brought as a result of a recommendation made under KRS 158.6455.
- (3) No contract shall be terminated except upon notification of the board by the superintendent. Prior to notification of the board, the superintendent shall furnish the teacher with a written statement specifying in detail the charge against the teacher. The teacher may within ten (10) days after receiving the charge notify the **commissioner of education**~~chief state school officer~~ and the superintendent of his intention to answer the charge, and upon failure of the teacher to give notice within ten (10) days, the dismissal shall be final.
- (4) Upon receiving the teacher's notice of his intention to answer the charge, the **commissioner of education**~~chief state school officer~~ shall appoint a three (3) member tribunal, consisting of one (1) teacher, **who may be retired**, one (1) administrator, **who may be retired**, and one (1) lay person, none of whom reside in the district, to conduct an administrative hearing in accordance with KRS Chapter 13B within the district. **Priority for selection as a tribunal member shall be from a pool of potential tribunal members who have been designated and trained to serve as tribunal members on a regular and ongoing basis, pursuant to administrative regulations promulgated by the Kentucky Board of Education. Funds appropriated to the Department of Education for professional development may be used to provide tribunal member training.** The **commissioner of education**~~chief state school officer~~ shall name the chairman and set the date and time for the hearing. The hearing shall begin no later than forty-five (45) days after the teacher files the notice of intent to answer the charge.
- (5) A hearing officer shall have final authority to rule on dispositive prehearing motions.
- (6) The hearing may be public or private at the discretion of the teacher. At the hearing, a hearing officer appointed by the **commissioner of education**~~chief state school officer~~ shall preside with authority to rule on

procedural matters, but the tribunal shall be the ultimate trier of fact. The local board shall pay each member of the tribunal a per diem of one hundred dollars (\$100) and travel expenses.

- (7) Upon hearing both sides of the case, the tribunal may by a majority vote render its decision or may defer its action for not more than five (5) days. Provisions of KRS Chapter 13B notwithstanding, the tribunal decision shall be a final order and may be rendered on the record.
- (8) The superintendent may suspend the teacher pending final action to terminate the contract, if, in his judgment, the character of the charge warrants the action. If after the hearing the decision of the tribunal is against termination of the contract, the suspended teacher shall be paid his full salary for any period of suspension.
- (9) The teacher shall have the right to make an appeal to the Circuit Court having jurisdiction in the county where the school district is located in accordance with KRS Chapter 13B. The review of the final order shall be conducted by the Circuit Court as required by KRS 13B.150.
- (10) As an alternative to termination of a teacher's contract, the superintendent upon notifying the board and providing written notification to the teacher of the charge may impose other sanctions, including, suspension without pay, public reprimand, or private reprimand. The procedures set out in subsection (3) of this section shall apply if the teacher is suspended without pay or publicly reprimanded. The teacher may appeal the action of the superintendent if these sanctions are imposed in the same manner as established in subsections (4) to (9) of this section. Upon completion of a suspension period, the teacher may be reinstated.

Approved April 2, 2002

CHAPTER 142

(SB 153)

AN ACT relating to the practice of dentistry.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 313 IS CREATED TO READ AS FOLLOWS:

- (1) *The board may grant a temporary license to a dentist or dental hygienist who holds a currently valid license from another state, district, possession, or territory of the United States for the sole purpose of providing medical care to indigent populations who may not otherwise be able to obtain such services, without expectation of compensation or charge to the individual, and without payment or reimbursement by any governmental agency or insurer. The health care services shall be provided to charitable organizations only. The license shall be valid for a seven (7) day period.*
- (2) *To obtain the temporary license issued under subsection (1) of this section, the dentist or dental hygienist shall:*
 - (a) *Apply to the Board of Dentistry at least thirty (30) days prior to providing the health care services under subsection (1) of this section;*
 - (b) *Include in the application a letter from the jurisdiction in which the dentist or dental hygienist is licensed that indicates the applicant's license number and a statement that indicates that the dentist or the dental hygienist is in good standing in the licensing jurisdiction; and*
 - (c) *Pay a twenty-five dollars (\$25) registration fee.*
- (3) *Prior to beginning the services permitted under subsection (1) of this section, the dentist or dental hygienist shall notify the appropriate agent in the Cabinet for Health Services.*
- (4) *A dentist or dental hygienist working under this section may perform all preventive procedures and treatments including, but not limited to, scaling, prophylaxis, radiographs, sealants, and fluoride application.*
- (5) *In addition to the procedures permitted under subsection (4) of this section, a dentist may perform those procedures or treatments considered to be routine in nature and that are typically performed and completed in one (1) appointment. The procedures include simple extractions and basic restorative procedures. All procedures performed other than those provided in this subsection and subsection (4) of this section shall be performed by a dentist holding a currently valid license in the Commonwealth.*

- (6) *A dentist or dental hygienist working under this section who registers as a charitable health care provider under Section 2 of this Act shall be eligible for the provision of medical malpractice insurance procured under KRS 304.40-075.*
- (7) *The board shall promulgate administrative regulations that are reasonably necessary to administer this section.*

Section 2. KRS 216.941 is amended to read as follows:

- (1) Notwithstanding any provision of law to the contrary, no additional license or certificate otherwise required under the provisions of KRS Chapters 211, 216, 311, 312, ~~313,~~ or 314 shall be necessary for the voluntary provision of health care services by any person who:
 - (a) Is a charitable health care provider as defined in KRS 216.940; or
 - (b) Does not regularly practice in the Commonwealth.
- (2) No person whose license or certificate is suspended or revoked under disciplinary proceedings in any jurisdiction, nor any person who renders services outside of the scope of practice authorized by his or her licensure or certification or exception to license or certification shall be allowed to participate with any sponsoring organization as a charitable health care provider.
- (3) Before providing charitable health care services in this state, a charitable health care provider or sponsoring organization shall register with the Cabinet for Health Services by filing a registration form that shall contain the following information:
 - (a) The name, address, and phone number of the charitable health care provider;
 - (b) Written and verifiable documentation of a current Kentucky license including, if applicable, a license granted to an individual under a reciprocal agreement with another state or country;
 - (c) The name, principal office address, phone number, and principal officer of any sponsoring organization;
 - (d) The dates, locations, types of services, and intended recipients of any charitable health care services to be performed in the state;
 - (e) Information as to any medical malpractice insurance procured under KRS 304.40-075 or otherwise; and
 - (f) Other information as the cabinet may require by administrative regulation.
- (4) The cabinet shall provide, upon request of the charitable health care provider or sponsoring organization, any information available as to declared emergencies, underserved populations, and lack of access to health care in the state that will assist the charitable health care provider or sponsoring organization in the provision of these services.
- (5) Boards of health created under KRS Chapter 212 may submit requests for charitable health care providers in their jurisdictions to be listed in any information provided.
- (6) Each sponsoring organization shall maintain a list of health care providers associated with its provision of charitable health care services. For each health care provider, the sponsoring organization shall maintain a copy of a current license, certificate, or statement of exemption from licensure or certification and shall require each health care provider to attest in writing that his or her license or certificate is not suspended or revoked under disciplinary proceedings in any jurisdiction. The sponsoring organization shall maintain its records of charitable health care providers for at least five (5) years after the provision of charitable health care services, including actual dates, types of services, and recipients of charitable health care services, and shall furnish these records upon the request of the Cabinet for Health Services. Compliance with this section shall be prima facie evidence that the sponsoring organization has exercised due care in selecting charitable health care providers.
- (7) The cabinet may revoke the registration of any charitable health care provider or sponsoring organization for failure to comply with the provisions of KRS 216.940 to 216.945, in accordance with the provisions of KRS Chapter 13B.
- (8) The cabinet shall report to the General Assembly the name and location of individuals registered with the cabinet as charitable health care providers, by October 1 of each year.

Section 3. KRS 216.942 is amended to read as follows:

With regard to a person who provides charitable health care services under KRS 216.941, the provisions of KRS Chapters 211, 216, 311, 312, ~~313,~~ or 314 shall not apply with respect to itinerant providers, licensing, or certification and all requirements regarding display of a license or certification shall be satisfied by the presentation for inspection, upon request, of a photocopy of the applicable license, certificate, or statement of exemption from the state, territory, district, or possession of the United States in which the provider is licensed, certified, or exempt.

Approved April 2, 2002

CHAPTER 143

(SB 166)

AN ACT relating to the Office of Education Accountability.

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

Section 1. KRS 7.410 is amended to read as follows:

- (1) It is the intent of the General Assembly to provide an efficient system of common schools which shall be operated without waste, duplication, mismanagement, and political influence. The system of schools shall have the goal of providing all students with at least the seven (7) capacities referred to in KRS 158.645.
- (2) (a) An Office of Education Accountability is hereby created and shall be under the direction of the Legislative Research Commission and shall be advised and monitored by the Education Assessment and Accountability Review Subcommittee.
- (b) The Office of Education Accountability shall be administered by a deputy director appointed by the Legislative Research Commission upon recommendation of the director of the Legislative Research Commission. The deputy director shall have the qualifications set by the Commission. The salary of the deputy director shall be set by the Commission. The Commission shall have exclusive jurisdiction over the employment of personnel necessary to carry out the provisions of this section. The deputy director shall be subject to the direction of and report to the director of the Legislative Research Commission.
- (c) The Office of Education Accountability shall have the following duties and responsibilities:
 1. Monitor the education system and implementation of the provisions of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts ch. 476, including actions taken and reports issued by the Kentucky Board of Education, the Education Professional Standards Board, the chief state school officer, the Department of Education, local school districts, and vocational and higher education as affected by the Kentucky Education Reform Act of 1990, 1990 Ky. Acts ch. 476. ***The monitoring of the education system shall also include periodic reviews of local district and school-based decision making policies relating to the recruitment, interviewing, selection, evaluation, termination or promotion of personnel. The office shall report any district or school when evidence demonstrates a pattern of exclusionary personnel practices relating to race or sex to the Kentucky Department of Education, which shall then independently investigate facts raised in or associated with the report. The results of the investigation conducted by the department shall be forwarded to the Kentucky Board of Education which shall conduct an investigative hearing on the matter.***
 2. Establish a Division of School Finance which shall conduct an ongoing review of the finance system. The review shall include an analysis of the level of equity achieved by the funding system and whether adequate funds are available to all school districts; a review of the weights of various education program components, which are to be developed by the Department of Education no later than October 1, 1991. The division shall develop recommendations for the base per pupil funding for the support education excellence in Kentucky program and a statewide salary schedule. It shall conduct studies of other finance issues identified as needing further study, including a review of the transportation formula required in KRS 157.360. The division shall submit an annual report of its activities, findings, and recommendations to the Education Assessment and Accountability Review Subcommittee. Upon approval of the subcommittee, the annual report shall be forwarded to the Governor, the Legislative Research Commission, and the Kentucky Board of Education no later than October 1 each year.

3. Verify the accuracy of reports of school, district, and state performance by conducting, requesting, or upon approval of the Legislative Research Commission, contracting for periodic program and fiscal audits as necessary. Upon and under the direction of the Education Assessment and Accountability Review Subcommittee, the Office of Education Accountability shall monitor and verify the accuracy of reports of the Department of Education and the Kentucky Board of Education, including, but not limited to, the annual fiscal conditions of grants, categorical programs, and other educational initiatives set forth by the General Assembly.
 4. Investigate allegations of wrongdoing of any person or agency, including, but not limited to, waste, duplication, mismanagement, political influence, and illegal activity at the state, regional, or school district level which have not been resolved or satisfactorily explained by the local superintendent, local board of education, the chief state school officer, or the Kentucky Board of Education, and make recommendations for legislative action to the Education Assessment and Accountability Review Subcommittee. Upon approval of the subcommittee, recommendations for legislative action shall be forwarded to the Legislative Research Commission. The Office of Education Accountability shall submit to the subcommittee, for each of its regular meetings, a report that summarizes investigative activity initiated pursuant to this subparagraph. The subcommittee may consider each report as it determines and in its discretion. Each report, and the consideration thereof by the subcommittee, shall be exempt from the open records and open meetings requirements contained in KRS Chapter 61.
 5. Under the direction of the Education Assessment and Accountability Review Subcommittee, conduct studies, analyze, verify, and validate the state assessment program through other external indicators of academic progress including, but not limited to, American College Test scores, Scholastic Assessment Test scores, National Assessment of Educational Progress scores, Preliminary Scholastic Assessment Test scores, Advanced Placement Program participation, standardized test scores, college remediation rates, retention and attendance rates, dropout rates, and additional available data on the efficiency of the system of schools and whether progress is being made toward attaining the goal of providing students with the seven (7) capacities as required by KRS 158.645.
 6. Make periodic reports to the Education Assessment and Accountability Review Subcommittee as directed by the subcommittee. Upon approval of the subcommittee, the reports shall be forwarded to the Legislative Research Commission.
 7. Make periodic reports to the Legislative Research Commission as may be directed by the Commission.
 8. Prepare an annual report on the implementation of the provisions of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts ch. 476, including recommendations for improvement which shall be submitted to the Education Assessment and Accountability Review Subcommittee. Upon approval of the subcommittee, the annual report shall be submitted to the Governor, the Legislative Research Commission, and the Kentucky Board of Education.
- (d) The Office of Education Accountability shall have access to all public records and information on oath as provided in KRS 7.110. The office shall also have access to otherwise confidential records, meetings, and hearings regarding local school district personnel matters. However, the office shall not disclose any information contained in or derived from the records, meetings, and hearings that would enable the discovery of the specific identification of any individual who is the focus or subject of the personnel matter.
- (e) In compliance with KRS 48.800, 48.950, and 48.955, the Finance and Administration Cabinet and the Governor's Office for Policy and Management shall provide to the Office of Education Accountability access to all information and records, other than preliminary work papers, relating to allotment of funds, whether by usual allotment or by other means, to the Department of Education, local school districts, and to other recipients of funds for educational purposes.
- (f) Any state agency receiving a complaint or information which, if accurate, may identify a violation of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts ch. 476, shall notify the office of the complaint or information.

- (g) The Office of Education Accountability may contract for services as approved by the Legislative Research Commission pursuant to KRS 7.090(7).
- (3) The provisions of KRS 61.878 or any other statute, including Acts of the 1992 Regular Session of the General Assembly to the contrary notwithstanding, the testimony of investigators, work products, and records of the Office of Education Accountability relating to duties and responsibilities under subsection (2) of this section shall be privileged and confidential during the course of an ongoing investigation or until authorized, released, or otherwise made public by the Office of Education Accountability and shall not be subject to discovery, disclosure, or production upon the order or subpoena of a court or other agency with subpoena power.

Section 2. During the 2002-2004 biennium the Office of Education Accountability shall review the personnel policies and procedures in those districts that have at least an eight percent (8%) minority school population and less than an eight percent (8%) minority staff overall or less than an eight percent (8%) minority teaching staff or less than an eight percent (8%) minority administrative staff and any other district in which there have been complaints of unfair, unequitable personnel practices. The review shall include analysis of the school-based decision making policies on consultation in the selection of personnel by the principal, the training in personnel selection provided to school council members before selecting a principal, the implementation of evaluation systems within the district, the local district annual minority report prepared for the Kentucky Department of Education, and evidence of patterns of behavior that may be exclusionary of specific minorities or of one sex or the other. The office shall provide a summary report of its findings to the Education Assessment and Accountability Review Subcommittee by November 15, 2003.

Approved April 2, 2002

CHAPTER 144

(SB 239)

AN ACT relating to state government strategic planning.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

Each program cabinet, the Department for Local Government, the Department of Military Affairs, and the Governor's Office for Technology shall develop and submit a four (4) year strategic plan to meet the broad goals outlined by the Governor, and shall submit an electronic copy of the full plan and an electronic copy of a brief summary of that plan to the state budget director, the secretary of the Executive Cabinet, and the Legislative Research Commission with each biennial budget request.

- (1) *Each strategic plan shall include, but not be limited to:*
 - (a) *A statement of the cabinet or administrative entity's value, vision, and mission;*
 - (b) *A statement of how the cabinet or administrative entity's strategic plan is aligned with the Governor's goals and linked to the budget request and the six (6) year capital plan of the cabinet or administrative entity;*
 - (c) *A brief summary of a situation analysis conducted by the program cabinet or administrative entity;*
 - (d) *Identification of measurable goals for the next four (4) years;*
 - (e) *Specification of objectives to meet the stated goals;*
 - (f) *Identification of performance indicators to be used to measure progress toward meeting goals and objectives; and*
 - (g) *A progress report providing data and information on the performance indicators set forth in the program cabinet or administrative entity's most recent strategic plan.*
- (2) *On or before September 1 of each even-numbered fiscal year, program cabinets and administrative entities which have submitted strategic plans in the previous fiscal year shall submit a progress report to the office of the state budget director, or its designee, which provides data and information regarding the progress the program cabinet or entity has made toward meeting its goals as measured by performance indicators set forth in the cabinet or entity's most recent strategic plan.*

- (3) *The state budget director shall designate an entity to develop and implement a methodology for strategic planning and progress reporting for use by program cabinets and administrative entities submitting strategic plans and progress reports pursuant to this section. The entity designated by the state budget director shall develop and make available a training course in strategic planning that is appropriate for and targeted to state government managers, and shall make that training course available to state managers and their designees, who have responsibility for the completion of a strategic plan as required by this section.*
- (4) *The Governor's Office for Technology shall maintain uniform electronic strategic plan and progress report submission forms and a procedure that allows all plans and progress reports to be entered into an electronic database that is searchable by interested parties. The database shall be developed and maintained in a form that complies with all provisions of KRS 48.950 to 48.960. The Governor's Office for Technology shall develop and maintain a program to provide public access to submitted plans and progress reports.*

Approved April 2, 2002

CHAPTER 145

(SB 59)

AN ACT relating to peace officers.

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

Section 1. KRS 61.365 is amended to read as follows:

The following persons who are employed by the federal government as law enforcement or investigative officers who have the power of arrest and who are residents of the Commonwealth of Kentucky shall be deemed peace officers and shall have the same powers and duties of any other peace officer in the Commonwealth, except that they shall not be required to serve process unless permitted to do so by their respective agencies:

- (1) Federal Bureau of Investigation special agents;
- (2) United States Secret Service special agents;
- (3) United States Marshal's service deputies;
- (4) Drug Enforcement Administration special agents;
- (5) Bureau of Alcohol, Tobacco, and Firearms special agents;
- (6) United States Forest Service special agents and law enforcement officers;
- (7) Special agents and law enforcement officers of the Office of the Inspector General of the United States Department of Agriculture; *and*
- (8) *United States Customs Service special agents.*

Approved April 2, 2002

CHAPTER 146

(SJR 156)

A JOINT RESOLUTION honoring the achievements of Ralph Smith of Livingston County.

WHEREAS, Ralph Smith was a dedicated public servant who spent the better part of his life in service to the people of Livingston County; and

WHEREAS, Ralph Smith served for over 40 years cumulatively in the posts of Livingston County Judge and Livingston County Sheriff; and

WHEREAS, now that Ralph Smith is retired from public service, it is more apparent than ever what his contributions have meant to the people of Livingston County; and

WHEREAS, Ralph Smith should be commended and honored by the General Assembly for a life spent in service;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet shall name the bridge on United States Route 60 over the Cumberland River in Livingston County the "Ralph Smith Bridge."

Section 2. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs at each end of the bridge specified in Section 1 of this Act that read "Ralph Smith Bridge."

Approved April 2, 2002

CHAPTER 147

(SB 128)

AN ACT relating to a pilot program for unassisted voting by the blind.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

- (1) *For purposes of this section, "blind or visually impaired individual" means an individual who:*

 - (a) Has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision so that the widest diameter of the visual field subtends an angle no greater than twenty (20) degrees;*
 - (b) Has a medically indicated expectation of visual deterioration;*
 - (c) Has a medically diagnosed limitation in visual functioning that restricts the individual's ability to read and write standard print at levels expected of individuals of comparable ability;*
 - (d) Has been certified as requiring permanent assistance to vote under KRS 117.255(5) for reason of blindness; or*
 - (e) Qualifies to receive assistance to vote under KRS 117.255(2) for reason of blindness.*
- (2) *For purposes of this section, "pilot program" means a program in a county containing a consolidated local government or containing a city of the first class for unassisted voting by blind or visually impaired individuals.*
- (3) *A county board of elections in a county containing a consolidated local government or containing a city of the first class may establish a pilot program. As part of this pilot program, the State Board of Elections shall approve the use of voting equipment under KRS 117.379 that is designed to permit blind and visually impaired individuals to vote without assistance, for use beginning in the 2002 general election. No county board of elections in a county containing a consolidated local government or containing a city of the first class shall be required to operate a pilot program.*
- (4) *The State Board of Elections, if it approves the voting equipment under KRS 117.379, may approve the use of voting equipment designed to permit blind and visually impaired individuals to vote without assistance in as many locations within a county containing a consolidated local government or containing a city of the first class as are designated by the county board of elections.*
- (5) *A county board of elections in a county containing a consolidated local government or containing a city of the first class shall provide a report to the State Board of Elections after every primary or general election regarding the number of blind or visually impaired individuals that have utilized the voting equipment during the pilot program.*
- (6) *Notwithstanding the provisions of KRS 116.025, or any other statute to the contrary, a blind or visually impaired voter residing in a county containing a consolidated local government or containing a city of the first class that is operating a pilot program shall be permitted to vote at a location outside the precinct of his or her registration by voting at a location within the county of his or her registration on a voting machine designed to permit blind or visually impaired individuals to vote without assistance, which may include voting at the county clerk's office, or other place designated by the county board of elections, and approved by the State Board of Elections.*

- (7) *Notwithstanding the provisions of KRS 117.075, 117.085, 117.086, or 117.0863 or any other statute to the contrary, a blind or visually impaired individual residing in a county containing a consolidated local government or containing a city of the first class that is operating a pilot program shall be permitted to vote in the location within the county of his or her registration as provided under subsection (6) of this section, on a voting machine designed to permit blind or visually impaired individuals to vote without assistance, at any time during which absentee voting is conducted in the clerk's office or other place designated by the county board of elections during normal business hours on at least any of the twelve (12) working days before the election, and the county board of elections may permit the voting to be conducted on a voting machine for a period longer than the twelve (12) working days before the election prescribed above. An application for those blind or visually impaired individuals wishing to vote on a voting machine approved for use by blind or visually impaired individuals shall be prescribed by the State Board of Elections and shall include the individual's sworn statement that the individual is blind or visually impaired.*
- (8) *Notwithstanding the requirements of KRS 117.381, or any other statute to the contrary, the State Board of Elections may certify, as a part of the pilot project of a county containing a consolidated local government or containing a city of the first class, voting equipment which utilizes audio recordings, voice-activated technology, or vocal recognition technology to record a vote, and may require such accommodations as would permit a blind or visually impaired voter to cast a vote in secret.*
- (9) *Notwithstanding the provisions of KRS 117.255, a blind or visually impaired voter residing in a county containing a consolidated local government or containing a city of the first class that is operating a pilot project may cast his or her vote alone and without assistance on a voting machine approved for use by blind or visually impaired individuals. However, the blind or visually impaired voter shall be instructed by the officers of election, with the aid of the instruction cards and the model, in the use of the machine, if the voter so requests.*
- (10) *Nothing in this section shall impair the right of any qualified voter under KRS 117.255 to receive assistance and vote according to the procedures specified in that section.*

Approved April 2, 2002

CHAPTER 148

(SB 207)

AN ACT relating to vision examinations for children.

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

Section 1. KRS 156.160 is amended to read as follows:

- (1) With the advice of the Local Superintendents Advisory Council, the Kentucky Board of Education shall promulgate administrative regulations establishing standards which school districts shall meet in student, program, service, and operational performance. These regulations shall comply with the expected outcomes for students and schools set forth in KRS 158.6451. Administrative regulations shall be promulgated for the following:
 - (a) Courses of study for the different grades and kinds of common schools identifying the common curriculum content directly tied to the goals, outcomes, and assessment strategies developed under KRS 158.645, 158.6451, and KRS 158.6453 and distributed to local school districts and schools. They shall include the following: The courses of study for students shall include American sign language which shall be accepted as meeting the foreign language requirements in common schools notwithstanding other provisions of law;
 - (b) The acquisition and use of educational equipment for the schools as recommended by the Council for Education Technology;
 - (c) The minimum requirements for high school graduation in light of the expected outcomes for students and schools set forth in KRS 158.6451. Student scores from any assessment administered under KRS 158.6453 that are determined by the National Technical Advisory Panel to be valid and reliable at the individual level shall be included on the student transcript. The National Technical Advisory Panel shall submit its determination to the commissioner of education and the Legislative Research Commission;

- (d) Taking and keeping a school census, and the forms, blanks, and software to be used in taking and keeping the census and in compiling the required reports. The board shall create a statewide student identification numbering system based on students' Social Security numbers. The system shall provide a student identification number similar to, but distinct from, the Social Security number, for each student who does not have a Social Security number or whose parents or guardians choose not to disclose the Social Security number for the student;
 - (e) Sanitary and protective construction of public school buildings, toilets, physical equipment of school grounds, school buildings, and classrooms. With respect to physical standards of sanitary and protective construction for school buildings, the Kentucky Board of Education shall adopt the Uniform State Building Code;
 - (f) Medical inspection, physical and health education and recreation, and other regulations necessary or advisable for the protection of the physical welfare and safety of the public school children. The administrative regulations shall set requirements for student health standards to be met by all students in grades four (4), eight (8), and twelve (12) pursuant to the outcomes described in KRS 158.6451. The administrative regulations shall permit a student who received a physical examination no more than six (6) months prior to his initial admission to Head Start to substitute that physical examination for the physical examination required by the Kentucky Board of Education of all students upon initial admission to the public schools, if the physical examination given in the Head Start program meets all the requirements of the physical examinations prescribed by the Kentucky Board of Education;
 - (g) A vision examination by an optometrist or ophthalmologist that shall be required by the Kentucky Board of Education. The administrative regulations shall require evidence that a vision examination that meets the criteria prescribed by the Kentucky Board of Education has been performed. This evidence shall be submitted to the school no later than January 1 of the first year that *a three (3), four (4), five (5), or six (6) year old*~~the~~ child is enrolled in a public school, public preschool, or Head Start program;
 - (h) The transportation of children to and from school;
 - (i) The fixing of holidays on which schools may be closed and special days to be observed, and the pay of teachers during absence because of sickness or quarantine or when the schools are closed because of quarantine;
 - (j) The preparation of budgets and salary schedules for the several school districts under the management and control of the Kentucky Board of Education;
 - (k) A uniform series of forms and blanks, educational and financial, including forms of contracts, for use in the several school districts; and
 - (l) The disposal of real and personal property owned by local boards of education.
- (2) (a) At the request of a local board of education or a school council, a local school district superintendent shall request that the Kentucky Board of Education waive any administrative regulation promulgated by that board. Beginning in the 1996-97 school year, a request for waiver of any administrative regulation shall be submitted to the Kentucky Board of Education in writing with appropriate justification for the waiver. The Kentucky Board of Education may approve the request when the school district or school has demonstrated circumstances that may include, but are not limited to, the following:
- 1. An alternative approach will achieve the same result required by the administrative regulation;
 - 2. Implementation of the administrative regulation will cause a hardship on the school district or school or jeopardize the continuation or development of programs; or
 - 3. There is a finding of good cause for the waiver.
- (b) The following shall not be subject to waiver:
- 1. Administrative regulations relating to health and safety;
 - 2. Administrative regulations relating to civil rights;
 - 3. Administrative regulations required by federal law; and
 - 4. Administrative regulations promulgated in accordance with KRS 158.6451, 158.6453, 158.6455, 158.685, and this section, relating to measurement of performance outcomes and determination

of successful districts or schools, except upon issues relating to the grade configuration of schools.

- (c) Any waiver granted under this subsection shall be subject to revocation upon a determination by the Kentucky Board of Education that the school district or school holding the waiver has subsequently failed to meet the intent of the waiver.
- (3) Any private, parochial, or church school may voluntarily comply with curriculum, certification, and textbook standards established by the Kentucky Board of Education and be certified upon application to the board by such schools.

Approved April 2, 2002

CHAPTER 149

(HB 130)

AN ACT relating to video voyeurism.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

- (1) *A person is guilty of video voyeurism when he or she intentionally:*
 - (a) *Uses or causes the use of any camera, videotape, photooptical, photoelectric, or other image recording device for the purpose of observing, viewing, photographing, filming, or videotaping the sexual conduct, genitals, or nipple of the female breast of another person without that person's consent; and*
 - (b) *Uses or divulges any image so obtained for consideration; or*
 - (c) *Distributes any image so obtained by live or recorded visual medium, electronic mail, the Internet, or a commercial on-line service.*
- (2) *Video voyeurism is a Class D felony.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

The provisions of Section 1 of this Act shall not apply to the transference of prohibited images by a telephone company, a cable television company or any of its affiliates, an Internet provider, or a commercial on-line service provider, or to the carrying, broadcasting, or performing of related activities in providing telephone, cable television, Internet, or commercial on-line services.

SECTION 3. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

Unless objected to by the victim or victims of the video voyeurism, the court, on its own motion, or on motion of the attorney for the Commonwealth shall:

- (1) *Order all photographs, film, videotapes, or other images that are introduced into evidence or are in the possession of law enforcement, the prosecution, or the court to be sealed; and*
- (2) *At the conclusion of the case, unless required for additional prosecutions, order all of the photographs, film, videotapes, or other images that are in the possession of law enforcement, the prosecution, or the court to be destroyed.*

Approved April 2, 2002

CHAPTER 150

(HB 93)

AN ACT relating to public safety.

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

Section 1. KRS 197.170 is amended to read as follows:

- (1) (a) The wardens of the state penitentiaries upon the release of any prisoner or inmate from confinement shall immediately notify:
 1. *The Circuit Court, the Commonwealth's attorney of the district, and the sheriff of the county where the inmate was sentenced;*
 2. The Circuit Court, the Commonwealth's attorney of the district, the county attorney and sheriff of the county, the chief of police of the city and county, to which the inmate is released; ~~and~~
 3. Any victim, as defined in KRS 421.500, who has requested that he *or she* be notified on release of a particular inmate who victimized him *or her* and who has forwarded a current address and telephone number to the Department of Corrections. ~~and~~
- (b) *The notice shall give ~~giving~~ the residence of the person released and the name of the person to whom he or she was released. The provisions of KRS Chapter 202A notwithstanding, the Department of Corrections may release to the public the information that a petition to involuntarily hospitalize a prisoner has been filed concerning any inmate who is scheduled to be released from custody.*
- (2) *Notice under subsection (1) of this section shall be given by mail, fax, or electronic means at the discretion of the Department of Corrections in a manner to insure receipt. ~~If the Circuit Court notified pursuant to subsection (1) of this section is a court other than the court which sentenced the inmate, the warden shall also notify the sentencing court.~~*
- (3) Notices received by sheriffs and chiefs of police shall be posted in a conspicuous location where personnel employed by the department may see it. Notices posted ~~under~~ *pursuant to* this subsection shall remain posted for not less than seven (7) days.

Approved April 2, 2002

CHAPTER 151

(HB 69)

AN ACT relating to immunizations.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 3 of this Act, unless the context requires otherwise:

- (1) *"Commissioner" means the commissioner of the department;*
- (2) *"Department" means the Department for Public Health;*
- (3) *"Documentation" means written evidence from an individual's health care provider that indicates the date and place the individual received the influenza vaccine or the pneumococcal vaccine;*
- (4) *"Employee" means an individual who is employed, directly or by contract with another entity, on a part-time or full-time basis;*
- (5) *"Medically contraindicated" describes a situation in which the influenza or pneumococcal vaccine should not be administered to an individual because of a condition that the individual has that will be detrimental to the individual's health if the individual receives the vaccine; and*
- (6) *"Long-term care facility" has the same meaning as in KRS 216.510, except that for purposes of Sections 1 to 3 of this Act, "long-term care facility" does not include family-care homes or personal-care homes.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

- (1) *Every long-term care facility shall require residents to be immunized against pneumococcal disease and influenza. Upon admission, the long-term care facility shall:*
 - (a) *Notify the resident of the requirements of this section and request that the resident agree to be immunized against pneumococcal disease and influenza virus;*

- (b) *Assess the resident's immunization status for influenza virus and pneumococcal disease;*
 - (c) *Counsel each resident on the risks of influenza and pneumococcal disease; the efficacy, side effects, and contraindications of these immunizations; and the recommendations of the Centers for Disease Control prior to administration of the vaccines; and*
 - (d) *Provide or arrange for immunizations against pneumococcal and influenza in accordance with the recommendations of the Advisory Committee on Immunization Practices of the Centers for Disease Control, unless medically contraindicated, if the resident or long-term care facility does not have documentation of the immunization.*
- (2) *Every long-term care facility shall document the annual immunization against influenza virus and pneumococcal immunization for each resident. Upon finding that a resident lacks either of these immunizations, the facility shall provide or arrange for the immunization in accordance with the recommendations of the Advisory Committee on Immunization Practices of the Centers for Disease Control, unless medically contraindicated.*
- (3) *Every long-term care facility shall require each employee to be immunized against pneumococcal and influenza virus. Upon employment, the long-term care facility shall:*
- (a) *Notify the employee of the requirements of this section and request that the employee agree to be immunized against pneumococcal disease and influenza virus;*
 - (b) *Assess the employee's immunization status for influenza virus and pneumococcal disease;*
 - (c) *Counsel each employee on the risks of influenza and pneumococcal disease; the efficacy, side effects, and contraindications of these immunizations; and the recommendations of the Centers for Disease Control prior to administration of the vaccines; and*
 - (d) *Provide or arrange for immunizations against pneumococcal and influenza in accordance with the recommendations of the Advisory Committee on Immunization Practices of the Centers for Disease Control, unless medically contraindicated, if the employee or the long-term care facility does not have documentation of the appropriate immunizations.*
- (4) *Every long-term care facility shall document the annual immunization against influenza virus and pneumococcal immunization for each employee. Upon finding that an employee lacks either of these immunizations, the facility shall provide or arrange for immunization in accordance with the recommendations of the Advisory Committee on Immunization Practices of the Centers for Disease Control, unless medically contraindicated.*
- (5) *The provisions of this section shall not apply if:*
- (a) *The vaccine is medically contraindicated;*
 - (b) *The employee, resident, or resident's legal guardian objects to the immunizations due to religious beliefs; or*
 - (c) *The employee or resident refuses the vaccine after being fully informed of the health risks.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 209 IS CREATED TO READ AS FOLLOWS:

- (1) *The commissioner of the department shall implement the provisions of Sections 1 to 3 of this Act through the promulgation of administrative regulations under KRS Chapter 13A.*
- (2) *The department shall make educational literature that describes the risks of influenza and pneumococcal disease; the efficacy, side effects, and contraindications of these immunizations; and the recommendations from the Centers for Disease Control available to every long-term care facility.*
- (3) *The department, on behalf of long-term care facilities, shall negotiate with any appropriate manufacturer of the vaccines for adult pneumococcal disease and influenza for a purchase price of the vaccines. Long-term care facilities shall be entitled to purchase the vaccines at the negotiated price for the purposes specified under Section 2 of this Act.*
- (4) *The commissioner of the department shall report by September 1, 2005, to the Governor, the Interim Joint Committee on Health and Welfare, and the Legislative Research Commission on the number of outbreaks in long-term care facilities for each year due to influenza virus and pneumococcal disease and the number*

of hospitalizations of long-term care facility residents each year due to influenza virus, pneumococcal disease, and associated complications.

Approved April 2, 2002

CHAPTER 152

(HB 55)

AN ACT relating to school-based decision making councils.

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

Section 1. KRS 160.345 is amended to read as follows:

- (1) For the purpose of this section:
 - (a) "Minority" means American Indian; Alaskan native; African-American; Hispanic, including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin; Pacific islander; or other ethnic group underrepresented in the school;
 - (b) "School" means an elementary or secondary educational institution that is under the administrative control of a principal or head teacher and is not a program or part of another school. The term "school" does not include district-operated schools that are:
 1. Exclusively vocational-technical, special education, or preschool programs;
 2. Instructional programs operated in institutions or schools outside of the district; or
 3. Alternative schools designed to provide services to at-risk populations with unique needs;
 - (c) "Teacher" means any person for whom certification is required as a basis of employment in the public schools of the state with the exception of principals, assistant principals, and head teachers; and
 - (d) "Parent" means:
 1. A parent, stepparent, or foster parent of a student; or
 2. A person who has legal custody of a student pursuant to a court order and with whom the student resides.
- (2) Each local board of education shall adopt a policy for implementing school-based decision making in the district which shall include, but not be limited to, a description of how the district's policies, including those developed pursuant to KRS 160.340, have been amended to allow the professional staff members of a school to be involved in the decision making process as they work to meet educational goals established in KRS 158.645 and 158.6451. The policy may include a requirement that each school council make an annual report at a public meeting of the board describing the school's progress in meeting the educational goals set forth in KRS 158.6451 and district goals established by the board. The policy shall also address and comply with the following:
 - (a) Except as provided in paragraph (b)2. of this subsection, each participating school shall form a school council composed of two (2) parents, three (3) teachers, and the principal or administrator. The membership of the council may be increased, but it may only be increased proportionately. A parent representative on the council shall not be an employee or a relative of an employee of the school in which that parent serves, nor shall the parent representative be an employee or a relative of an employee in the district administrative offices. A parent representative shall not be a local board member or a board member's spouse. None of the members shall have a conflict of interest pursuant to KRS Chapter 45A, except the salary paid to district employees;
 - (b) 1. The teacher representatives shall be elected for one (1) year terms by a majority of the teachers. A teacher elected to a school council shall not be involuntarily transferred during his or her term of office. The parent representatives shall be elected for one (1) year terms. The parent members shall be elected by the parents of students preregistered to attend the school during the term of office in an election conducted by the parent and teacher organization of the school or, if none exists, the largest organization of parents formed for this purpose. A school council, once elected,

may adopt a policy setting different terms of office for parent and teacher members subsequently elected. The principal or head teacher shall be the chair of the school council.

2. School councils in schools having eight percent (8%) or more minority students enrolled, as determined by the enrollment on the preceding October 1, shall have at least one (1) minority member. If the council formed under paragraph (a) of this subsection does not have a minority member, the principal, in a timely manner, shall be responsible for carrying out the following:
 - a. Organizing a special election to elect an additional member. The principal shall call for nominations and shall notify the parents of the students of the date, time, and location of the election to elect a minority parent to the council by ballot; and
 - b. Allowing the teachers in the building to select one (1) minority teacher to serve as a teacher member on the council. If there are no minority teachers who are members of the faculty, an additional teacher member shall be elected by a majority of all teachers. Term limitations shall not apply for a minority teacher member who is the only minority on faculty;
- (c) 1. The school council shall have the responsibility to set school policy consistent with district board policy which shall provide an environment to enhance the students' achievement and help the school meet the goals established by KRS 158.645 and 158.6451. The principal or head teacher shall be the primary administrator and the instructional leader of the school, and with the assistance of the total school staff shall administer the policies established by the school council and the local board.
2. If a school council establishes committees, it shall adopt a policy to facilitate the participation of interested persons, including, but not limited to, classified employees and parents. The policy shall include the number of committees, their jurisdiction, composition, and the process for membership selection;
- (d) The school council and each of its committees shall determine the frequency of and agenda for their meetings. Matters relating to formation of school councils that are not provided for by this section shall be addressed by local board policy;
- (e) The meetings of the school council shall be open to the public and all interested persons may attend. However, the exceptions to open meetings provided in KRS 61.810 shall apply;
- (f) After receiving notification of the funds available for the school from the local board, the school council shall determine, within the parameters of the total available funds, the number of persons to be employed in each job classification at the school. The council may make personnel decisions on vacancies occurring after the school council is formed but shall not have the authority to recommend transfers or dismissals;
- (g) The school council shall determine which textbooks, instructional materials, and student support services shall be provided in the school. Subject to available resources, the local board shall allocate an appropriation to each school that is adequate to meet the school's needs related to instructional materials and school-based student support services, as determined by the school council. The school council shall consult with the school media librarian on the maintenance of the school library media center, including the purchase of instructional materials, information technology, and equipment;
- (h) From a list of applicants submitted by the local superintendent, the principal at the participating school shall select personnel to fill vacancies, after consultation with the school council, consistent with subsection (2)(i)10. of this section. ***The superintendent may forward to the school council the names of qualified applicants who have pending certification from the Education Professional Standards Board based on recent completion of preparation requirements, out-of-state preparation, or alternative routes to certification pursuant to KRS 161.028 and 161.048.*** Requests for transfer shall conform to any employer-employee bargained contract which is in effect. If the vacancy to be filled is the position of principal, the school council shall select the new principal from among those persons recommended by the local superintendent. When a vacancy in the school principalship occurs, the school council shall receive training in recruitment and interviewing techniques prior to carrying out the process of selecting a principal. The council shall select the trainer to deliver the training. Personnel decisions made at the school level under the authority of this subsection shall be binding on the

superintendent who completes the hiring process. *Applicants subsequently employed shall provide evidence that they are certified prior to assuming the duties of a position in accordance with KRS 161.020.* The superintendent shall provide additional applicants upon request when qualified applicants are available;

- (i) The school council shall adopt a policy to be implemented by the principal in the following additional areas:
 1. Determination of curriculum, including needs assessment and curriculum development;
 2. Assignment of all instructional and noninstructional staff time;
 3. Assignment of students to classes and programs within the school;
 4. Determination of the schedule of the school day and week, subject to the beginning and ending times of the school day and school calendar year as established by the local board;
 5. Determination of use of school space during the school day;
 6. Planning and resolution of issues regarding instructional practices;
 7. Selection and implementation of discipline and classroom management techniques as a part of a comprehensive school safety plan, including responsibilities of the student, parent, teacher, counselor, and principal;
 8. Selection of extracurricular programs and determination of policies relating to student participation based on academic qualifications and attendance requirements, program evaluation, and supervision;
 9. Procedures, consistent with local school board policy, for determining alignment with state standards, technology utilization, and program appraisal; and
 10. Procedures to assist the council with consultation in the selection of personnel by the principal, including, but not limited to, meetings, timelines, interviews, review of written applications, and review of references. Procedures shall address situations in which members of the council are not available for consultation; and
 - (j) Each school council shall annually review data on its students' performance as shown by the Commonwealth Accountability Testing System. The data shall include, but not be limited to, information on performance levels of all students tested, and information on the performance of students disaggregated by race, gender, disability, and participation in the federal free and reduced price lunch program. After completing the review of data, each school council shall adopt a plan to ensure that each student makes progress toward meeting the goals set forth in KRS 158.645 and 158.6451(1)(b). The Kentucky Department of Education shall provide each school council the data needed to complete the review required by this paragraph no later than December 31 of each year. If a school does not have a council, the review shall be completed by the principal.
- (3) The policy adopted by the local board to implement school-based decision making shall also address the following:
- (a) School budget and administration, including: discretionary funds; activity and other school funds; funds for maintenance, supplies, and equipment; and procedures for authorizing reimbursement for training and other expenses;
 - (b) Assessment of individual student progress, including testing and reporting of student progress to students, parents, the school district, the community, and the state;
 - (c) School improvement plans, including the form and function of strategic planning and its relationship to district planning, as well as the school safety plan and requests for funding from the Center for School Safety under KRS 158.446;
 - (d) Professional development plans developed pursuant to KRS 156.095;
 - (e) Parent, citizen, and community participation including the relationship of the council with other groups;
 - (f) Cooperation and collaboration within the district, with other districts, and with other public and private agencies;

- (g) Requirements for waiver of district policies;
 - (h) Requirements for record keeping by the school council; and
 - (i) A process for appealing a decision made by a school council.
- (4) In addition to the authority granted to the school council in this section, the local board may grant to the school council any other authority permitted by law. The board shall make available liability insurance coverage for the protection of all members of the school council from liability arising in the course of pursuing their duties as members of the council.
- (5) After July 13, 1990, any school in which two-thirds (2/3) of the faculty vote to implement school-based decision making shall do so. All schools shall implement school-based decision making by July 1, 1996, in accordance with this section and with the policy adopted by the local board pursuant to this section. Upon favorable vote of a majority of the faculty at the school and a majority of at least twenty-five (25) voting parents of students enrolled in the school, a school meeting its goal as determined by the Department of Education pursuant to KRS 158.6455 may apply to the Kentucky Board of Education for exemption from the requirement to implement school-based decision making, and the state board shall grant the exemption. The voting by the parents on the matter of exemption from implementing school-based decision making shall be in an election conducted by the parent and teacher organization of the school or, if none exists, the largest organization of parents formed for this purpose. Notwithstanding the provisions of this section, a local school district shall not be required to implement school-based decision making if the local school district contains only one (1) school.
- (6) The Department of Education shall provide professional development activities to assist schools in implementing school-based decision making. School council members elected for the first time shall complete a minimum of six (6) clock hours of training in the process of school-based decision making, no later than thirty (30) days after the beginning of the service year for which they are elected to serve. School council members who have served on a school council at least one (1) year shall complete a minimum of three (3) clock hours of training in the process of school-based decision making no later than one hundred twenty (120) days after the beginning of the service year for which they are elected to serve. School council training required under this subsection shall be conducted by trainers endorsed by the Department of Education, and school council members shall complete the required training no later than thirty (30) days after the beginning of the service year for which they are elected to serve. By November 1 of each year, the principal through the local superintendent shall forward to the Department of Education the names and addresses of each council member and verify that the required training has been completed. School council members elected to fill a vacancy shall complete the applicable training within thirty (30) days of their election.
- (7) A school that chooses to have school-based decision making but would like to be exempt from the administrative structure set forth by this section may develop a model for implementing school-based decision making including, but not limited to, a description of the membership, organization, duties, and responsibilities of a school council. The school shall submit the model through the local board of education to the commissioner of education and the Kentucky Board of Education, which shall have final authority for approval. The application for approval of the model shall show evidence that it has been developed by representatives of the parents, students, certified personnel, and the administrators of the school and that two-thirds (2/3) of the faculty have agreed to the model.
- (8) The Kentucky Board of Education, upon recommendation of the commissioner of education, shall adopt by administrative regulation a formula by which school district funds shall be allocated to each school council. Included in the school council formula shall be an allocation for professional development that is at least sixty-five percent (65%) of the district's per pupil state allocation for professional development for each student in average daily attendance in the school. The school council shall plan professional development in compliance with requirements specified in KRS 156.095. School councils of small schools shall be encouraged to work with other school councils to maximize professional development opportunities.
- (9) (a) No board member, superintendent of schools, district employee, or member of a school council shall intentionally engage in a pattern of practice which is detrimental to the successful implementation of or circumvents the intent of school-based decision making to allow the professional staff members of a school and parents to be involved in the decision making process in working toward meeting the educational goals established in KRS 158.645 and 158.6451 or to make decisions in areas of policy assigned to a school council pursuant to paragraph (i) of subsection (2) of this section.

- (b) An affected party who believes a violation of this subsection has occurred may file a written complaint with the Office of Education Accountability. The office shall investigate the complaint and resolve the conflict, if possible, or forward the matter to the Kentucky Board of Education.
- (c) The Kentucky Board of Education shall conduct a hearing in accordance with KRS Chapter 13B for complaints referred by the Office of Education Accountability.
- (d) If the state board determines a violation has occurred, the party shall be subject to reprimand. A second violation of this subsection may be grounds for removing a superintendent, a member of a school council, or school board member from office or grounds for dismissal of an employee for misconduct in office or willful neglect of duty.

Approved April 2, 2002

CHAPTER 153

(HB 29)

AN ACT relating to body piercing.

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

Section 1. KRS 211.760 is amended to read as follows:

(1) *As used in this section:*

- (a) *"Body piercing" means the act of penetrating the skin or body part of a human being to make a hole, mark, or scar;*
- (b) *"Facility" means the place of business where tattooing, body piercing, or both are conducted; and*
- (c) *"Tattooing" means the act of producing scars on a human being or the act of inserting pigment under the surface of the skin of a human being, by pricking with a needle or otherwise, to produce indelible marks or figures visible through the skin, including the application of permanent makeup.*

- (2) No person shall engage in, offer to engage in, or carry on any business of tattooing, **body piercing, or both** of humans by nonmedical personnel for remuneration within the Commonwealth of Kentucky without first registering with the local health department in the district or county in which the person is to perform tattooing, **body piercing, or both**. Registrations shall be valid for one (1) year. Applicants for registration shall pay a fee of twenty dollars (\$20) to the local or district health department.

~~(3)(2)~~ The Cabinet for Health Services shall promulgate administrative regulations relating to:

- (a) Health and cleanliness of places of business in which tattooing, **body piercing, or both are**~~is~~ conducted;
- (b) Sterilization of tattooing **and body piercing** apparatus;
- (c) Procedures to prevent the spread of disease or infection during or relating to tattooing **and body piercing** procedures;
- (d) Procedures to prevent ~~any~~~~the~~ tattooing **or body piercing** of minors without the **written notarized** consent of **a custodial**~~one (1)~~ parent or **legal** guardian; and
- (e) Such other administrative regulations as may be necessary to protect public health or properly administer the program requirements of this section.

~~(4)(3)~~ Representatives of the cabinet or local or district health departments may visit **a facility**~~tattooing facilities~~ at any time during business hours to ensure compliance with the requirements of this section. Representatives of local or district health departments shall visit each registered~~tattooing~~ facility in their county or district not less than twice each year.

~~[(4) The provisions of this section shall not apply to a person who engages in the application of permanent makeup.]~~

- (5) Any administrative hearing conducted under this section shall be conducted in accordance with KRS Chapter 13B.

Approved April 2, 2002

CHAPTER 154

(HB 4)

AN ACT relating to deoxyribonucleic acid evidence in criminal cases.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 422 IS CREATED TO READ AS FOLLOWS:

- (1) *At any time, a person who was convicted of and sentenced to death for a capital offense and who meets the requirements of this section may request the forensic deoxyribonucleic acid (DNA) testing and analysis of any evidence that is in the possession or control of the court or Commonwealth, that is related to the investigation or prosecution that resulted in the judgment of conviction and that may contain biological evidence.*
- (2) *After notice to the prosecutor and an opportunity to respond, the court shall order DNA testing and analysis if the court finds that all of the following apply:*
 - (a) *A reasonable probability exists that the petitioner would not have been prosecuted or convicted if exculpatory results had been obtained through DNA testing and analysis;*
 - (b) *The evidence is still in existence and is in a condition that allows DNA testing and analysis to be conducted; and*
 - (c) *The evidence was not previously subjected to DNA testing and analysis or was not subjected to the testing and analysis that is now requested and may resolve an issue not previously resolved by the previous testing and analysis.*
- (3) *After notice to the prosecutor and an opportunity to respond, the court may order DNA testing and analysis if the court finds that all of the following apply:*
 - (a) *A reasonable probability exists that either:*
 1. *The petitioner's verdict or sentence would have been more favorable if the results of DNA testing and analysis had been available at the trial leading to the judgment of conviction; or*
 2. *DNA testing and analysis will produce exculpatory evidence.*
 - (b) *The evidence is still in existence and is in a condition that allows DNA testing and analysis to be conducted.*
 - (c) *The evidence was not previously subject to DNA testing and analysis or was not subjected to the testing and analysis that is now requested and that may resolve an issue not previously resolved by the previous testing and analysis.*
- (4) *If the court orders testing and analysis pursuant to subsection (2) of this section, the court shall order the responsibility for payment, if necessary. If the court orders testing and analysis of this section pursuant to subsection (3) of this section the court shall require the petitioner to pay the costs of testing and analysis, if required by Section 3 of this Act. If the court orders testing and analysis under subsection (2) or (3) of this section the court shall appoint counsel to those petitioners who qualify for appointment under KRS Chapter 31.*
- (5) *If the prosecutor or defense counsel has previously subjected evidence to DNA testing and analysis, the court shall order the prosecutor or defense counsel to provide all the parties and the court with access to the laboratory reports that were prepared in connection with the testing and analysis, including underlying data and laboratory notes. If the court orders DNA testing and analysis pursuant to this section, the court shall order the production of any laboratory reports that are prepared in connection with the testing and analysis may order the production of any underlying data and laboratory notes.*

- (6) *If a petition is filed pursuant to this section, the court shall order the state to preserve during the pendency of the proceeding all evidence in the state's possession or control that could be subjected to DNA testing and analysis. The state shall prepare an inventory of the evidence and shall submit a copy of the inventory to the defense and the court. If the evidence is intentionally destroyed after the court orders its preservation, the court may impose appropriate sanctions, including criminal contempt.*
- (7) *The court may make any other orders that the court deems appropriate, including designating any of the following:*
 - (a) *The preservation of some of the sample for replicating the testing and analysis;*
 - (b) *Elimination samples from third parties.*
- (8) *If the results of the DNA testing and analysis are not favorable to the petitioner, the court shall dismiss the petition. The court may make further orders as it deems appropriate, including any of the following:*
 - (a) *Notifying the Department of Corrections and the Parole Board;*
 - (b) *Requesting that the petitioner's sample be added to the Kentucky State Police database;*
 - (c) *Providing notification to the victim or family of the victim.*
- (9) *In a capital case in which the death penalty has been imposed, notwithstanding any other provision of law that would bar a hearing as untimely, if the results of the DNA testing and analysis are favorable to the petitioner, the court shall order a hearing and make any further orders that are required pursuant to this section or the Kentucky Rules of Criminal Procedure.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 422 IS CREATED TO READ AS FOLLOWS:

- (1) *When a person is being tried for a capital offense and there is evidence in the case which may be subjected to deoxyribonucleic acid (DNA) testing and analysis the Commonwealth or the defendant may move to have any item of evidence not previously subjected to DNA testing and analysis tested and analyzed.*
- (2) *If the court is satisfied that the item of evidence has not been tested and analyzed, that DNA testing and analysis would yield evidence of probative value, and that the item of evidence has not previously been the subject of DNA testing and analysis or that new DNA testing and analysis would yield a more accurate result, the court shall order DNA testing and analysis of the evidence.*
- (3) *The testing and analysis of the evidence shall be done by the State Police laboratory or at another laboratory selected by the Kentucky State Police laboratory.*
- (4) *DNA testing and analysis results shall be made available to both the Commonwealth and the defendant and either the Commonwealth or the defendant may move that they be admitted at trial.*
- (5) *If the defendant is convicted of any offense for which DNA test and analysis results are required to be maintained by law, the DNA test and analysis results obtained pursuant to this section shall be utilized for that purpose, whether or not the test and analysis results were introduced in the case.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

- (1) *In addition to the requirements specified in Section 1 of this Act, any evidence submitted for testing and analysis pursuant to Section 1 or 2 of this Act shall be of probative value. When the motion is filed with the court requesting testing and analysis of evidence pursuant to this section the applicant shall include sufficient information about the evidence, the necessity for its testing and analysis, and its applicability to the proceeding for a court to make a determination of the probative value of the evidence proposed to be tested and analyzed.*
- (2) *The prosecution, with a court order issued pursuant to this section, may submit not more than five (5) items of evidence for testing and analysis by the Kentucky State Police laboratory or another laboratory selected by the Kentucky State Police laboratory without charge. The cost of testing and analysis any items of evidence in excess of the five (5) initial items to be tested and analyzed shall be borne by the agency or person requesting the testing and analysis. Any additional item of evidence submitted for testing and analysis shall be accompanied by the court order specified in subsection (1) of this section.*
- (3) *The defense, with a court order issued pursuant to this section, may submit not more than five (5) items of evidence for testing and analysis by the Kentucky State Police laboratory or another laboratory selected by the Kentucky State Police laboratory without charge. The cost of testing and analysis any item of evidence*

in excess of the five (5) initial items to be tested and analyzed shall be borne by the agency or person requesting the testing and analysis. Any additional item of evidence submitted for testing and analysis shall be accompanied by the court order specified in subsection (1) of this section.

- (4) *Any other party in a criminal case, with permission of the court after a specific showing of necessity for testing and analysis, together with the items specified in subsection (1) of this section, may submit an item of evidence for testing and analysis by the Kentucky State Police laboratory or another laboratory selected by the Kentucky State Police laboratory for testing and analysis. The cost of testing and analysis of any item of evidence permitted to be submitted by the court shall be borne by the person or organization requesting the testing and analysis.*
- (5) *The Kentucky State Police shall promulgate by administrative regulation a uniform schedule of fees to be charged for testing and analysis conducted pursuant to Section 1 or 2 of this Act.*

Section 4. KRS 17.170 is amended to read as follows:

- (1) Any person convicted on or after July 14, 1992, of a felony offense under KRS Chapter 510 or KRS 530.020, shall, or who is in the custody of the Department of Corrections on July 14, 1992, under KRS Chapter 510 or KRS 530.020 may, have a sample of blood, *an oral swab, or sample obtained through a noninvasive procedure* taken by the Department of Corrections for DNA (deoxyribonucleic acid) law enforcement identification purposes and inclusion in law enforcement identification databases.
- (2) The samples shall be obtained in a medically approved manner by a physician, registered nurse, phlebotomist, medical technician, or medical technologist, and packaged and submitted in containers provided by the Department of State Police forensic laboratory in accordance with administrative regulations promulgated by the Department of State Police forensic laboratory. No civil liability shall attach to any person authorized to *obtain the DNA sample* ~~draw blood~~ as provided by this section as a result of the act of *obtaining the DNA sample* ~~drawing blood~~ from any person, provided the *procedure* ~~blood~~ was *done* ~~drawn~~ according to generally accepted medical procedures.
- (3) The cost of testing shall be paid by the agency or individual making the request for testing.
- (4) Any person who tampers or attempts to tamper with any *DNA sample collected under this section* ~~of blood~~ or *its* ~~the~~ container ~~collected pursuant to subsection (1) or (2)~~ without lawful authority shall be guilty of a Class D felony.

SECTION 5. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Any person convicted on or after the effective date of this Act or who is in the custody of the Department of Corrections on or after the effective date of this Act for a violation of KRS 530.064, 531.310, or 531.320 or a felony attempt to commit one (1) of these offenses shall be subject to the provisions of KRS 17.170 relating to the collection and retention of deoxyribonucleic acid (DNA) evidence.

SECTION 6. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Any person convicted on or after the effective date of this Act or who is in the custody of the Department of Corrections on or after the effective date of this Act for a violation of KRS 511.020 or 511.030 or a felony attempt to commit one of these offenses shall be subject to the provisions of KRS 17.170 relating to the collection and retention of deoxyribonucleic acid (DNA) evidence.

SECTION 7. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Any person convicted on or after the effective date of this Act or who is in the custody of the Department of Corrections on or after the effective date of this act for a capital offense, Class A felony, or Class B felony involving the death of the victim or serious physical injury to the victim as specified in KRS 439.3401 shall be subject to the provisions of KRS 17.170 relating to the collection and retention of deoxyribonucleic acid (DNA) evidence.

SECTION 8. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

Sections 5 and 6 of this Act shall apply to a public offender adjudicated a public offender or in the custody of the Department of Juvenile Justice on or after the effective date of this Act for any offense defined in Section 4 or 5 of this Act or an attempt to commit one (1) of the named offenses.

Section 9. KRS 17.175 is amended to read as follows:

- (1) A centralized database of DNA (deoxyribonucleic acid) identification records for convicted criminals, crime scene specimens, missing persons, and close biological relatives of missing persons shall be established in the Department of State Police under the direction, control, and supervision of the State Police forensic laboratory. The established system shall be compatible with the procedures set forth in a national DNA identification index to ensure data exchange on a national level.
- (2) The purpose of the centralized DNA database is to assist federal, state, and local criminal justice and law enforcement agencies within and outside the Commonwealth in the identification, detection, or exclusion of individuals who are subjects of the investigation or prosecution of sex-related crimes, violent crimes, or other crimes and the identification and location of missing and unidentified persons.
- (3) The Department of State Police forensic laboratory shall receive, analyze, and classify samples of blood received from the Department of Corrections in compliance with KRS 17.170 and this section, and samples from other sources, and shall file the DNA results in the centralized databases for identification and statistical purposes.
- (4) Records produced from the samples shall be used only for law enforcement purposes and shall be exempt from the provisions of KRS Chapter 61.
- (5) A person whose DNA profile has been included in the data bank pursuant to this chapter may request expungement on the grounds that the felony conviction on which the authority for including the DNA profile was based, has been reversed and the case dismissed. The Department of State Police shall expunge all identifiable information in the data bank pertaining to the person and destroy all samples from the person upon receipt of:
 - (a) A written request for expungement pursuant to this section; and
 - (b) A certified copy of the court order reversing and dismissing the conviction.
- (6) The Department of State Police forensic laboratory shall promulgate administrative regulations necessary to carry out the provisions of the DNA database identification system to include procedures for collection of **DNA** samples~~[of blood]~~ and the database system usage and integrity.
- (7) Any person who disseminates, receives, or otherwise uses or attempts to use information in the database, knowing that such dissemination, receipt, or use is for a purpose other than authorized by law, shall be guilty of a Class A misdemeanor.

SECTION 10. A NEW SECTION OF KRS CHAPTER 524 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section:*
 - (a) *"Defendant" means a person charged with a:*
 1. *Capital offense, Class A felony, Class B felony, or Class C felony; or*
 2. *Class D felony under KRS Chapter 510; and*
 - (b) *"Following trial" means after:*
 1. *The first appeal authorized by the Constitution of Kentucky in a criminal case has been decided; or*
 2. *The time for the first appeal authorized by the Constitution of Kentucky in a criminal case has lapsed without an appeal having been filed.*
- (2) *No item of evidence gathered by law enforcement, prosecutorial, or defense authorities that may be subject to deoxyribonucleic acid (DNA) evidence testing and analysis in order to confirm the guilt or innocence of a criminal defendant shall be disposed of prior to trial of a criminal defendant unless:*
 - (a) *The prosecution has determined that the defendant will not be tried for the criminal offense;*
 - (b) *The prosecution has made a motion before the court in which the case would have been tried to destroy the evidence; and*
 - (c) *The court has, following an adversarial proceeding in which the prosecution and the defendant were heard, authorized the destruction of the evidence by court order.*

- (3) *No item of evidence gathered by law enforcement, prosecutorial, or defense authorities that may be subject to deoxyribonucleic acid (DNA) evidence testing and analysis in order to confirm the guilt or innocence of a criminal defendant shall be disposed of following the trial unless:*
- (a) *The evidence, together with DNA evidence testing and analysis results, has been presented at the trial, and the defendant has been found guilty, pled guilty, or entered an Alford plea at the trial;*
 - (b) *The evidence was not introduced at the trial, or if introduced at the trial was not the subject of DNA testing and analysis, and the defendant has been found guilty, pled guilty, or entered an Alford plea at the trial, and the trial court has ordered the destruction of the evidence after an adversarial hearing conducted upon motion of either the prosecution or the defendant;*
 - (c) *The trial resulted in the defendant being found not guilty or the charges were dismissed after jeopardy attached, whether or not the evidence was introduced at the trial or was subject to DNA testing and analysis or not, and the trial court ordered the destruction of the evidence after an adversarial hearing conducted upon motion of either the prosecution or the defendant; or*
 - (d) *The trial resulted in the dismissal of charges against the defendant, and the defendant may be subject to retrial, in which event the evidence shall be retained until after the retrial, which shall be considered a new trial for the purposes of this section.*
- (4) *The burden of proof for a motion to destroy evidence that may be subject to DNA testing and analysis shall be upon the party making the motion, and the court may permit the destruction of the evidence under this section upon good cause shown favoring its destruction.*
- (5) *It is recognized by the General Assembly that the DNA evidence laboratory testing and analysis procedure consumes and destroys a portion of the evidence or may destroy all of the evidence if the sample is small. The consuming and destruction of evidence during the laboratory analysis process shall not result in liability for its consumption or destruction if the following conditions are met:*
- (a) *The Kentucky State Police laboratory uses a method of testing and analysis which preserves as much of the biological material or other evidence tested and analyzed as is reasonably possible; or*
 - (b) *If the Kentucky State Police laboratory knows or reasonably believes that the entire sample of evidence to be tested and analyzed that the laboratory, prior to the testing or analysis of the evidence, notifies in writing the court which ordered the testing and analysis and counsel for all parties:*
 - 1. *That the entire sample of evidence may be destroyed by the testing and analysis;*
 - 2. *The possibility that another laboratory may be able to perform the testing and analysis in a less destructive manner with at least equal results;*
 - 3. *The name of the laboratory capable of performing the testing and analysis, the costs of testing and analysis, the advantages of sending the material to that other laboratory, and the amount of biological material or other evidence which might be saved by alternative testing and analysis; and*
 - 4. *The Kentucky State Police laboratory follows the directive of the court with regard to the testing and analysis; or*
 - (c) *If the Kentucky State Police laboratory knows or reasonably believes that so much of the biological material or evidence may be consumed or destroyed in the testing and analysis that an insufficient sample will remain for independent testing and analysis that the laboratory follows the procedure specified in paragraph (b) of this subsection.*
- (6) *Destruction of evidence in violation of this section shall be a violation of KRS 524.100.*
- (7) *Subject to subsection (6) of Section 1 of this Act, the appropriate governmental entity shall retain any biological material secured in connection with a criminal case for the period of time that any person remains incarcerated in connection with that case. The governmental entity shall have the discretion to determine how the evidence is retained pursuant to this section, provided that the evidence is retained in a condition suitable for DNA testing and analysis.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 17 IS CREATED TO READ AS FOLLOWS:

- (1) *Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 of this Act shall become effective on the normal effective date for legislation passed at the 2002 Regular Session of the General Assembly.*
- (2) *Implementation of Sections 1, 2, 3, 4, and 10 of this Act shall occur on the normal effective date, however, actual compliance with the provisions of Sections 5, 6, 7, 8, and 9 of this Act may be delayed until funding is available for their full implementation.*
- (3) *As funding becomes available, Sections 5, 6, 7, 8, and 9 of this Act shall be implemented in their numerical order. As a section is implemented, the Reviser of Statutes shall be notified by the Secretary of Justice, in writing, as to the date of implementation. DNA sample collection and testing shall apply to any person meeting the criteria of Section 5, 6, 7, 8, or 9 of this Act as of the effective date of this Act and not the date of implementation of the testing.*
- (4) *Once implementation of a provision of Section 5, 6, 7, 8, or 9 of this Act is begun it shall not be discontinued.*

Approved April 2, 2002

CHAPTER 155

(HB 574)

AN ACT relating to the use of a divided referendum for determining Social Security coverage.

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

Section 1. KRS 61.435 is amended to read as follows:

- (1) In order for any service performed by an employee in a position covered by a retirement system to be included in an agreement as permitted by KRS 61.430, ~~a referendum pursuant to Section 218(d)(3) or Section 218(d)(7) of the Social Security Act shall be held~~~~[majority of the members of the retirement system must vote in the affirmative]~~ on the question of whether the service covered by the retirement system should be included in the agreement. The procedure for obtaining the vote of the members of the retirement systems shall be as follows:
 - (a) Upon request of the political subdivision concerned, the Governor shall authorize a referendum within the retirement system concerned and designate an agency or individual to supervise the manner of conducting it;
 - (b) Any referendum shall be conducted in accordance with the requirements of Section 218 (d) (3) ~~or Section 218(d)(7)~~ of the Social Security Act;
 - (c) *In the case of a referendum authorized under Section 218 (d)(6) of the Social Security Act, the retirement system will be divided into two (2) parts or divisions. One (1) part or division of the retirement system shall be composed of positions of those members of the system who desire coverage under the agreement as permitted by KRS 61.430. The remaining part or division of the retirement system shall be composed of positions of those members who do not desire coverage under such an agreement. Each part or division shall be deemed to be a separate retirement system for the purposes of Section 218 (d) of the Social Security Act. The positions of individuals who become members of the system after such coverage is extended shall be included in the part or division of the system composed of members desiring the coverage, with the exception of positions that are excluded in the agreement*~~[The votes shall be cast in secret on written ballots;~~
 - ~~(d) An opportunity to vote shall be given only to those employees who occupied positions covered by the retirement system, and were members of the system, on the date upon which the notice of referendum was given and on the date upon which the referendum was held; and~~
 - ~~(e) Notice that the referendum is to be conducted shall be given to every member of the retirement system at least ninety (90) days before the date the referendum is held].~~
- (2) Upon receiving satisfactory evidence that the conditions specified in this section and Section 218 (d) (3) ~~or Section 218(d)(7)~~ of the Social Security Act have been fulfilled, the Governor or any agency or individual designated by ~~the Governor~~~~[him]~~ shall so certify to the commissioner.

- (3) For purposes of this section, in any case where a retirement system covers the employees of two (2) or more political subdivisions, or of the Commonwealth and one or more political subdivisions, there are deemed to exist separate retirement systems with respect to the Commonwealth or each political subdivision. Also for purposes of this section, where a retirement system covers the employees of one or more of the state universities or of one or more of the public junior colleges or of any combination of state universities there shall be deemed to exist separate retirement systems with respect to each state university and each public junior college.

Approved April 2, 2002

CHAPTER 156

(HB 415)

AN ACT relating to the Kentucky Law Enforcement Foundation Program.

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

Section 1. Whereas the General Assembly finds:

- (1) That the enforcement of the criminal laws of the Commonwealth in a fair and uniform manner throughout the Commonwealth provides for the maximum protection and safety to the citizens of, and visitors to, the Commonwealth; and
- (2) That Kentucky State Police officers play a major law enforcement role throughout the Commonwealth; and
- (3) That attracting highly qualified individuals to become Kentucky State Police officers and retaining qualified and experienced Kentucky State Police officers ensures the protection and safety of the public; and
- (4) The issue of participation in the Law Enforcement Foundation Program fund by Kentucky State Police officers as a method of attracting highly qualified individuals to become Kentucky State Police officers and retaining qualified and experienced Kentucky State Police officers is an issue that should be studied;

The Task Force on the Recruitment and Retention of Kentucky State Police officers is created.

Section 2. The Task Force shall consist of:

- (1) Two (2) members of the Senate appointed by the President of the Senate;
- (2) Two (2) members of the House appointed by the Speaker of the House of Representatives;
- (3) Two (2) officers of the Kentucky State Police appointed by the commissioner of the Department of the Kentucky State Police;
- (4) Two (2) members from the Kentucky Law Enforcement Council appointed by the Legislative Research Commission; and
- (5) Two (2) members from the Justice Cabinet appointed by the secretary of the Justice Cabinet.

Section 3. The chair and co-chair shall be appointed by the Legislative Research Commission from among the legislative members. The task force shall report its findings and recommendations to the Legislative Research Commission no later than October 1, 2002.

Section 4. Provisions of this Act to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 2, 2002

CHAPTER 157

(HB 358)

AN ACT relating to administration of trusts and estates.

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

Section 1. KRS 386.020 is amended to read as follows:

- (1) Any fiduciary holding funds for loan or investment may invest them in:
- (a) Bonds or other interest-bearing obligations of the federal government;
 - (b) Bonds, state warrants and other interest-bearing obligations of this state;
 - (c) Obligations issued separately or collectively by or for federal land banks, federal intermediate credit banks and banks for cooperatives under the Act of Congress known as the Farm Credit Act of 1971, 85 Stat. 583, 12 U.S.C. Sec. 2001 and amendments thereto;
 - (d) Notes and bonds secured by mortgage or trust deed insured by the federal housing administrator, obligations issued or insured by the federal housing administrator, and securities issued by national mortgage associations;
 - (e) Obligations representing loans and advances of credit that are eligible for credit insurance by the federal housing administrator, and the fiduciary may obtain such insurance;
 - (f) Loans secured by real property or leasehold, that the federal housing administrator insures or makes a commitment to insure, and the fiduciary may obtain such insurance;
 - (g) Real estate mortgage notes, bonds and other interest-bearing or dividend-paying securities, including securities of any open-end or closed-end management type investment company or investment trust registered under the Federal Investment Company Act of 1940 or units of common trust funds managed by the fiduciary, which would be regarded by prudent businessmen as a safe investment. The fact that the fiduciary is providing services to the foregoing investment company or trust as investment advisor, custodian, transfer agent, registrar or otherwise shall not preclude the fiduciary from investing in the securities of such investment or trust;
 - (h) Real estate, after obtaining the approval of the District Court for such investment;
 - (i) Life insurance, endowment and annuity contracts issued by legal reserve companies authorized to do business in this state, after obtaining the approval of the District Court for such investment. Said fiduciary may select any optional settlement provided in a policy maturing by death or as an endowment;
 - (j) Notes, other interest-bearing obligations, and purchases of participations in such instruments, that are guaranteed in whole or in part by the United States of America or by any agency or instrumentality thereof;
 - (k) Certificates of deposit and savings accounts of any state or national bank whose deposits are insured by the Federal Deposit Insurance Corporation and whose main office is in this state, including itself, if such fiduciary is a bank. ***Any portion of*** such investments ~~that is not~~ ~~shall be~~ insured by the Federal Deposit Insurance Corporation ***shall be fully secured by:***
 - 1. ***An irrevocable letter of credit issued by the United States of America or by an agency or instrumentality thereof;***
 - 2. ***A pledge of securities named in this subsection as collateral;***
 - 3. ***A surety bond; or***
 - 4. ***A combination of such irrevocable letters of credit, securities, and surety bonds*** ~~and the amount of the investments shall not exceed the limits of insurance of the Federal Deposit Insurance Corporation~~; and
 - (l) United States government securities or United States government agency securities, the payment of the principal and interest on which the full faith and credit of the United States is pledged, said investments

being made under the terms of a repurchase agreement between the fiduciary and any state or national bank whose main office is in this state, including itself, if such fiduciary is a bank.

- (2) Fiduciaries holding funds for loan or investment may make loans with the securities named in subsection (1) as collateral.
- (3) The fiduciary shall account for all interest or profit received.

Approved April 2, 2002

CHAPTER 158

(HB 163)

AN ACT relating to the Kentucky Group Health Insurance Board.

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

Section 1. KRS 18A.226 is amended to read as follows:

- (1) To ***provide quality, affordable health insurance coverage so that the Commonwealth can attract and retain able and dedicated public employees, and to*** facilitate the need for comprehensive and efficient planning, implementation, and administration of a state employee health insurance program ***in order to meet this goal***, the Kentucky Group Health Insurance Board is created. The board shall be attached to the Personnel Cabinet for administrative purposes only. The board shall consist of ***thirteen (13)***~~seven (7)~~ members as follows:
 - (a) The secretary of the Finance and Administration Cabinet;
 - (b) The secretary of the Personnel Cabinet;
 - (c) The state budget director;
 - (d) The commissioner of education;
 - (e) The chair of the Advisory Committee of State Health Insurance Subscribers;
 - (f) The commissioner of insurance, ex officio;~~and~~
 - (g) The Auditor of Public Accounts, ex officio;
 - (h) ***The Director of the Administrative Office of the Courts, or his designee;***
 - (i) ***One (1) retired state employee appointed by the Kentucky Retirement Systems, who shall serve an initial term of one (1) year;***
 - (j) ***One (1) retired teacher appointed by the Teachers' Retirement System, who shall serve an initial term of two (2) years;***
 - (k) ***One (1) active teacher appointed by the organization with the largest number of teacher members on payroll deduction, who shall serve an initial term of one (1) year;***
 - (l) ***One (1) active state employee appointed by the organization with the largest number of state employee members on payroll deduction, who shall serve an initial term of two (2) years; and***
 - (m) ***One (1) active classified education support employee appointed by the organization with the largest number of classified education support employee members on payroll deduction, who shall serve an initial term of one (1) year.***

As each appointed member's term expires, the vacancy created shall be filled by the appointing authority for that position for a term of two (2) years. An appointment to fill an unexpired term of an appointed member shall be made by the designated appointing authority for the remainder of the term. Appointed terms shall begin effective October 1.

- (2) The members of the board shall elect from among its members a chair and a vice chair.
- (3) Regular meetings of the board shall be held at least once every month at a place, day, and time determined by the board. Special meetings of the board shall be held when needed as determined by the chair. If ***seven (7)***~~four (4)~~ or more members of the board request in writing that the chair call a special meeting, the chair

shall call a special meeting. The meetings shall operate in accordance with the provisions of the Open Meetings Law under KRS 61.805 to 61.850.

- (4) Members of the board shall receive reimbursement for necessary expenses for attendance at official board meetings or public hearings.
- (5) The Kentucky Group Health Insurance Board shall:
 - (a) Engage in analyses and research to identify the factors and parameters that affect the state group health insurance program;
 - (b) Develop and transmit, by October 1 of each year beginning October 1, 2001, to the Governor, the General Assembly, and the Chief Justice of the Supreme Court, policy recommendations regarding benefit options and management of the state group health insurance program; and
 - (c) Provide in the first report, due by October 1, 2001, the following:
 1. Analysis and discussion of methods used by all other states to provide health insurance benefits to their state group; and
 2. Analysis and discussion of the cost, enrollment, claims, and utilization data for calendar year 2000 on the Kentucky state group; and
 3. Recommendations including, but not limited to, appropriate structures for the state contribution rate which shall include recommendations on increasing the state contribution to provide support for dependent coverage, possible methods to mitigate adverse selection, competitive plan designs by type and benefit options, the feasibility of a state self-insurance plan, and strategies for evaluating third-party administrators and vendors.

Approved April 2, 2002

CHAPTER 159

(SB 164)

AN ACT relating to the use of national accreditation for hospital licensure.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

- (1) *The Office of the Inspector General shall accept accreditation by the Joint Commission on Accreditation of Healthcare Organizations or another nationally recognized accrediting organization with comparable standards and survey processes, that has been approved by the United States Centers on Medicare and Medicaid Services, as evidence that a hospital demonstrates compliance with all licensure requirements under this chapter. An annual on-site licensing inspection of a hospital shall not be conducted if the Office of the Inspector General receives from the hospital:*
 - (a) *A copy of the accreditation report within thirty (30) days of the initial accreditation and all subsequent reports; or*
 - (b) *Documentation from a hospital that holds full accreditation from an approved accrediting organization on or before the effective date of this Act.*
- (2) *Nothing in this section shall prevent the Office of the Inspector General from making licensing validation inspections and investigations as it deems necessary related to any complaints. The cabinet shall promulgate the necessary administrative regulations to implement the licensing validation process. Any administrative regulations shall reflect the validation procedures for accredited hospitals participating in the Medicare program.*
- (3) *A hospital shall pay any licensing fees required by the cabinet in order to maintain a license.*
- (4) *A new hospital shall not be exempt from the on-site inspection until meeting the requirements of subsection (1) of this section and administrative regulations promulgated under KRS 216B.040, 216B.042, and 216B.105 for acute, critical access, psychiatric, and rehabilitation facility requirements.*

- (5) *Before beginning construction for the erection of a new building, the alteration of an existing building, or a change in facilities for a hospital, the hospital shall submit plans to the Office of Inspector General for approval.*
- (6) *To the extent possible, the cabinet shall consider all national standards when promulgating administrative regulations for hospital licensure.*

Approved April 2, 2002

CHAPTER 160

(SB 196)

AN ACT relating to emergency medical services.

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

Section 1. KRS 311.658 is amended to read as follows:

- (1) At the discretion of the employer's medical director, a paramedic may perform any procedure specified in the most recent curriculum of the United States Department of Transportation training course for paramedics published by the United States Department of Transportation. An emergency medical technician may perform any procedure specified in the most recent curriculum of the United States Department of Transportation training course for emergency medical technicians. An emergency medical technician first responder may perform any procedure specified in the most recent curriculum of the United States Department of Transportation training course for emergency medical technician first responders. Any paramedic, emergency medical technician first responder, or emergency medical technician may perform any additional procedure authorized by the Kentucky Board of Emergency Medical Services if approved by the employer's medical director and within the scope of the designated practice based upon national practice standards. With the approval of the employer's medical director, a paramedic, emergency medical technician first responder, or emergency medical technician may perform any procedure specified in the most recent curriculum of the United States Department of Transportation training course for paramedics or the most recent national standard curriculum for emergency medical technicians-basic or emergency medical technician first responder published by the United States Department of Transportation respectively, and other procedure authorized by the Kentucky Board of Emergency Medical Services. Nothing in this subsection shall prevent an employer from exercising reasonable fiscal control over the costs of providing emergency medical services to its citizens nor prevent the employer from exercising any reasonable control over paramedics, emergency medical technician first responders, or emergency medical technicians providing emergency medical care upon behalf of the licensed entity.
- (2) Any paramedic may draw blood samples from a criminal defendant upon the request of a peace officer and the consent of the defendant, or without the consent of the defendant upon receipt of a court order requiring the procedure, if the paramedic is authorized to do so by his or her employer. The authorization shall be in writing and may be by general written policy of the employer and the service's medical director. The paramedic who drew the blood sample shall deliver the sample to the peace officer or other person specified by the court in a court order and shall testify in court with regard thereto upon service of a proper subpoena.
- (3) *Any emergency medical technician-basic or paramedic may administer epinephrine to any person who the EMT-basic or paramedic has been called to attend if the EMT-basic or paramedic makes an assessment that the person is exhibiting symptoms consistent with an anaphylactic reaction. The EMT-basic or paramedic shall follow the medical protocol established by the medical director of the employing licensed ambulance service in determining the appropriate dose or doses of epinephrine and the routes for administration.*
- (4) Paramedics shall be permitted to render services only under supervision of a qualified and licensed physician.

SECTION 2. A NEW SECTION OF KRS 311.652 TO 311.658 IS CREATED TO READ AS FOLLOWS:

Every ambulance provider in the Commonwealth shall:

- (1) *Maintain an adequate supply of epinephrine and disposable sterile needles and syringes on every ambulance that it operates; and*

- (2) *Establish medical protocols to be used by EMT-basic providers and paramedics in determining symptoms of an anaphylactic reaction, the appropriate dose or doses of epinephrine, and the routes for administration.*

Approved April 2, 2002

CHAPTER 161

(HB 314)

AN ACT relating to the coordination of local government finance.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding the provisions of KRS 68.197(4), a county that enacts an occupational license fee under the authority of KRS 67.083 prior to attaining a population of thirty thousand (30,000) shall not be required to allow a credit against the county occupational license fee for an occupational license fee paid to a city within the county when it is determined that the population of the county exceeds thirty thousand (30,000).*
- (2) *If prior to the effective date of this Act, a county voluntarily granted a credit against the county occupational license fee under the terms of an ordinance, interlocal agreement, or other agreement with a city, the county shall not eliminate the credit after it is determined that the population of the county exceeds thirty thousand (30,000).*
- (3) *After the effective date of this Act, a county that enacts a new county occupational license fee or increases a county occupational license fee, after it is determined that the county population exceeds thirty thousand (30,000), shall be required to allow the credit against the city fee required by KRS 68.197(4) to the extent of the increase or new fee.*
- (4) *For purposes of this section, the county population shall be determined based only on the official decennial census by the United States Bureau of the Census.*

Approved April 2, 2002

CHAPTER 162

(HB 455)

AN ACT relating to services for individuals with developmental disorders and mental retardation.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section and Sections 2, 3, 4, and 5 of this Act, "pervasive developmental disorders" has the same meaning as in the Diagnostic and Statistical Manual of Mental Disorders, fourth edition (DSM-IV). The term includes five (5) diagnostic subcategories:*
 - (a) *Autistic disorder;*
 - (b) *Pervasive disorder not otherwise specified;*
 - (c) *Asperger's disorder;*
 - (d) *Rett's disorder; and*
 - (e) *Childhood disintegrative disorder.*
- (2) *The Department for Medicaid Services shall make application, within three (3) months of the effective date of this Act, to the federal Centers for Medicare and Medicaid Services for a waiver to provide services and supports to individuals who:*
 - (a) *Are Medicaid eligible;*
 - (b) *Have an Axis I diagnosis of a pervasive developmental disorder;*
 - (c) *Are institutionalized or at risk for institutionalization; and*

- (d) *Require a coordinated plan of medically necessary community-based behavioral health services.*
- (3) *The waiver application shall include services that are documented to be effective in the treatment of pervasive developmental disorders and consistent with clinical best practices.*
- (4) *The waiver application shall specify the required credentials for the providers of each service.*
- (5) *The cabinet shall cap the number of children served under the waiver program to insure budget neutrality based upon the expenditures for children with Pervasive Developmental Disorders that were served under the IMPACT Plus Program during fiscal years 2001-2002:*
- (6) *The cabinet shall include in the waiver application those items that are necessary to ensure the waiver operates within the designated dollars including, but not limited to, a maximum number of individuals to be served and a maximum dollar amount that can be expended for an individual.*
- (7) *The waiver shall be coordinated with and shall not supplant services provided by schools under KRS Chapter 157 or services provided under KRS Chapters 200 and 347. Nothing in this section shall affect or limit a school district's ability to obtain Medicaid reimbursement for school-related health services.*
- (8) *The Department for Medicaid Services shall report to the Governor, the Legislative Research Commission, and the Interim Joint Committee on Health and Welfare on the number of individuals receiving services under the waiver, the cost and type of services received, and any available nonidentifying information pertaining to individual outcomes.*

Section 2. KRS 200.654 is amended to read as follows:

As used in KRS 200.650 to 200.676, unless the context requires otherwise:

- (1) "Awards and contracts" means the state and federal funds designated by the cabinet for projects relating to planning, resource development, or provision of direct early intervention services, as defined in this section, to infants and toddlers with disabilities and their families;
- (2) "Cabinet" means the Cabinet for Health Services;
- (3) "Child find" means a system to identify, locate, and evaluate all infants and toddlers with disabilities who are eligible for early intervention services, determine which children are receiving services, and coordinate the effort with other state agencies and departments;
- (4) "Council" means the Kentucky Early Intervention System Interagency Coordinating Council;
- (5) "District" means one (1) of the fifteen (15) area development districts;
- (6) "District early intervention committee" means an interagency coordinating committee established within each of the fifteen (15) area development districts to facilitate interagency coordination at the district level;
- (7) "Early intervention services" means services for infants and toddlers with disabilities and their families delivered according to an individualized family service plan developed by the child multidisciplinary team to meet the developmental needs of eligible children, as defined in this section, and provided by entities receiving public funds using qualified personnel. The individualized family services plan is developed and the services are provided in collaboration with the families and, to the maximum extent appropriate, in natural environments, including home and community settings in which infants and toddlers without disabilities would participate. These services are necessary to enable the child to reach maximum potential. Services to be made available shall include, but not be limited to, the following:
- (a) Screening services;
 - (b) Evaluation services;
 - (c) Assessment services;
 - (d) Service coordination;
 - (e) Transportation and related costs for accessing early intervention services;
 - (f) Family services including counseling, psychological, and social work services;
 - (g) Health services including medical services for diagnostic and evaluation purposes only;

- (h) Nutrition services;
 - (i) Occupational therapy services;
 - (j) Physical therapy services;
 - (k) Communication development services;
 - (l) Sensory development services;
 - (m) Developmental intervention services;
 - (n) Assistive technology services; and
 - (o) Respite services;
- (8) "Early intervention system" means the management structure established in KRS 200.654 to 200.670 and which is comprised of the interdependent array of services and activities for the provision of a statewide, comprehensive, coordinated, multidisciplinary, interagency program for infants and toddlers with disabilities and their families;
- (9) "Individual family service plan" means the singular comprehensive written service plan developed by the child's multidisciplinary team, with the child's parents serving as fully participating members of the team, to be followed by all agencies and other entities involved in providing early intervention services to an infant or toddler with disabilities and the child's family;
- (10) "Infants and toddlers with disabilities" and "eligible children" mean children from birth to thirty-six (36) months of age in need of early intervention services as a result of one (1) of the following circumstances:
- (a) The child is experiencing developmental delays, as measured by diagnostic instruments and procedures in one (1) or more of the following skill areas: physical; cognitive; communication; social or emotional; or adaptive development;~~[-or-]~~
 - (b) The child has a diagnosed physical or mental condition which has a high probability of resulting in developmental delay; *or*
 - (c) ***The child has a diagnosis of pervasive developmental disorder;***
- (11) "Multidisciplinary team" means the child-specific group responsible for determining the services needed by the infant or toddler with disabilities and the child's family, and development of the individualized family services plan. The team for each child shall include the parent or guardian of the child and individuals representing at least two (2) applicable disciplines which may include but need not be limited to the following: physical therapy; speech therapy; social work; nursing; or education;
- (12) "Point of entry" means an easily identifiable, highly accessible nonstigmatized entry into services; and
- (13) "Qualified service provider" means an entity, including but not limited to an individual, program, department, or agency, responsible for the delivery of early intervention services to eligible infants and toddlers with disabilities and their families who has met the highest minimum standards of state-approved or recognized certification, licensing, registration, or other comparable requirements that apply to the area in which the entity is providing early intervention services.

Section 3. KRS 200.660 is amended to read as follows:

The cabinet shall:

- (1) Administer all funds appropriated to implement the provisions of KRS 200.650 to 200.676;
- (2) Identify and coordinate all available financial resources for early intervention within the Commonwealth from federal, state, local, and private sources including, but not limited to:
 - (a) Title V of the Federal Social Security Act relating to maternal and child health;
 - (b) Title XIX of the Federal Social Security Act relating to Medicaid and the Early Periodic Screening Diagnostic and Treatment (EPSDT) program;
 - (c) The Federal Head Start Act;
 - (d) The Federal Individuals with Disabilities Education Act, Parts B and H;

- (e) The Federal Elementary and Secondary Education Act of 1964 Title I, Chapter I, Part B, Subpart 2 as amended;
 - (f) The Federal Developmentally Disabled Assistance and Bill of Rights Act, P.L. 100-146;
 - (g) Other federal programs; and
 - (h) Private insurance.
- (3) Develop a sliding fee scale of the cost of early intervention services to families, including those circumstances where no fee shall be required;
 - (4) ***Make available, in addition to the services specified in subsection (7) of Section 2 of this Act, social skill development and behavioral therapy services to infants and toddlers with a diagnosis of pervasive developmental disorders;***
 - (5) Enter into contracts with service providers within a local community aided by the district committee in identifying providers;
 - ~~(6)(5)}~~ Develop procedures to monitor and evaluate services that are provided to infants and toddlers with disabilities and their families;
 - ~~(7)(6)}~~ Develop procedures to ensure that early intervention services identified on the individualized family service plan are provided to eligible infants and toddlers with disabilities and their families in a timely manner pending resolution of any disputes among public agencies or service providers; and
 - ~~(8)(7)}~~ In conjunction with the council and district early intervention committees, promulgate administrative regulations, pursuant to KRS Chapter 13A, necessary to implement the provisions of KRS 200.650 to 200.676.

Section 4. KRS 347.020 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Active treatment" means provision of services as specified in an individualized service plan. These services may include, but are not limited to activities, experiences and therapy which are part of a professionally developed and supervised program of health, social, habilitative and developmental services;
- (2) "Case management services" means all such services to persons with developmental disabilities as will assist them in gaining access to needed social, medical, legal, educational and other services, and such term includes:
 - (a) Follow-along services which assure, through a continuing relationship between an agency or provider and a person with a developmental disability and the person's parent, if the person is a minor, or guardian, if the person has been adjudicated legally disabled, that the changing needs of the person and the family are recognized and appropriately met; and
 - (b) Coordinated services which provide to persons with developmental disabilities support, access to, and coordination of other services, information on programs and services and monitoring of the person's progress;
- (3) "Habilitation" means the process described in the individualized service plan by which a person is assisted to acquire and maintain physical, mental and social skills which will enable him to live most efficiently and effectively in the least restrictive individually appropriate environment;
- (4) "Individualized service plan (ISP)" means a written plan of service based on an interdisciplinary approach which is revised as needed but no less than annually. The plan shall be developed by the interdisciplinary team and shall contain a statement of:
 - (a) The nature of the specific mental, physical, social and developmental needs of the person;
 - (b) The specific services to be provided under this chapter, those services being provided under other state and federal laws and a schedule for the provision of said services; and
 - (c) The least restrictive individually appropriate environment for the provision of services and active treatment;
- (5) "Individually appropriate" means responsive to the needs of the person as determined through interdisciplinary assessment and provided pursuant to an individualized service plan;

- (6) "Interdisciplinary team (IDT)" means those persons who work most directly with the individual in each of the professions, disciplines and service areas that provide active treatment, services and evaluations for the person, including the persons set forth in KRS 347.030(6). Prior to relocation to a more individually appropriate placement in accordance with his individualized service plan, the IDT shall include staff representing the current placement and staff representing the proposed placement;
- (7) "Least restrictive environment" means the individually appropriate residence and service delivery setting, including the entire array of residential alternatives as defined by this chapter, in which the person can function most effectively and independently, gaining to the maximum extent possible, control over his environment, and shall be based solely on his needs as identified in his individualized service plan. This definition shall not be construed to abolish any existing residential or institutional alternatives as defined by this chapter;
- (8) "Monitor" means to conduct a systematic, coordinated, objective qualitative review of services by a body independent of the agencies providing services under this chapter. This body shall include persons with developmental disabilities, parents, guardians and professionals;
- (9) "Person with a developmental disability" means a person with a long term disability which:
 - (a) Is attributable to a developmental or physical impairment or combination of developmental and physical impairments, *including pervasive developmental disorders*;
 - (b) Is likely to continue indefinitely;
 - (c) Results in substantial functional limitations in at least three (3) of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living and economic self-sufficiency;
 - (d) Requires special, generic or interdisciplinary care and active treatment and services of extended duration; and
 - (e) Is manifested before the person attains age twenty-two (22); and
- (10) "Representative" means any individual who can advise and advocate for a person with developmental disabilities and who shall serve at the request and pleasure of such person; provided, however, if the person with developmental disabilities is a minor or is legally disabled and has not requested a representative, the parent or guardian may request a representative to assist on behalf of a person with developmental disabilities;
- (11) "Residence" or "residential alternative" means the living space occupied by the person with a developmental disability, including single-person homes, natural family homes, institutional facilities and all other types of living arrangements; and
- (12) "Services" means such residential, developmental, vocational, support and related services, training and active treatment in the least restrictive, individually appropriate environment to provide for continuing development of independent or interdependent living skills of persons with developmental disabilities. These services include, but are not restricted to, diagnostic services; child development services; respite care; domestic assistance; consumer-directed attendant care; habilitation and rehabilitation, *including behavioral therapies*; speech, physical and occupational therapy; recreational therapy and activities; training for parents, guardians and care providers as requested by said persons; transportation; equipment; development of language and communication skills; interpreters; family counseling and case management.

Section 5. KRS 387.510 is amended to read as follows:

As used in KRS 387.500 to 387.770 and 387.990:

- (1) "Conservator" means an individual, agency, or corporation appointed by the court to manage the financial resources of a disabled person.
- (2) "Limited conservator" means an individual, agency, or corporation appointed by the court to assist in managing the financial resources of a partially disabled person and whose powers and duties have been specifically enumerated by court order.
- (3) "Guardian" means any individual, agency, or corporation appointed by the court to have full care, custody, and control of a disabled person and to manage his financial resources.
- (4) "Limited guardian" means a guardian who possesses fewer than all of the legal powers and duties of a full guardian, and whose powers and duties have been specifically enumerated by court order.

- (5) "Standby" guardian or conservator means a person or entity designated by the court to assume the powers and duties assigned to a limited guardian, guardian, limited conservator, or conservator upon his death, resignation, removal, or incapacity.
- (6) "Testamentary" guardian or conservator means an individual, agency, or corporation nominated in the will of a limited guardian, guardian, limited conservator, or conservator to succeed the testator in that capacity upon his death.
- (7) "Developmental disability" means a severe, chronic disability of a person which:
 - (a) Is attributable to a mental or physical impairment or combination of mental and physical impairments, ***including pervasive developmental disorder***;
 - (b) Is manifested before the person attains age twenty-two (22);
 - (c) Is likely to continue indefinitely;
 - (d) Results in substantial functional limitations in three (3) or more of the following areas of major life activity: 1. self-care; 2. receptive and expressive language; 3. learning; 4. mobility; 5. self-direction; 6. capacity for independent living; and 7. economic self-sufficiency; and
 - (e) Reflects the person's need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.
- (8) "Disabled" means a legal, not a medical disability, and is measured by functional incapacities. It refers to any person fourteen (14) years of age or older who is:
 - (a) Unable to make informed decisions with respect to his personal affairs to such an extent that he lacks the capacity to provide for his physical health and safety, including but not limited to health care, food, shelter, clothing, or personal hygiene; or
 - (b) Unable to make informed decisions with respect to his financial resources to such an extent that he lacks the capacity to manage his property effectively by those actions necessary to obtain, administer, and dispose of both real and personal property.

Such inability shall be evidenced by acts or occurrences within six (6) months prior to the filing of the petition for guardianship or conservatorship and shall not be evidenced solely by isolated instances of negligence, improvidence, or other behavior.
- (9) "Partially disabled" refers to an individual who lacks the capacity to manage some of his personal affairs and/or financial resources as provided in subsection (8) of this section, but who cannot be found to be fully disabled as provided therein.
- (10) "Mentally ill person" means a person with substantially impaired capacity to use self-control, judgment, or discretion in the conduct of his affairs and social relations, associated with maladaptive behavior or recognized emotional symptoms where impaired capacity, maladaptive behavior, or emotional symptoms can be related to physiological, psychological, or social factors.
- (11) "Interdisciplinary evaluation report" means a report of an evaluation of a respondent performed pursuant to the provisions of KRS 387.540 to determine whether he is partially disabled or disabled as defined herein.
- (12) "Interested person or entity" means an adult relative or friend of the respondent or ward, an official or representative of a public or private agency, corporation, or association concerned with that person's welfare, or any other person found suitable by the court.
- (13) "Petitioner" means a person who institutes a proceeding under KRS 387.530.
- (14) "Respondent" means an individual alleged to be a partially disabled or disabled person.
- (15) "Ward" means a person for whom a limited guardian, guardian, limited conservator, or conservator has been appointed.
- (16) "Committee" means a person appointed by the court prior to July 1, 1982, to have full care, custody, and control of a disabled person and his estate.

Section 6. KRS 205.6317 is amended to read as follows:

- (1) As used in this section:
 - (a) "Supports for Community Living Waiver Program" means funding from the Department for Medicaid Services to serve individuals with mental retardation or other developmental disabilities who qualify for intermediate care and choose to live in a community-based setting; and
 - (b) "Slots" means the dedication of provider or financial resources for services to persons with mental retardation or other developmental disabilities.
- (2) The Department for Medicaid Services shall develop and implement flexible reimbursement and payment strategies that reflect the individually determined needs for services and supports by persons with mental retardation and other developmental disabilities participating in the Supports for Community Living Waiver Program.
- (3) The Department for Medicaid Services shall allocate slots to the fourteen (14) community mental health regions based on percentage of total population.
- (4) The Department for Medicaid Services shall reallocate underutilized slots to address statewide needs and shall reallocate slots in emergency situations to address unmet needs for services and supports.
- (5) Within six (6) months after April 14, 2000, the Department for Medicaid Services shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement the requirements of this section.
- (6) ***Funds for the Supports for Community Living Waiver Program shall be appropriated only for direct services to qualified individuals and any unexpended funds shall not lapse but shall be carried forward to the next fiscal year and shall be used for the same purpose.***

Approved April 2, 2002

CHAPTER 163

(HB 483)

AN ACT relating to fire protection districts.

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

Section 1. KRS 75.450 is amended to read as follows:

- (1) A fire department which collects membership charges or subscriber fees for combatting fires or serving in other emergencies shall base its annual fee or charge on the level of protection offered.
- (2) A fire department that responds to a fire or other emergency on the property of a nonmember or nonsubscriber may charge the following fees for services rendered:
 - (a) Up to five hundred dollars (\$500) for single family residential units; utility occupancies of two thousand (2,000) or fewer square feet; assembly and business occupancies having a capacity which does not exceed one hundred (100) persons; equipment; vehicles; and grass or woods fires; and
 - (b) Up to one thousand dollars (\$1,000) for multifamily residential units; assembly and business occupancies having a capacity exceeding one hundred (100) persons; storage occupancies; utility occupancies of more than two thousand (2,000) square feet; and all industrial, educational, or institutional occupancies; and
 - (c) Up to five hundred dollars (\$500) for responding to emergencies not covered in subsections (2)(a) and (2)(b) of this section, including response to high hazard occupancies as defined in KRS 198B.010. The department may be entitled to recover necessary and reasonable costs in excess of the five hundred dollar (\$500) limit based upon submission of a written itemized claim for the total costs incurred. Disputes involving fees in excess of the five hundred dollar (\$500) limit shall be submitted to arbitration by the commission.
- (3) For the purposes of subsections (2)(a) and (2)(b) of this section, the meaning of assembly, business, industrial, educational, and institutional occupancies shall be as defined in KRS 198B.010. The meaning of storage and

utility occupancies shall be as defined in the Kentucky Building Code, sections 311.1 and 312.1 respectively, promulgated pursuant to KRS 198B.050.

- (4) Property owned by the Commonwealth of Kentucky and the federal government shall be exempt from charges.
- (5) If more than one (1) department responds to a fire or other emergency, the fee shall be paid only to the department which is authorized to protect the property pursuant to KRS 75.440(2)(a).
- (6) A fire department shall respond within its jurisdiction to all fires and to other emergencies for which it is responsible as set forth in its mission statement. A copy of each fire department mission statement shall be filed with the commission. A new department shall file its statement when it is incorporated. A department in existence on July 15, 1994, shall file its mission statement by July 1, 1995. A copy of the mission statement shall be posted in a conspicuous location in each station of the department, and shall be filed with the county clerk of each county in which the department has jurisdiction pursuant to KRS 75.440(2)(a). The mission statement shall remain in effect until amended, and filed and posted by the fire department in the locations as required by this subsection.
- (7) *If a fire department collects membership charges or subscriber fees, the fiscal court may adopt an ordinance to require the annual membership charges or subscriber fees to be added to property tax bills. In any county where the fiscal court has adopted such an ordinance the county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners in a place separate from the bill of the fire district tax or fire subdistrict tax so that ratepayers can ascertain the amount of the membership charges or subscriber fees apart from the fire district tax.*
- (8) *The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

- (1) *If a county fire department is authorized by law to collect membership charges or subscriber fees for combatting fires or serving in other emergencies, the fiscal court may adopt an ordinance to require those annual membership charges or subscriber fees to be added to property tax bills. In any county where the fiscal court has adopted such an ordinance, the county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.*
- (2) *The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

- (1) *If a city fire department is authorized by law to collect membership charges or subscriber fees for combatting fires or serving in other emergencies, the city legislative body may adopt an ordinance to require those annual membership charges or subscriber fees to be added to property tax bills. In any city where the legislative body has adopted such an ordinance, the county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.*
- (2) *The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 273 IS CREATED TO READ AS FOLLOWS:

- (1) *If a fire department created under the provisions of this chapter is authorized by law to collect membership charges or subscriber fees for combatting fires or serving in other emergencies, the legislative body of the city or county where the fire department is located may require those annual membership charges or subscriber fees to be added to property tax bills. The county clerk shall add the annual membership charges or subscriber fees to the tax bills of the affected property owners.*

- (2) *The membership charges or subscriber fees shall be collected and distributed by the sheriff to the appropriate fire departments in the same manner as the other taxes on the bill and unpaid fees or charges shall bear the same penalty as general state and county taxes. This shall be a lien on the property against which it is levied from the time of the levy.*

Approved April 2, 2002

CHAPTER 164

(HB 737)

AN ACT relating to the establishment of a Lewis and Clark Bicentennial Commission.

WHEREAS, the Lewis and Clark expedition officially began its voyage down the Ohio River near Louisville toward St. Louis, Missouri, on October 26, 1803, and the Falls of the Ohio River has been recognized by the National Park Service as an official part of the Lewis and Clark expedition trail.

NOW, THEREFORE,

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

Section 1. (1) The Lewis and Clark Bicentennial Commission is hereby established and attached to the Kentucky Historical Society for administrative purposes only.

- (2) As used in this section, "bicentennial" refers to the bicentennial of the Lewis and Clark expedition.
- (3) As used in this section, "commission" refers to the Lewis and Clark Bicentennial Commission established in subsection (3) of this section.
- (4) The commission shall consist of the following nineteen (19) members:
 - (a) Two (2) members of the House of Representatives appointed by the Speaker of the House;
 - (b) Two (2) members of the State Senate appointed by the President of the Senate;
 - (c) The Secretary of the Education, Arts and Humanities Cabinet or his or her designee;
 - (d) Two (2) members from the Tourism Development Cabinet;
 - (e) One (1) member from the Kentucky Historical Society, appointed by the head of that agency;
 - (f) One (1) member from the Kentucky Heritage Council, appointed by the head of that agency;
 - (g) One (1) member from the Kentucky Humanities Council, appointed by the head of that agency;
 - (h) One (1) member from the Native American Commission, appointed by the head of that agency;
 - (i) One (1) member from the Kentucky African-American Commission, appointed by the head of that agency;
 - (j) One (1) member from the Falls of Ohio Lewis and Clark Bicentennial Committee, appointed by the president of that committee; and
 - (k) Six (6) citizen members, one of whom shall be designated as the chairman and appointed by the Governor.
- (5) The commission shall:
 - (a) Educate Kentucky residents and the nation about Kentucky's important role in the Lewis and Clark expedition;
 - (b) Assist local governments and organizations with planning, preparation, and grant applications for bicentennial events and projects;
 - (c) Coordinate federal, state, local, and nonprofit organizations' bicentennial activities occurring in Kentucky;
 - (d) Act as a point of contact for national bicentennial organizations wishing to distribute information to state and local groups about grant opportunities, meetings, and national events;

- (e) Plan and implement appropriate events to commemorate the bicentennial;
 - (f) Seek federal grants and philanthropic support for bicentennial activities; and
 - (g) Perform other duties necessary to highlight Kentucky's role in the Lewis and Clark expedition.
- (6) The provisions of this section shall expire on January 1, 2008.

Approved April 2, 2002

CHAPTER 165

(HJR 122)

A JOINT RESOLUTION directing the Transportation Cabinet to conduct a study to assess the transportation needs of persons living in counties adjacent to Lake Cumberland.

WHEREAS, Lake Cumberland provides a valuable recreational and scenic attraction for both in-state and out-of-state visitors; and

WHEREAS, Lake Cumberland provides numerous jobs for citizens in the surrounding counties; and

WHEREAS, Lake Cumberland is both a recreational and scenic attraction to hundreds of thousands of visitors annually while it is simultaneously home to the thousands of citizens who reside in surrounding counties; and

WHEREAS, Lake Cumberland's sheer size often presents unique transportation problems for citizens who reside in surrounding counties, often requiring citizens to drive extensive distances to reach their county seat; and

WHEREAS, these unique transportation problems necessitate unique solutions;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet is directed to undertake a study to consider various modes of transportation that may be employed to assist citizens who reside in areas of a county that are separated from their county seat by Lake Cumberland. The Transportation Cabinet shall consider the feasibility of lake ferries and shuttle boats as potential methods of transportation at Lake Cumberland.

Section 2. The study shall be conducted with the assistance of county judge/executives, local legislative bodies, and state legislators from all counties adjacent to Lake Cumberland, and with local chambers of commerce and tourism organizations that represent businesses such as hotels, motels, restaurants, and recreational boating in the area.

Section 3. The Transportation Cabinet, as an integral component of the study, shall consider and weigh any possible solution to transportation problems in the area vis-à-vis the impact any solution may have upon tourism at Lake Cumberland.

Section 4. The study findings and recommendations shall be reported to the Legislative Research Commission no later than October 30, 2003.

Approved April 2, 2002

CHAPTER 166

(HB 829)

AN ACT relating to campus safety.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

Civil fines collected by the state fire marshal pursuant to Section 4 of this Act shall be paid into the State Treasury and credited to a trust and agency fund known as the "Michael Minger/Priddy fire prevention fund." The funds shall be used by the fire marshal to educate students and personnel of postsecondary education institutions

regarding the dangers of fire and methods of fire prevention, and to investigate the source of any fires or threats of fire that take place on the campus of a postsecondary education institution. No portion of this fund shall lapse into the general fund at the end of the year.

Section 2. KRS 164.948 is amended to read as follows:

As used in KRS 164.9481, 164.9483, and 164.9485, unless the context requires otherwise:

- (1) "Campus" means all property owned, managed, or controlled by an institution of postsecondary education including, but not limited to, academic buildings; student housing and recreational facilities; residential facilities operated by any officially recognized student organization; all sections of public property such as streets, sidewalks, and parking facilities immediately contiguous to campus buildings; and remote facilities leased for use as classroom space or student living.
- (2) "Campus security authority" means campus police, security officers, and any official at a postsecondary education institution who has significant responsibility for student and campus activities, including student discipline, student housing, student judicial affairs, and student life administration. Professional mental health, pastoral, and other licensed counselors when functioning in that capacity are not considered campus security authorities.
- (3) "Crime" means murder, manslaughter, reckless homicide, assault, menacing, wanton endangerment, terroristic threatening, stalking, forcible or nonforcible sex offenses, burglary, criminal damage to property, arson, theft, motor vehicle theft, robbery, weapons possession and criminal attempt for any of the aforementioned crimes, and arrests for drug-related violations and liquor law violations.
- (4) ***"Immediately" means before the last fire unit has left the scene in order for the fire marshal's office to have the opportunity to speak with fire unit personnel before they leave the scene, but no later than two (2) hours following the time the fire or threat of fire is discovered. In the event of a minor fire to which the local fire officials are not called or do not respond, "immediately" means no later than one (1) hour following the discovery of the fire.***
- (5) "Postsecondary education institution" means any Kentucky public four (4) year institution or two (2) year community college or technical college that grants a postsecondary education credential, and any private college or university that is licensed by the Council on Postsecondary Education under KRS 164.945 to 164.947.

Section 3. KRS 164.9483 is amended to read as follows:

- (1) Under the provisions of KRS Chapter 227, the state fire marshal shall have jurisdiction over all property in the state including property of public postsecondary education institutions and property of any private college or university that is licensed by the Council on Postsecondary Education as provided for by KRS 164.945 to 164.947, insofar as it is necessary for the administration and enforcement of any duty imposed on the office by law or administrative regulation and all laws, ordinances, regulations, and orders designed to protect the public from fire loss.
- (2) The state fire marshal or the fire marshal's employee or appointee may, without delay or advance notice and at all reasonable hours of the day or night, enter in or upon any property defined under KRS 227.200 located on the campus to make an inspection, investigation, or any other action necessary for the purpose of preventing fire loss or determining the origin of any fire.
- (3) No person shall obstruct, hinder, or delay such an officer in the performance of his or her duty.
- (4) Upon learning of a fire or threat of fire, ***a campus security authority designated by the college or university president to be responsible and liable for reporting***~~authorities~~ shall immediately report each fire or threat of fire to the state fire marshal's office in Frankfort and the local deputies, assistants, and employees appointed under KRS 227.230. ***No fire scene located on a campus shall be cleared or cleaned without the express consent of the state fire marshal to do so after a representative of the fire marshal's office has had an opportunity to investigate the scene.***

Section 4. KRS 164.993 is amended to read as follows:

- (1) Any person, ***including campus personnel, who knowingly violates***~~violating~~ the provisions of KRS 164.9481 and 164.9483, or who knowingly induces another, directly or indirectly, to violate the provisions of those sections, shall be fined not less than five hundred dollars (\$500), nor more than one thousand five hundred dollars (\$1,500), or imprisoned in the county jail for up to thirty (30) days, or both.

- (2) *In addition to the penalties required in subsection (1) of this section, any person, or any postsecondary education institution, who violates the provisions of Section 3 of this Act shall be liable for a civil penalty of not less than one thousand dollars (\$1,000) nor more than two thousand dollars (\$2,000) per violation for each day the violation occurs or remains in effect. The state fire marshal shall have the authority, after investigation, to assess and collect the fines. Any person or postsecondary education institution aggrieved by an assessment of a civil fine may appeal to the Franklin Circuit Court.*

Approved April 2, 2002

CHAPTER 167

(HB 679)

AN ACT relating to transient room tax.

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

Section 1. KRS 91A.390 is amended to read as follows:

- (1) The commission shall annually submit to the local governing body or bodies which established it a request for funds for the operation of the commission. The local governing body or bodies shall include the commission in the annual budget and shall provide funds for the operation of the commission by imposing a transient room tax, not to exceed three percent (3%) of the rent for every occupancy of a suite, room, or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodations businesses. In addition to the three percent (3%), the local governing body may impose a special transient room tax not to exceed one percent (1%) for the sole purpose of meeting the operating expenses of a convention center. A transient room tax imposed by an urban-county government shall not exceed four percent (4%) of the rent for every occupancy of a suite, room, or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodations businesses. Transient room taxes shall not apply to the rental or leasing of an apartment supplied by an individual or business that regularly holds itself out as exclusively providing apartments. Apartment means a room or set of rooms, in an apartment building, fitted especially with a kitchen and usually leased as a dwelling for a minimum period of thirty (30) days or more. The local governing body or bodies that have established a commission by joint or separate action shall enact an ordinance for the enforcement of the tax measure enacted pursuant to this section and the collection of the proceeds of this tax measure on a monthly basis.
- (2) All moneys collected pursuant to this section and KRS 91A.400 shall be maintained in an account separate and unique from all other funds and revenues collected, and shall be considered tax revenue for the purposes of KRS 68.100 and KRS 92.330.
- (3) A portion of the money collected from the imposition of this tax, as determined by the, tax levying body, upon the advice and consent of the tourist and convention commission, may be used to finance the cost of acquisition, construction, operation, and maintenance of facilities useful in the attraction and promotion of tourist and convention business. The balance of the money collected from the imposition of this tax shall be used for the purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a subsidy in any form to any hotel, motel, or restaurant. Money not expended by the commission during any fiscal year shall be used to make up a part of the commission's budget for its next fiscal year.
- (4) *A county with a city of the first class may impose an additional tax, not to exceed one and one-half percent (1.5%) of the room rent. This additional tax, if approved by the local governing body, shall be collected and administered in the same manner as the regular tax and shall be used for the purpose of funding additional promotion of tourist and convention business.*
- (5) An urban-county government may impose an additional tax, not to exceed one percent (1%) of the room rents included in this subsection. This additional tax shall be collected and administered in the same manner as the regular tax with the exception that this additional tax shall be used for the purpose of funding the purchase of development rights program provided for under KRS 67A.845.

~~(6)~~~~(5)~~ Local governing bodies which have formed multicounty tourist and convention commissions as provided by KRS 91A.350(3) may impose an additional tax, not to exceed one percent (1%) of the room rents. This additional tax, if approved by each governing body, shall be collected and administered in the same manner as the regular tax, with the exception that this additional tax shall be used for the purpose of funding regional efforts relating to the promotion of tourist and convention business and convention centers. In no event shall any revenues collected as provided for under KRS 91A.350(3) be utilized for the construction, renovation, maintenance, or additions to any convention center that is located outside the boundaries of the Commonwealth of Kentucky.

~~(7)~~~~(6)~~ The commission, with the approval of the tax levying body, may borrow money to pay its obligations that cannot be paid at maturity out of current revenue from the transient room tax, but shall not borrow a sum greater than can be repaid out of the revenue anticipated from the transient room tax during the year the money is borrowed. The commission may pledge its securities for the repayment of any sum borrowed.

~~(8)~~~~(7)~~ The fiscal court or legislative body of a city establishing a commission pursuant to KRS 91A.350(1) or (2) and, in its own name, a commission established pursuant to of KRS 91A.350(1) is authorized and empowered to issue revenue bonds pursuant to KRS Chapter 58 for public projects. Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any cost for the acquisition of real estate, the construction of buildings and appurtenances, the preparation of plans and specifications, and legal and other services incidental to the project or to the issuance of the bonds. The payment of the bonds, with interest, may be secured by a pledge of and a first lien on all of the receipts and revenue derived, or to be derived, from the rental or operation of the property involved. Bond and interest obligations issued pursuant to this section shall not constitute an indebtedness of the county or city. All bonds sold under the authority of this section shall be subject to competitive bidding as provided by law, and shall bear interest at a rate not to exceed that established for bonds issued for public projects under KRS Chapter 58.

~~(9)~~~~(8)~~ A commission established pursuant to KRS 91A.350(3) is authorized and empowered to issue revenue bonds in its own name, payable solely from its income and revenue, pursuant to KRS Chapter 58 for revenue bonds for public projects. Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any cost for the acquisition of real estate, the construction of buildings and appurtenances, the preparation of plans and specifications, and legal and other services incidental to the project or to the issuance of the bonds. The payment of the bonds, with interest, may be secured by a pledge of and a first lien on all of the receipts and revenue derived, or to be derived, from the rental or operation of the property involved. Bond and interest obligations issued pursuant to this section shall not constitute an indebtedness of the county. All bonds sold pursuant to this section shall be subject to competitive bidding as provided by law, and shall not bear interest at rates exceeding those for bonds issued for public projects under KRS Chapter 58.

Section 2. KRS 91A.392 is amended to read as follows:

- (1) In addition to the three percent (3%) transient room tax authorized by KRS 91A.390 and the one percent (1%) transient room tax authorized by KRS 153.440, the fiscal court in a county containing a city of the first or second class, except those counties that are included in a multicounty tourist and convention commission under KRS 91A.350, may levy an additional transient room tax not to exceed two percent (2%) of the rent for every occupancy of a suite, room, or rooms charged by all persons, companies, corporations, or other similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or similar accommodations businesses.
- (2) All money collected from the tax authorized by this section shall be applied toward the retirement of bonds issued pursuant to **KRS 91A.390(8)**~~KRS 91A.390(7)~~ to finance in part the expansion or construction or operation of a governmental or nonprofit convention center or fine arts center useful to the promotion of tourism located in the central business district of the city of the first or second class located in the county.
- (3) After the retirement of the bonds provided for in this section, the additional transient room tax levied pursuant to this section shall be void, and the fiscal court shall take action to repeal the ordinance which levied the tax.

Approved April 2, 2002

CHAPTER 168**(HB 484)**

AN ACT relating to state purchases of food or beverages.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

- (1) *This section shall apply to any contract entered into by an agency or a business that contracts with a local school board, local school district, or other agency to provide food or meal services.*
- (2) *In addition to any requirements established by the United States Department of Agriculture under the National School Lunch Program, the School Breakfast Program, or other federally-supported food service programs, an agency or business that provides food or meal services under contract with a local school board, local school district, or other agency shall give preference in purchasing contracts to high calcium foods or beverages.*
- (3) *For the purposes of this section, the term "high calcium foods or beverages" means foods or beverages that contain a higher level of calcium and that are equal to or lower in price than other products of the same type and quality.*
- (4) *Notwithstanding subsection (2) of this section, if the director of a program operated by an agency or business offering food or meal services on behalf of a local school board, local school district, or other agency determines that a high calcium food or beverage would interfere with the proper treatment and care of an individual receiving services from the program, then the purchasing agent for that institution or business shall not be required to purchase a high calcium food or beverage for that individual.*
- (5) *A purchasing agent who has entered into a contract with a supplier to purchase food or beverages before July 1, 2002, is not required to purchase high calcium foods or beverages if purchasing those products would change the terms of the contract.*

Approved April 2, 2002

CHAPTER 169**(HB 529)**

AN ACT relating to school closings for elections.

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

Section 1. KRS 158.070 is amended to read as follows:

- (1) The minimum school term shall be one hundred eighty-five (185) days, including no less than the equivalent of one hundred seventy-five (175) six (6) hour instructional days. A board of education may extend its term beyond the minimum term.
- (2) The local board of education, upon recommendation of the local school district superintendent, shall adopt a school calendar for the upcoming school year that establishes the opening and closing dates of the school term, beginning and ending dates of each school month, instructional days, and days on which schools shall be dismissed. The local board may schedule days for breaks in the school calendar that shall not be counted as a part of the minimum school term.
- (3) Any local board of education operating its schools on a year-round school program basis shall conform with administrative regulations promulgated and adopted by the Kentucky Board of Education upon the recommendation of the commissioner of education, which regulations must be in conformity with the following criteria:
 - (a) The year-round school program shall be operated on a fiscal year beginning July 1 and ending June 30;
 - (b) A pupil's required attendance in school shall be for at least the minimum instructional term; and

- (c) No teacher shall be required to teach more than the minimum term during the school year.
- (4) (a) Each local board of education shall use four (4) days of the minimum school term for professional development and collegial planning activities for the professional staff without the presence of pupils pursuant to the requirements of KRS 156.095. At the discretion of the superintendent, one (1) day of professional development may be used for district-wide activities and for training that is mandated by federal or state law. The use of three (3) days shall be planned by each school council, except that the district is encouraged to provide technical assistance and leadership to school councils to maximize existing resources and to encourage shared planning.
- (b) A local board may approve a school's flexible professional development plan that permits teachers or other certified personnel within a school to participate in professional development activities outside the days scheduled in the school calendar or the regularly scheduled hours in the school work day and receive credit towards the four (4) day professional development requirement within the minimum one hundred eighty-five (185) days that a teacher shall be employed.
 - 1. A flexible schedule option shall be reflected in the school's professional development component within the school improvement plan or consolidated plan and approved by the local board. Credit for approved professional development activities may be accumulated in periods of time other than full day segments.
 - 2. No teacher or administrator shall be permitted to count participation in a professional development activity under the flexible schedule option unless the activity is related to the teacher's classroom assignment and content area, or the administrator's job requirements, or is required by the school improvement or consolidated plan, or is tied to the teacher's or the administrator's individual growth plan. The supervisor shall give prior approval and shall monitor compliance with the requirements of this paragraph. In the case of teachers, a professional development committee or the school council by council policy may be responsible for reviewing requests for approval.
- (c) The local board of each school district may use up to a maximum of four (4) days of the minimum school term for holidays; provided, however, any holiday which occurs on Saturday may be observed on the preceding Friday.
- (d) Each local board may use two (2) days for planning activities without the presence of pupils.
- (e) Each local board may use the number of days deemed necessary for:
 - 1. National or state disaster or mourning when proclaimed by the President of the United States or the Governor of the Commonwealth of Kentucky;
 - 2. Local disaster which would endanger the health or safety of children; and
 - 3. Mourning when so designated by the local board of education and approved by the Kentucky Board of Education upon recommendation of the commissioner of education.
- (5) The Kentucky Board of Education, upon recommendation of the commissioner of education, shall adopt administrative regulations governing the use of school days, including days missed from the regular school day as a result of local disaster, as defined in subsection (4)(e)2. of this section, and regulations setting forth the guidelines and procedures to be observed for the approval of the days utilized for the opening and closing of school and the days utilized for professional development and planning activities for the professional staff.
- (6) (a) In setting the school calendar, school may be closed for two (2) consecutive days for the purpose of permitting professional school employees to attend statewide professional meetings. These two (2) days for statewide professional meetings may be scheduled to begin with the first Thursday after Easter, or largest paid membership, the commissioner of education may designate alternate dates. If schools are scheduled to operate during days designated for the statewide professional meeting, the school district shall permit teachers who are delegates to attend as compensated professional leave time and shall employ substitute teachers in their absence. The commissioner of education shall designate one (1) additional day during the school year when schools shall be closed to permit professional school employees to participate in regional or district professional meetings. These three (3) days so designated for attendance at professional meetings shall not be counted as a part of the minimum school term. School shall be closed on the day of a regular election, *and may be closed on the day of a primary*

election, and *those days*~~[that day]~~ may be used for professional development activities, professional meetings, or parent-teacher conferences.

- (b) All schools shall be closed on the third Monday of January in observance of the birthday of Martin Luther King, Jr. Districts may:
 - 1. Designate the day as one (1) of the four (4) holidays permitted under subsection (4)(c) of this section; or
 - 2. Not include the day in the minimum school term specified in subsection (1) of this section.
- (7) Students applying for excused absence for attendance at the Kentucky State Fair shall be granted one (1) day of excused absence.
- (8) Schools shall provide continuing education for those students who are determined to need additional time to achieve the outcomes defined in KRS 158.6451, and schools shall not be limited to the minimum school term in providing this education. Continuing education time may include extended days, extended weeks, or extended years. A local board of education may adopt a policy requiring its students to participate in continuing education. The local policy shall set out the conditions under which attendance will be required and any exceptions which are provided. The Kentucky Board of Education shall promulgate administrative regulations establishing criteria for the allotment of grants to local school districts. These grants shall be allotted to school districts to provide instructional programs for pupils who are identified as needing additional time to achieve the outcomes defined in KRS 158.6451. A school district that has a school operating a model early reading program under KRS 158.792 may use a portion of its grant money as part of the matching funds to provide individualized or small group reading instruction to qualified students outside of the regular classroom during the school day.
- (9) Notwithstanding any other statute, each school term shall include no less than the equivalent of the minimum number of instructional days required by this section.
- (10) Notwithstanding the provisions of KRS 158.060(3) and the provisions of subsection (1) of this section, a school district shall arrange bus schedules so that all buses arrive in sufficient time to provide breakfast prior to the instructional day. In the event of an unforeseen bus delay, the administrator of a school that participates in the Federal School Breakfast Program may authorize up to fifteen (15) minutes of the six (6) hour instructional day if necessary to provide the opportunity for children to eat breakfast not to exceed eight (8) times during the school year within a school building.

Approved April 2, 2002

CHAPTER 170

(HB 644)

AN ACT relating to crimes and punishments.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO READ AS FOLLOWS:

- (1) *A person is guilty of unlawful possession of a methamphetamine precursor when he or she knowingly and unlawfully possesses a drug product or combination of drug products containing ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, with the intent to use the drug product or combination of drug products as a precursor to methamphetamine or other controlled substance.*
- (2) (a) *Except as provided in paragraph (b) of this subsection, possession of a drug product or combination of drug products containing more than twenty-four (24) grams of ephedrine, pseudoephedrine, or phenylpropanolamine, or their salts, isomers, or salts of isomers, shall constitute prima facie evidence of the intent to use the drug product or combination of drug products as a precursor to methamphetamine or other controlled substance.*

(b) The prima facie evidence referred to in paragraph (a) of this subsection shall not apply to the following persons who lawfully possess a drug product or combination of drug products listed in subsection (1) of this section in the course of legitimate business:

- 1. A retail distributor of drug products or wholesaler of drug products or its agent;*
- 2. A wholesale drug distributor, or its agent, issued a permit by the Board of Pharmacy;*
- 3. A pharmacist licensed by the Board of Pharmacy;*
- 4. A pharmacy permitted by the Board of Pharmacy;*
- 5. A licensed health care professional possessing the drug products in the course of carrying out his or her profession;*
- 6. A trained chemist working in a properly equipped research laboratory in an education, government, or corporate setting; or*
- 7. A common carrier under contract with any of the persons or entities set out in subparagraphs 1. to 6. of this paragraph.*

(3) Unlawful possession of a methamphetamine precursor is a Class D felony for the first offense and a Class C felony for each subsequent offense.

SECTION 2. A NEW SECTION OF KRS CHAPTER 218A IS CREATED TO READ AS FOLLOWS:

- (1) A person is guilty of unlawful distribution of a methamphetamine precursor when he or she knowingly and unlawfully sells, transfers, distributes, dispenses, or possesses with the intent to sell, transfer, distribute, or dispense any drug product or combination of drug products containing ephedrine, pseudoephedrine, or phenylpropanolamine, or any of their salts, isomers, or salts of isomers, if the person knows that the purchaser intends that the drug product or combination of drug products will be used as a precursor to methamphetamine or other controlled substance, or if the person sells, transfers, distributes, or dispenses the drug product or combination of drug products with reckless disregard as to how the drug product or combination of drug products will be used.*
- (2) Unlawful distribution of a methamphetamine precursor is a Class D felony for the first offense and a Class C felony for each subsequent offense.*

Approved April 2, 2002

CHAPTER 171

(HB 652)

AN ACT relating to crimes and punishments.

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

Section 1. KRS 189A.005 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Alcohol concentration" means either grams of alcohol per 100 milliliters of blood or grams of alcohol per 210 liters of breath;*
- (2) "Ignition interlock device" means a device that connects a motor vehicle ignition system or motorcycle ignition system to a breath alcohol analyzer and prevents a motor vehicle ignition or motorcycle ignition from starting, and from continuing to operate, if a driver's breath alcohol concentration exceeds 0.02, as measured by the device;*
- (3) "License" means any driver's or operator's license or any other license or permit to operate a motor vehicle issued under or granted by the laws of this state including:*
 - (a) Any temporary license or instruction permit;*
 - (b) The privilege of any person to obtain a valid license or instruction permit, or to drive a motor vehicle whether or not the person holds a valid license; and*

(c) *Any nonresident's operating privilege as defined in KRS Chapter 186 or 189;*

(4) *"Limited access highway" has the same meaning as "limited access facility" does in KRS 177.220;*

(5) "Refusal" means declining to submit to any test or tests pursuant to KRS 189A.103. Declining may be either by word or by the act of refusal. If the breath testing instrument for any reason shows an insufficient breath sample and the alcohol concentration cannot be measured by the breath testing instrument, the law enforcement officer shall then request the defendant to take a blood or urine test in lieu of the breath test. If the defendant then declines either by word or by the act of refusal, he shall then be deemed to have refused if the refusal occurs at the site at which any alcohol concentration or substance test is to be administered;

~~(6)(3)}~~ When age is a factor, it shall mean age at the time of the commission of the offense; *and*

~~(7)(4)}~~ Unless otherwise provided, license suspensions under this chapter shall be imposed by the court. The court shall impose the applicable period of license suspension enumerated by this chapter and shall include in its order or judgment the length and terms of any suspension imposed. The license suspension shall be deemed effective on the date of entry of the court's order or judgment. The role of the Transportation Cabinet shall be limited to administering the suspension period under the terms and for the duration enumerated by the court in its order or judgment;

~~(5) "Limited access highway" has the same meaning as "limited access facility" does in KRS 177.220;~~

~~(6) "License" means any driver's or operator's license or any other license or permit to operate a motor vehicle issued under or granted by the laws of this state including:~~

~~(a) Any temporary license or instruction permit;~~

~~(b) The privilege of any person to obtain a valid license or instruction permit, or to drive a motor vehicle whether or not the person holds a valid license; and~~

~~(c) Any nonresident's operating privilege as defined in KRS Chapter 186 or 189}.~~

Section 2. KRS 189A.070 is amended to read as follows:

(1) Unless the person is under eighteen (18) years of age, in addition to the penalties specified in KRS 189A.010, a person convicted of violation of KRS 189A.010(1)(a), (b), (c), or (d) shall have his license to operate a motor vehicle or motorcycle revoked by the court as follows:

(a) For the first offense within a five (5) year period, for a period of not less than thirty (30) days nor more than one hundred twenty (120) days;

(b) For the second offense within a five (5) year period, for a period of not less than twelve (12) months nor more than eighteen (18) months;

(c) For a third offense within a five (5) year period, for a period of not less than twenty-four (24) months nor more than thirty-six (36) months; and

(d) For a fourth or subsequent offense within a five (5) year period, sixty (60) months.

(e) For purposes of this section, "offense" shall have the same meaning as described in KRS 189A.010(5)(e).

(2) In determining the five (5) year period under this section, the period shall be measured from the dates on which the offenses occurred for which the judgments of conviction were entered.

(3) In addition to the period of license revocation set forth in subsection (1) *or* (7) of this section, no person shall be eligible for reinstatement of his privilege to operate a motor vehicle until he has completed the alcohol or substance abuse education or treatment program ordered pursuant to KRS 189A.040.

(4) A person under the age of eighteen (18) who is convicted of violation of KRS 189A.010(1)(a), (b), (c), or (d) shall have his license revoked by the court until he reaches the age of eighteen (18) or shall have his license revoked as provided in subsection (1) *or* (7) of this section, whichever penalty will result in the longer period of revocation *or court-ordered driving conditions*.

- (5) Licenses revoked pursuant to this chapter shall forthwith be surrendered to the court upon conviction. The court shall transmit the conviction records, and other appropriate information to the Transportation Cabinet. A court shall not waive or stay this procedure.
- (6) Should a person convicted under this chapter whose license is revoked fail to surrender it to the court upon conviction, the court shall issue an order directing the sheriff or any other peace officer to seize the license forthwith and deliver it to the court.
- (7) *A person whose license has been revoked pursuant to subsection (1)(b), (c), or (d) of this section may move the court to reduce the applicable minimum period of revocation by one-half (1/2), but in no case less than twelve (12) months. The court may, upon a written finding in the record for good cause shown, order such a period to be reduced by one-half (1/2), but in no case less than twelve (12) months, if the following conditions are satisfied:*
 - (a) *The person shall not operate a motor vehicle or motorcycle without an ignition interlock device as provided for in subsection (2) of Section 4 of this Act;*
 - (b) *The person shall not operate a motor vehicle or motorcycle at any other time and for any other purposes than those specified by the court; and*
 - (c) *The ignition interlock device shall be installed on the motor vehicle or motorcycle for a period of time not less than the applicable minimum period of revocation provided for under subsection (1)(b), (c), or (d) of this section nor for more than the respective maximum period of revocation provided for under subsection (1)(b), (c), or (d) of this section.*
- (8) *Upon a finding of a violation of any of the conditions specified in subsection (7) of this section or of the order permitting any reduction in a minimum period of revocation that is issued pursuant thereto, the court shall dissolve such an order and the person shall receive no credit toward the minimum period of revocation required under subsection (1)(b), (c), or (d) of this section.*

Section 3. KRS 189A.090 is amended to read as follows:

- (1) No person shall operate or be in physical control of a motor vehicle while his license is revoked or suspended under KRS 189A.010(6), 189A.070, 189A.107, 189A.200, or 189A.220, or operate or be in physical control of a motor vehicle without a functioning ignition interlock device in violation of KRS 189A.345(1).
- (2) In addition to any other penalty imposed by the court, any person who violates subsection (1) of this section shall:
 - (a) For a first offense within a five (5) year period, be guilty of a Class B misdemeanor and have his license revoked by the court for six (6) months, unless at the time of the offense the person was also operating or in physical control of a motor vehicle in violation of KRS 189A.010(1)(a), (b), (c), or (d), in which event he shall be guilty of a Class A misdemeanor and have his license revoked by the court for a period of one (1) year;
 - (b) For a second offense within a five (5) year period, be guilty of a Class A misdemeanor and have his license revoked by the court for one (1) year, unless at the time of the offense the person was also operating or in physical control of a motor vehicle in violation of KRS 189A.010(1)(a), (b), (c), or (d), in which event he shall be guilty of a Class D felony and have his license revoked by the court for a period of two (2) years;
 - (c) For a third or subsequent offense within a five (5) year period, be guilty of a Class D felony and have his license revoked by the court for two (2) years, unless at the time of the offense the person was also operating or in physical control of a motor vehicle in violation of KRS 189A.010(1)(a), (b), (c), or (d), in which event he shall be guilty of a Class D felony and have his license revoked by the court for a period of five (5) years.
- (3) The five (5) year period under this section shall be measured in the same manner as in KRS 189A.070.
- (4) *After one (1) year of the period of revocation provided for in subsection (2)(b) or (c) of this section has elapsed, a person whose license has been revoked pursuant to either of those subsections may move the court to have an ignition interlock device installed for the remaining portion of the period of revocation. The court may, upon a written finding in the record for good cause shown, order an ignition interlock device installed if the following conditions are satisfied:*

- (a) *The person shall not operate a motor vehicle or motorcycle without an ignition interlock device as provided for in subsection (2) of Section 4 of this Act;*
 - (b) *The person shall not operate a motor vehicle or motorcycle at any other time and for any other purposes than those specified by the court; and*
 - (c) *The ignition interlock device shall be installed on the motor vehicle or motorcycle for a period of time not less than the period of revocation required for the person under subsection (2)(b) or (c) of this section.*
- (5) *Upon a finding of a violation of any of the conditions specified in subsection (4) of this section or of the order permitting the installation of an ignition interlock device in lieu of the remaining period of revocation that is issued pursuant thereto, the court shall dissolve such an order and the person shall receive no credit toward the remaining period of revocation required under subsection (2)(b) or (c) of this section.*

Section 4. KRS 189A.340 is amended to read as follows:

- (1) ~~For the purposes of this section and KRS 189A.345 and 189A.410, "ignition interlock device" means a device that connects a motor vehicle ignition system or motorcycle ignition system to a breath alcohol analyzer and prevents a motor vehicle ignition or motorcycle ignition from starting if a driver's breath alcohol concentration, as defined in KRS 189A.005, exceeds 0.02, as measured by the device.~~
- (2) In lieu of ordering license plate impoundment under KRS 189A.085 of a person convicted of a second or subsequent violation of KRS 189A.010, the court may order installation of an ignition interlock device as provided in this section as follows:
- (a) Except as provided in paragraph (d) of this subsection, at the time that the court revokes a person's license under any provision of KRS 189A.070 other than KRS 189A.070(1)(a), the court shall also order that, at the conclusion of the license revocation, the person shall be prohibited from operating any motor vehicle or motorcycle without a functioning ignition interlock device.
 - (b)
 1. The first time in a five (5) year period that a person is penalized under this section, a functioning ignition interlock device shall be installed for a period of six (6) months.
 2. The second time in a five (5) year period that a person is penalized under this section, a functioning ignition interlock device shall be installed for a period of twelve (12) months.
 3. The third or subsequent time in a five (5) year period that a person is penalized under this section, a functioning ignition interlock device shall be installed for a period of thirty (30) months.
 4. The person whose license has been suspended for a second or subsequent violation of KRS 189A.010 shall not be able to apply to the court for permission to install an ignition interlock device until the person has completed one (1) year of license suspension without any subsequent conviction for a violation of KRS 189A.010 or 189A.090. If the court grants permission to install an ignition interlock device, an ignition interlock device shall be installed on all vehicles owned or leased by the person whose license has been suspended.
 - (c) In determining the five (5) year period under paragraph (b) of this subsection, the period shall be measured from the dates on which the offenses occurred for which the judgments of conviction were entered, resulting in the license revocations described in KRS 189A.070.
 - (d) If the court finds that a person is required to operate a motor vehicle or motorcycle in the course and scope of the person's employment and the motor vehicle or motorcycle is owned by the employer, then the court shall order that the person may operate that motor vehicle or motorcycle during regular working hours for the purposes of his or her employment without installation of a functioning ignition interlock device on that motor vehicle or motorcycle if the employer has been notified of the prohibition established under paragraphs (a), (b), and (c) of this subsection.
- (2)(3) Upon ordering the installation of a functioning ignition interlock device, the court, without a waiver or a stay of the following procedure, shall:
- (a) Transmit its order and other appropriate information to the Transportation Cabinet;
 - (b) Direct that the Transportation Cabinet records reflect:

1. That the person shall not operate a motor vehicle or motorcycle without a functioning ignition interlock device, except as provided in paragraph (d) of subsection ~~(1)(2)~~ of this section; and
 2. Whether the court has expressly permitted the person to operate a motor vehicle or motorcycle without a functioning ignition interlock device, as provided in paragraph (d) of subsection ~~(1)(2)~~ of this section;
- (c) Direct the Transportation Cabinet to attach or imprint a notation on the driver's license of any person restricted under this section stating that the person shall operate only a motor vehicle or motorcycle equipped with a functioning ignition interlock device. However, if the exception provided for in paragraph (d) of subsection ~~(1)(2)~~ of this section applies, the notation shall indicate the exception;
 - (d) Require proof of the installation of the functioning ignition interlock device and periodic reporting by the person for the verification of the proper functioning of the device;
 - (e) Require the person to have the device serviced and monitored at least every **thirty (30)** ~~ninety (90)~~ days for proper functioning by an entity approved by the Transportation Cabinet; and
 - (f) Require the person to pay the reasonable cost of leasing or buying, installing, servicing, and monitoring the device. The court may establish a payment schedule for the person to follow in paying the cost.
- ~~(3)(4)~~ The Transportation Cabinet shall:
- (a) Certify ignition interlock devices for use in this Commonwealth;
 - (b) Approve ignition interlock device installers who install functioning ignition interlock devices under the requirements of this section;
 - (c) Approve servicing and monitoring entities identified in paragraph (e) of subsection ~~(2)(3)~~ of this section **and require those entities to report on driving activity within seven (7) days of servicing and monitoring each ignition interlock device to the respective court, prosecuting attorney, and defendant;**
 - (d) Publish and periodically update on the Transportation Cabinet web site a list of the certified ignition interlock devices, the approved ignition interlock installers, and the approved servicing and monitoring entities;
 - (e) Develop a warning label that an ignition interlock device installer shall place on a functioning ignition interlock device before installing that device. The warning label shall warn of the penalties established in KRS 189A.345; and
 - (f) Promulgate administrative regulations to carry out the provisions of this subsection.

Section 5. KRS 189A.345 is amended to read as follows:

- (1) No person shall operate a motor vehicle or motorcycle without a functioning ignition interlock device when prohibited to do so under **subsection (1) of Section 4 of this Act** ~~KRS 189A.340(2)~~ or under KRS 189A.410(2).
- (2)
 - (a) No person shall start a motor vehicle or motorcycle equipped with an ignition interlock device for the purpose of providing an operable motor vehicle or motorcycle to a person subject to the prohibition established in **subsection (1) of Section 4 of this Act** ~~KRS 189A.340(2)~~ or under KRS 189A.440(2)(b).
 - (b) Any person who violates paragraph (a) of this subsection shall:
 1. For a first offense, be guilty of a Class B misdemeanor; and
 2. For a second or subsequent offense, be guilty of a Class A misdemeanor.
- (3)
 - (a) No person shall:
 1. Knowingly install a defective ignition interlock device on a motor vehicle or motorcycle; or
 2. Tamper with an installed ignition interlock device with the intent of rendering it defective.
 - (b) Any person who violates paragraph (a) of this subsection shall:
 1. For a first offense, be guilty of a Class B misdemeanor; and

2. For a second or subsequent offense, be guilty of a Class A misdemeanor and be prohibited from installing ignition interlock devices or directing others in the installation of ignition interlock devices.
- (4) (a) No person shall direct another person to install a defective ignition interlock device on a motor vehicle or motorcycle when the person giving the direction knows that the ignition interlock device is defective.
- (b) Any person who violates paragraph (a) of this subsection shall:
 1. For a first offense, be guilty of a Class B misdemeanor; and
 2. For a second or subsequent offense, be guilty of a Class A misdemeanor and be prohibited from directing others in the installation of ignition interlock devices or installing ignition interlock devices.

Section 6. KRS 189A.410 is amended to read as follows:

- (1) At any time following the expiration of the minimum license suspension periods enumerated in KRS 189A.010(6), 189A.070, and 189A.107, the court may grant the person hardship driving privileges for the balance of the suspension period imposed by the court, upon written petition of the defendant, if it finds reasonable cause to believe that revocation would hinder the person's ability to:
 - (a) Continue his employment;
 - (b) Continue attending school or an educational institution;
 - (c) Obtain necessary medical care;
 - (d) Attend driver improvement, alcohol, or substance abuse education programs; or
 - (e) Attend court-ordered counseling or other programs.
- (2) Whenever the court grants a person hardship driving privileges under subsection (1) of this section, the court through court order, may:
 - (a) Prohibit the person from operating any motor vehicle or motorcycle without a functioning ignition interlock device~~[-, as defined in KRS 189A.340(1)];~~
 - (b) Require that the person comply with all of the requirements of KRS 189A.340, except for the requirements found in *subsection (1) of Section 4 of this Act*~~[KRS 189A.340(2)];~~ and
 - (c) Require the person to install an ignition interlock device on every vehicle owned or leased by the person who is permitted to operate a motor vehicle under this section.
- (3) The court shall not issue a hardship license to a person who has refused to take an alcohol concentration or substance test or tests offered by a law enforcement officer.

Approved April 2, 2002

CHAPTER 172

(HB 657)

AN ACT making appropriations for operations, maintenance, and support of the legislative branch of the Commonwealth of Kentucky.

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

PART I

OPERATING BUDGET

Funds are appropriated to the Legislative Research Commission out of the General Fund, restricted funds accounts, or federal funds accounts for the fiscal year beginning July 1, 2002, and ending June 30, 2003, and for the fiscal year beginning July 1, 2003, and ending June 30, 2004, in the following discrete sums, or so much thereof as may be necessary. Each appropriation is made by the source of respective fund or funds accounts to be used for the purposes of the legislative branch of government of the Commonwealth of Kentucky.

		2002-03	2003-04
1.	General Assembly		
	General Fund	9,812,300	13,312,300
	Restricted Funds	65,500	165,500
	Total	9,877,800	13,477,800

The above General Fund appropriation to the General Assembly includes funds for the Legislators Retirement Plan in each fiscal year and provides for the continuation of the annual cost of living adjustment authorized for the 2000-2002 biennium. Notwithstanding KRS 6.190 and 6.213, the daily compensation provided by KRS 6.190 and the interim expense allowance provided by KRS 6.213 for members of the General Assembly shall be as authorized for the 2000-2002 biennium and shall continue as adjusted on January 1, 2003, and January 1, 2004, by the all urban consumer price index (CPI-U) not to exceed the cost-of-living adjustment provided state employees in the state/executive branch budget but not less than zero percent (0%) per annum.

		2002-03	2003-04
2.	Legislative Research Commission		
	General Fund	26,638,100	27,304,100
	Total	26,638,100	27,304,100

The total number of permanent full-time employees hired by the Legislative Research Commission with the above appropriation, and not assigned specifically to the House and Senate members of the Legislative Research Commission, shall not exceed 232 in fiscal year 2002-2003 and 232 in fiscal year 2003-2004. In addition to this number, the total number of permanent full-time employees assigned specifically to the House members of the Legislative Research Commission shall not exceed 19 and the permanent full-time employees assigned specifically to the Senate members of the Legislative Research Commission shall not exceed 10.

TOTAL - OPERATING BUDGET

		2002-03	2003-04
	General Fund	36,450,400	40,616,400
	Restricted Funds	65,000	165,000
	TOTAL	36,515,400	40,781,400

Notwithstanding the provisions of KRS 45.229, any unexpended balance remaining at the close of fiscal year 2001-2002 shall not lapse but shall continue into the 2002-2003 fiscal year and any unexpended balance in any succeeding fiscal year shall not lapse, but shall continue into the following fiscal year.

TOTALS - LEGISLATIVE BRANCH BUDGET

		2002-03	2003-04
	General Fund	36,450,400	40,616,400
	Restricted Funds	65,000	165,000
	TOTAL	36,515,400	40,781,400

PART II

GENERAL PROVISIONS

1. The Director of the Legislative Research Commission with the approval of the Legislative Research Commission may expend any of the funds appropriated for legislative operation and administration in any lawful manner and for any legal purpose which the Commission shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the legislative branch of government.

2. The Director of the Legislative Research Commission shall submit monthly to the Legislative Research Commission a report listing all travel expenses reimbursed, travel related per diem, and any other travel related

reimbursement for each General Assembly member and each employee of the Legislative Research Commission who was reimbursed during the previous month.

3. No member of the General Assembly except members of the Legislative Research Commission shall receive in any one fiscal year per diem compensation in excess of 7 days in connection with out-of-state travel unless prior written approval has been received from the Legislative Research Commission.

4. Appropriation items and sums in this Act conform to KRS 48.311. If any section, any subsection, or any provisions thereof shall be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions.

5. Any appropriation item and sum in this Act and in an appropriation provision in another act of the 2002 Regular Session of the General Assembly which constitute a duplicate appropriation shall be governed by KRS 48.312.

6. KRS 48.313 shall control when a total, subtotal, or subtotal figure in this Act conflicts with the sum of the appropriations of which it consists.

7. Proposed revisions to restricted funds and federal funds appropriations in this Act shall be made and reported pursuant to KRS 48.630(10). The Director of the Legislative Research Commission shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year and an accompanying statement which explains such variations from the anticipated amount.

8. The Legislative Research Commission shall cause the Director of the Legislative Research Commission to prepare a final budget document reflecting the 2002-2004 biennial budget of the legislative branch. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Finance and Administration Cabinet within 60 days of the adjournment of the 2002 Regular Session of the General Assembly.

9. Notwithstanding KRS 6.220, in lieu of stationery, there shall be allowed to each member of the House of Representatives the sum of two hundred fifty dollars (\$250) and to each member of the Senate the sum of five hundred dollars (\$500). This allowance shall be paid out of the State Treasury at the beginning of the session.

PART III

BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN

The legislative branch shall participate in any Budget Reduction Plan or Surplus Expenditure Plan in accordance with the provisions of KRS Chapter 48.

Approved April 2, 2002

CHAPTER 173

(HB 671)

AN ACT relating to hunting and fishing regulation.

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

Section 1. KRS 150.170 is amended to read as follows:

- (1) Except as provided in the following subsections of this section, and subject to administrative regulations promulgated under this chapter, no person, resident or nonresident, shall do any act authorized by any kind of license or permit, or assist in any way any person in doing any act provided for in this chapter with respect to wildlife unless he holds the kind of license or permit, resident or nonresident, that authorizes the act. It shall be the specific purpose of this chapter to prohibit the taking or pursuing of any wildlife, protected or unprotected, or the fishing in any stream or body of water whether public or private, without first procuring the license provided for in KRS 150.175, except to the extent as may be otherwise provided in this section.
- (2) A person under sixteen (16) years of age may, without a sport fishing license, take fish by angling, or take minnows by the use of a minnow seine, minnow trap, or dip net.
- (3) The resident owner of farmlands, his spouse, or dependent children, shall, without procuring any sport hunting or sport fishing licenses, have the right to take fish or hunt during the open season, except trapping, on the

farmlands of which they are bona fide owners. Tenants or their dependent children residing upon these farmlands shall have the same privilege.

- (4) Residents or nonresidents observing and participating in ~~any~~ field ***trials, training exercises, or other competitions***~~[trial]~~ as authorized by the department may observe and participate without obtaining a hunting ***or guide's*** license so long as game is not taken.
- (5) Any resident serviceman on furlough of more than three (3) days in this state may, without any Kentucky sport hunting or sport fishing licenses, do any act authorized by the licenses, but while so doing he shall carry on his person proper identification and papers showing his furlough status.
- (6) Resident landowners, their spouses, or dependent children who kill or trap on their lands any wildlife causing damage to the lands or any personal property situated thereon shall not be required to have a hunting or trapping license. Tenants or their dependent children residing upon the lands shall also have the same privilege. Upon destruction of any wildlife by the above-specified individuals, the act shall be reported to the department or the resident conservation officer for the proper disposition of the carcass.
- (7) If a reciprocal agreement is entered into by the commissioner, with the approval of the commission, and promulgated as an administrative regulation by the department and similar action is taken by the appropriate authority in Missouri, Tennessee, Virginia, West Virginia, Indiana, Ohio, or Illinois, persons holding a resident or nonresident fishing or a resident or nonresident hunting license issued in these states shall be permitted to perform the acts authorized by the license upon certain contiguous waters and land areas adjacent to the common boundaries of the above-mentioned states and the State of Kentucky. A resident of the State of Kentucky shall purchase a proper Kentucky license to conform with the reciprocal agreement.

Section 2. KRS 150.190 is amended to read as follows:

- (1) Any applicant for a commercial guide's license shall be required to present proof to the satisfaction of the commissioner, in accordance with regulations the commissioner may prescribe with the approval of the commission, that he is qualified to act as a commercial guide.
- (2) Any applicant for a fur processor's license shall be required to present proof to the satisfaction of the commissioner, in accordance with regulations the commissioner may prescribe with the approval of the commission, that he has sufficient equipment and facilities to engage in the business of processing, manufacture, and storage of raw furs.
- (3) ***A commercial guide's license shall not be required of residents or nonresidents who are participating in field trials, training exercises, or other competitions where no game is harvested.***

Approved April 2, 2002

CHAPTER 174

(HB 52)

AN ACT relating to law enforcement.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 69 IS CREATED TO READ AS FOLLOWS:

A county attorney may, as funding allows, employ one (1) or more county detectives. They shall assist the county attorney in all matters pertaining to his office in the manner he designates and shall assist him in the preparation of all criminal cases in District Court by investigating the evidence and facts connected with such cases.

Approved April 2, 2002

CHAPTER 175

(HB 79)

AN ACT relating to crimes and punishments.

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

Section 1. KRS 15.113 is amended to read as follows:

- (1) The Financial Integrity Enforcement Division is created in the Department of Law. The division shall:
 - (a) Investigate illegal redemption of food stamp benefits in cooperation with the United States Department of Agriculture and the Cabinet for Families and Children;
 - (b) Verify eligibility of food stamp program applicants as to past criminal history;
 - (c) Investigate the illegal distribution of counterfeit merchandise; and
 - (d) Investigate the use of personal identification *and financial information* by persons for the purpose of theft, or fraud, or both theft and fraud, and other illegal or fraudulent activity which may involve electronic commerce.
- (2) The Office of the Attorney General shall coordinate with the Department of Financial Institutions, the United States Secret Service, *the Federal Trade Commission*, the Kentucky Bankers' Association, and any other agency or organization to prepare and disseminate information to prevent identity theft.

Section 2. KRS 15.231 is amended to read as follows:

The Attorney General shall have concurrent jurisdiction with Commonwealth's attorneys and county attorneys for the prosecution of offenses under and the enforcement of the provisions of *Sections 3, 5, 6, 8, 9, and 10 of this Act*~~[KRS 514.160, 514.170, 411.210, and 532.034]~~.

Section 3. KRS 411.210 is amended to read as follows:

- (1) *In addition to pursuing any other remedy*, anyone who is a victim under *Section 5, 6, 8, or 9 of this Act*~~[KRS 514.160 or 514.170]~~ shall have a cause of action, either where the victim resides or the defendant resides, for compensatory and punitive damages against anyone who violates *Section 5, 6, 8, or 9 of this Act, and, if successful, shall be awarded reasonable costs and attorneys' fees*~~[KRS 514.160 or 514.170]~~.
- (2) The statute of limitations for cases under the provisions of this section shall be five (5) years from the date of the discovery of the violation of *Section 5, 6, 8, or 9 of this Act*~~[KRS 514.160 or 514.170]~~.

SECTION 4. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

As used in Sections 4 to 7 of this Act, unless the context otherwise requires:

- (1) *"Financial information" includes, but is not limited to, any of the following information identifiable to the individual that concerns the amount and conditions of an individual's assets, liabilities, or credit:*
 - (a) *Account numbers and balances;*
 - (b) *Transactional information concerning any account;*
 - (c) *Codes, passwords, Social Security numbers, tax identification numbers, and driver's license numbers; and*
 - (d) *Information held for the purpose of credit or loan acquisition, account access, or transaction initiation;*
- (2) *"Financial information repository" means any person engaged in the business of providing services to customers who have a credit, deposit, trust, stock, or other financial account or relationship with the person; and*
- (3) *"Person" means an individual, partnership, corporation, or association.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

- (1) *No person may obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, financial information from a financial information repository by knowingly:*
 - (a) *Making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial information repository with the intent to deceive the officer, employee, or agent into relying on that statement or representation for the purpose of releasing financial information;*

- (b) *Making a false, fictitious, or fraudulent statement or representation to a customer of a financial information repository with the intent to deceive the customer into releasing financial information or authorizing the release of such information; or*
 - (c) *Providing any document to an officer, employee, or agent of a financial information repository, knowing that the document is forged, counterfeit, lost, or stolen, or that the document was fraudulently obtained, or that the document contains a false, fictitious, or fraudulent statement or representation, if such a document is provided with the intent to deceive the officer, employee, or agent into releasing the financial information.*
- (2) *Violation of this section is a Class D felony. If the person violating this section is a business that has violated this section on more than one (1) occasion, then that person also violates the Consumer Protection Act, KRS 367.110 to 367.300.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

- (1) *A person is guilty of trafficking in financial information when he or she manufactures, sells, transfers, or purchases, or possesses with the intent to manufacture, sell, transfer, or purchase financial information for the purpose of committing any crime.*
- (2) *Trafficking in financial information is a Class C felony. If the person violating this section is a business that has violated this section on more than one (1) occasion, then that person also violates the Consumer Protection Act, KRS 367.110 to 367.300.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

- (1) *No provision of Sections 4 to 7 of this Act shall be construed to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, or any action of an agent of the financial information repository when working in conjunction with a law enforcement agency.*
- (2) *Sections 4 to 7 of this Act does not apply to:*
 - (a) *Efforts by the financial information repository to test security procedures or systems of the financial institution repository for maintaining the confidentiality of customer information;*
 - (b) *Investigations of alleged financial institution repository employee misconduct or negligence; or*
 - (c) *Efforts to recover financial or personal information of the financial institution obtained or received by another person in any manner described in Section 5 of this Act.*

Section 8. KRS 514.160 is amended to read as follows:

- (1) A person is guilty of the theft of the identity of another when~~[, without the other's consent,]~~ he or she knowingly possesses or uses any **current or former** identifying information of the other person **or family member or ancestor of the other person**, such as **that person's or family member's or ancestor's**~~[one's]~~ name, **address, telephone number, electronic mail address**, Social Security number, **driver's license number**, birth date, personal identification number or code, **and any other information which could be used to identify the person, including unique biometric data,**~~[which is kept in documents, photo or electrical copies, computer storage, or any other form of document retrieval and storage, and the theft is committed]~~ with the intent to represent that he or she is the other person for the purpose of:
 - (a) Depriving the other person of property;
 - (b) Obtaining benefits or property to which he or she would otherwise not be entitled;
 - (c) Making financial or credit transactions using the other person's identity;
 - (d) Avoiding detection; or
 - (e) Commercial or political benefit.
- (2) Theft of identity is a Class D felony. *If the person violating this section is a business that has violated this section on more than one (1) occasion, then that person also violates the Consumer Protection Act, KRS 367.110 to 367.300.*
- (3) This section shall not apply when a person obtains the identity of another to misrepresent his or her age for the purpose of obtaining alcoholic beverages, tobacco, or another privilege denied to minors.

- (4) This section does not apply to credit or debit card fraud under KRS 434.550 to 434.730.
- (5) Where the offense consists of theft by obtaining or trafficking in the personal identity of another person, the venue of the prosecution may be in either the county where the offense was committed or the county where the other person resides.
- (6) A person found guilty of violating any provisions of this section shall forfeit any lawful claim to the identifying information, property, or other realized benefit of the other person as a result of such violation.

Section 9. KRS 514.170 is amended to read as follows:

- (1) A person is guilty of trafficking in stolen identities when ~~without the other's consent,~~ he *or she* manufactures, sells, transfers, *or* purchases, or possesses with *the* intent to manufacture, *sell*, transfer, *or* purchase ~~or sell~~ the personal identity of another person *or persons* for any purpose listed in *subsection (1) of Section 8 of this Act* ~~KRS 514.160(1)~~. The personal identity of an individual includes any *of the* identifying information *described in subsection (1) of Section 8 of this Act* ~~of that person, such as one's name, Social Security number, birth date, personal identification number or code, which is kept in documents, photo or electrical copies, computer storage, or any other form of document retrieval and storage~~.
- (2) Possession of five (5) or more separate identities shall be prima facie evidence that the identities are possessed for the purpose of trafficking.
- (3) Trafficking in stolen identities is a Class C felony. *If the person violating this section is a business that has violated this section on more than one (1) occasion, then that person also violates the Consumer Protection Act, KRS 367.110 to 367.300.*

Section 10. KRS 532.034 is amended to read as follows:

- (1) A person found guilty of violating any provisions of *Section 5, 6, 8, or 9 of this Act* ~~KRS 514.160 or 514.170~~ shall, in addition to any other punishment, be ordered to make restitution for financial loss sustained by a victim as a result of the violation. Financial loss may include any costs incurred by the victim in correcting the credit history of the victim or any costs incurred in connection with any civil or administrative proceeding to satisfy any debt or other obligation of such victim, including lost wages and attorney's fees.
- (2) A person found guilty of violating any provisions of *Section 5, 6, 8, or 9 of this Act* ~~KRS 514.160 or 514.170~~ shall pay restitution to the person or entity that suffers the financial loss. In addition to the financial loss detailed in subsection (1) of this section, the person or entity may include a financial institution, insurance company, or bonding association that suffers direct financial loss as a result of the violation.

Approved April 2, 2002

CHAPTER 176

(HB 438)

AN ACT relating to retirement.

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

Section 1. KRS 61.621 is amended to read as follows:

- (1) Notwithstanding any provision of any statutes to the contrary, effective June 1, 2000, any employee participating in one (1) of the state-administered retirement systems who is not in a hazardous duty position, as defined in KRS 61.592, shall be eligible for minimum benefits equal to the benefits payable under this section or KRS 61.702 if the employee dies or becomes disabled as a result of a duty-related injury.
- (2) (a) For purposes of this section, "duty-related injury" means:
 - 1. a. A single traumatic event that occurs while the employee is performing the duties of his position; or
 - b. A single act of violence committed against the employee that is found to be related to his job duties, whether or not it occurs at his job site; and

2. The event or act of violence produces a harmful change in the human organism evidenced by objective medical findings.
- (b) Duty-related injury does not include the effects of the natural aging process, a communicable disease unless the risk of contracting the disease is increased by nature of the employment, or a psychological, psychiatric, or stress-related change in the human organism unless it is the direct result of a physical injury.
- (3) (a) If the employee dies as a result of a duty-related injury and is survived by a spouse, the surviving spouse shall be the beneficiary, and this shall supersede the designation of all previous beneficiaries of the deceased employee's retirement account.
- (b) The surviving spouse may elect to receive the benefits payable under KRS 61.640 or other applicable death benefit statutes, or may elect to receive a lump-sum payment of ten thousand dollars (\$10,000) and a monthly payment equal to twenty-five percent (25%) of the member's monthly final rate of pay beginning in the month following the member's death and continuing each month until death~~[-or until the spouse remarries, whichever occurs first].~~
- (4) If the employee is determined to be disabled as provided in KRS 61.600, or other applicable disability statutes in any other state-administered retirement system, as the result of a duty-related injury, the employee may elect to receive benefits determined under the provisions of KRS 61.605, or other applicable disability statutes in any other state-administered retirement system, except that the monthly retirement allowance shall not be less than twenty-five percent (25%) of the employee's monthly final rate of pay. For purposes of determining disability, the service requirement in KRS 61.600(1)(a), or other applicable statutes in any other state-administered retirement system, shall be waived.
- (5) In the period of time following a member's death or disability during which dependent children survive, a monthly payment shall be made for each dependent child who is alive which shall be equal to ten percent (10%) of the deceased or disabled member's monthly final rate of pay; however, total maximum dependent children's benefits shall not exceed forty percent (40%) of the deceased or disabled member's monthly final rate of pay at the time any particular payment is due. The payment shall commence in the month following the date of death or disability of the member and shall be payable to the beneficiaries, or to a legally appointed guardian, or as directed by the system. Benefits for death as a result of a duty-related injury shall be payable under this subsection notwithstanding an election by a beneficiary to withdraw the deceased member's accumulated contributions as provided in KRS 61.625 or benefits under any other provisions of KRS 61.515 to 61.705 or other applicable death benefit statutes in any other state-administered retirement system.
- (6) This section shall be known as "The Fred Capps Memorial Act."

Section 2. KRS 16.601 is amended to read as follows:

- (1) If the death of a member in service occurs on or after August 1, 1992, as a direct result of an "act in line of duty" and the member has on file in the retirement office at the time of his death a written designation of only one (1) beneficiary, who is his spouse, the beneficiary may elect to receive a lump-sum payment of ten thousand dollars (\$10,000) and a monthly payment equal to twenty-five percent (25%) of the member's monthly final rate of pay beginning in the month following the member's death and continuing each month until death~~[-or until the spouse remarries, whichever occurs first].~~
- (2) If the death of a member in service occurs on or after July 1, 1968, as a direct result of an "act in line of duty" and the member has on file in the retirement office at the time of his death a written designation of only one (1) beneficiary other than his spouse, who is a dependent receiving at least one-half (1/2) of his support from the deceased member, the beneficiary may elect to receive a lump-sum payment of ten thousand dollars (\$10,000).
- (3) In the period of time following a member's death during which dependent children survive, monthly payments shall be made for each dependent child who is alive, equal to ten percent (10%) of the deceased member's monthly final rate of pay; however, total maximum dependent children's benefits shall not be greater than forty percent (40%) of the deceased member's monthly final rate of pay at the time any particular payment is due. The payments shall commence in the month following the date of death of the member and shall be payable to the beneficiaries, or to a legally appointed guardian or as directed by the system. Benefits shall be payable under this subsection notwithstanding an election by a beneficiary to withdraw the deceased member's accumulated contributions as provided in KRS 61.625 or benefits under any other provisions of KRS 16.510 to 16.652.

- (4) A beneficiary eligible for benefits under subsection (1) or (2) of this section who is also eligible for benefits under any other provisions of KRS 16.510 to 16.652 may elect benefits under this section or any other section of KRS 16.510 to 16.652 but cannot elect to receive both.

Approved April 2, 2002

CHAPTER 177

(SJR 153)

A JOINT RESOLUTION directing the Department of Financial Institutions to conduct a study of establishment of an individual development accounts program in Kentucky.

WHEREAS, individual development accounts (IDAs) are dedicated savings accounts at local financial institutions for low-income persons that are managed by community organizations; and

WHEREAS, typically each dollar deposited by low-income account holders are matched at a rate of \$1 to \$4 and the private contributor of matching funds is provided a tax credit; and

WHEREAS, the account holder can withdraw the funds tax-free to use for certain designated expenses such as postsecondary education, first home purchase, home renovation, home computer, and automobile purchase or repair; and

WHEREAS, one-third of all American households have zero or negative net financial assets and IDAs provide banks with the opportunity to reach persons without bank accounts and offer access to greater wealth and stability; and

WHEREAS, some banks in Kentucky have voluntarily engaged in IDA partnerships; and

WHEREAS, the Savings for Working Families Act of 2002, reintroduced on February 7 in Congress, if passed, will allow almost one million individuals to access IDAs by providing incentives to financial institutions to match IDA saving; and

WHEREAS, in less than 10 years thirty-two states have enacted legislation on IDAs;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Financial Institutions is directed to conduct a study of, and make recommendations on, the establishment of an individual development accounts program for low-income Kentuckians. The Department shall consider the need for legislation, tax incentives for deposit and withdrawals from accounts, tax credits for entities that provide private matching funds, and the effects on state revenues.

Section 2. All licensed financial institutions in the Commonwealth shall cooperate with the Department of Financial Institutions in conducting this study.

Section 3. The study findings and recommendations shall be reported to the Legislative Research Commission no later than October 30, 2003.

Approved April 2, 2002

CHAPTER 178

(SB 195)

AN ACT relating to cosmetologists.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 317A IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "funeral establishment" means funeral establishment as defined in KRS 316.010.*

- (2) *Every person holding an active license from the board as a cosmetologist or nail technician, with the exception of a nail technician or cosmetologist exclusively practicing manicuring in a licensed barber shop, shall practice in an establishment licensed by the board.*
- (3) *Notwithstanding the provisions in subsection (2) of this section, persons holding an active license from the board as a cosmetologist or nail technician and who practice in salons licensed by the board shall be permitted to render services for pay, free, or otherwise, to persons who are deceased and in the care of funeral establishments.*
- (4) *Cosmetologists and nail technicians who render services authorized in subsection (3) of this section shall have the permission of the owner or administrator of the establishment where the services are rendered.*

Approved April 2, 2002

CHAPTER 179

(SB 222)

AN ACT relating to parole of prisoners.

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

Section 1. KRS 439.340 is amended to read as follows:

- (1) The board may release on parole persons confined in any adult state penal or correctional institution of Kentucky or sentenced felons incarcerated in county jails eligible for parole. All paroles shall issue upon order of the board duly adopted. As soon as practicable after his admission to an adult state penal or correctional institution or county jail if he is a sentenced felon, and at such intervals thereafter as it may determine, the Department of Corrections shall obtain all pertinent information regarding each prisoner, except those not eligible for parole. The information shall include his criminal record, his conduct, employment, and attitude in prison, and the reports of physical and mental examinations that have been made. The Department of Corrections shall furnish the circumstances of his offense and his previous social history to the institution and the board. The Department of Corrections shall prepare a report on any information it obtains. It shall be the duty of the Department of Corrections to supplement this report with any material the board may request and submit the report to the board.
- (2) Before granting the parole of any prisoner, the board shall consider the pertinent information regarding the prisoner and shall have him appear before it for interview and hearing. The board in its discretion may hold interviews and hearings for prisoners convicted of Class D felonies. The board in its discretion may request the parole board of another state confining prisoners pursuant to KRS 196.610 to interview eligible prisoners and make a parole recommendation to the board. A parole shall be ordered only for the best interest of society and not as an award of clemency, and it shall not be considered a reduction of sentence or pardon. A prisoner shall be placed on parole only when arrangements have been made for his proper employment or for his maintenance and care, and when the board believes he is able and willing to fulfill the obligations of a law abiding citizen. *Notwithstanding any statute to the contrary, including KRS 440.330, when a prisoner is otherwise eligible for parole and the board has recommended parole for that prisoner for the reasons set forth in subsection (2) of this section, the board may grant parole to any prisoner wanted as a fugitive by any other jurisdiction, and the prisoner shall be released to the detainer from that jurisdiction. Such parole shall not constitute a relinquishment of jurisdiction over the prisoner, and the board in all cases expressly reserves the right to return the prisoner to confinement in a correctional institution of the Commonwealth if the prisoner violates the terms of his or her parole.*
- (3) The board shall adopt administrative regulations with respect to the eligibility of prisoners for parole, the conduct of parole and parole revocation hearings, or conditions to be imposed upon parolees. Regulations governing the eligibility of prisoners for parole shall be in accordance with professionally accepted ideas of correction and reform and may utilize in part objective, performance-based criteria; however, nothing herein contained shall preclude the board from utilizing its present regulations in conjunction with other factors involved that would relate to the inmate's needs and the safety of the public.
- (4) The board shall insure that sentenced felons confined in county jails are considered for parole within thirty (30) days of their parole eligibility date and the Department of Corrections shall provide the necessary assistance and information to the board in order for it to conduct timely parole reviews.

- (5) In addition to or in conjunction with each hearing conducted under subsection (2) of this section for any prisoner convicted of a Class A, B, or C felony and prior to the granting of a parole to any such prisoner, the parole board shall conduct a hearing of which the following persons shall receive not less than forty-five (45) nor more than ninety (90) days' notice: the Commonwealth's attorney who shall notify the sheriff of every county and the chief of police of every city and county in which the prisoner committed any Class A, B, or C felony for which he is imprisoned, and all identified victims of the crimes or the next of kin of any victim who is deceased. Notice to the Commonwealth's attorney shall be by mail to his business office. Notices received by chiefs of police and sheriffs shall be posted in a conspicuous location where police employed by the department may see it. Notices shall be posted in a manner and at a time that will allow officers to make comment thereon to the Parole Board. Notice to victims or their next of kin shall be made, for prisoners incarcerated prior to July 15, 1986, by mail to the Commonwealth's attorney who shall forward the notice promptly to the victims or their next of kin at their last known address. For prisoners incarcerated on or after July 15, 1986, notice to the victims or their next of kin shall be by mail from the Parole Board to their last known address as provided by the Commonwealth's attorney to the Parole Board at the time of incarceration of the prisoner. The notice shall include the time, date, and place of the hearing provided for in this subsection, and the name and address of a person to write if the recipient of the notice desires to attend the hearing or to submit written comments.
- (6) Persons receiving notice as provided for in subsection (5) of this section may submit comments, in person or in writing, to the board upon all issues relating to the parole of the prisoner. The board shall read and consider all comments prior to making its parole decision, if they are received by the board not less than seven (7) days before the date for the hearing. The board shall retain all comments in the prisoner's permanent Parole Board file, and shall consider them in conjunction with any subsequent parole decisions affecting the prisoner. In addition to officers listed in subsection (5) of this section, the crime victims or the next of kin of any victim who is deceased or who is disabled and cannot attend the hearing or the parent or legal guardian of any victim who is a minor may attend the hearing provided for in subsection (5) of this section and present oral and written comments upon all issues relating to the parole of the prisoner, if they have advised the board, in writing received by the board not less than seven (7) days prior to the date set for the hearing, of their intention to attend the hearing. The board shall receive and consider all comments, shall make a record of them which it shall retain in the prisoner's permanent Parole Board file, and shall consider them in conjunction with any subsequent parole decision affecting the prisoner. Persons appearing before the Parole Board pursuant to this subsection may elect to make their presentations outside of the presence of the prisoner.
- (7) Victims of Class D felonies may submit comments in person or in writing to the board upon all issues relating to the parole of a prisoner.
- (8) Any hearing provided for in subsections (5), (6), and (7) of this section shall be open to the public unless the persons having a right to appear before the board as specified in those subsections request closure of hearing for reasons of personal safety, in which event the hearing shall be closed. The time, date, and location of closed hearings shall not be disclosed to the public.
- (9) Except as specifically set forth in this section, nothing in this section shall be deemed to expand or abridge any existing rights of persons to contact and communicate with the Parole Board or any of its members, agents, or employees.
- (10) The unintentional failure by the Parole Board, sheriff, chief of police, or any of its members, agents, or employees or by a Commonwealth's attorney or any of his agents or employees to comply with any of the provisions of subsections (5), (6), and (8) of this section shall not affect the validity of any parole decision or give rise to any right or cause of action by the crime victim, the prisoner, or any other person.
- (11) No eligible sexual offender within the meaning of KRS 197.400 to 197.440 shall be granted parole unless he has successfully completed the Sexual Offender Treatment Program.
- (12) Any prisoner who is granted parole after completion of the Sexual Offender Treatment Program shall be required, as a condition of his parole, to participate in regular treatment in a mental health program approved or operated by the Department of Corrections.
- (13) When an order for parole is issued, it shall recite the conditions thereof.

Approved April 2, 2002

CHAPTER 180**(SB 229)**

AN ACT relating to the establishment of a Lewis and Clark Bicentennial Commission.

WHEREAS, the Lewis and Clark expedition officially began its voyage down the Ohio River near Louisville toward St. Louis, Missouri, on October 26, 1803, and the Falls of the Ohio River has been recognized by the National Park Service as an official part of the Lewis and Clark expedition trail.

NOW, THEREFORE,

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

Section 1. (1) The Lewis and Clark Bicentennial Commission is hereby established and attached to the Kentucky Historical Society for administrative purposes only.

- (2) As used in this section, "bicentennial" refers to the bicentennial of the Lewis and Clark expedition;
- (3) As used in this section, "commission" refers to the Lewis and Clark Bicentennial Commission established in subsection (3) of this section.
- (4) The commission shall consist of the following nineteen (19) members:
 - (a) Two (2) members of the House of Representatives appointed by the Speaker of the House;
 - (b) Two (2) members of the State Senate appointed by the President of the Senate;
 - (c) The Secretary of the Education, Arts and Humanities Cabinet or his or her designee;
 - (d) Two (2) members from the Tourism Development Cabinet;
 - (e) One (1) member from the Kentucky Historical Society, appointed by the head of that agency;
 - (f) One (1) member from the Kentucky Heritage Council, appointed by the head of that agency;
 - (g) One (1) member from the Kentucky Humanities Council, appointed by the head of that agency;
 - (h) One (1) member from the Native American Commission, appointed by the head of that agency;
 - (i) One (1) member from the Kentucky African-American Commission, appointed by the head of that agency;
 - (j) One (1) member from the Falls of Ohio Lewis and Clark Bicentennial Committee, appointed by the president of that committee; and
 - (k) Six (6) citizen members, one of whom shall be designated as the chairman and appointed by the Governor.
- (5) The commission shall:
 - (a) Educate Kentucky residents and the nation about Kentucky's important role in the Lewis and Clark expedition;
 - (b) Assist local governments and organizations with planning, preparation, and grant applications for bicentennial events and projects;
 - (c) Coordinate federal, state, local, and nonprofit organizations' bicentennial activities occurring in Kentucky;
 - (d) Act as a point of contact for national bicentennial organizations wishing to distribute information to state and local groups about grant opportunities, meetings, and national events;
 - (e) Plan and implement appropriate events to commemorate the bicentennial;
 - (f) Seek federal grants and philanthropic support for bicentennial activities; and
 - (g) Perform other duties necessary to highlight Kentucky's role in the Lewis and Clark expedition.

- (6) The provisions of this section shall expire on January 1, 2008.

Approved April 2, 2002

CHAPTER 181

(SB 38)

AN ACT relating to health insurance.

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

Section 1. KRS 304.17-3163 is amended to read as follows:

- (1) All insurers issuing individual health insurance policies in this Commonwealth providing coverage on an expense-incurred basis shall make available and offer to the purchaser coverage for:
 - (a) ***The following, if an insurer provides medical and surgical benefits with respect to mastectomy, in a manner determined in consultation with the attending physician and the covered person, and subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the coverage:***
 1. All stages of breast reconstruction surgery ***of the breast on which a mastectomy has been performed***~~[following a mastectomy that resulted from breast cancer if the insurer also covers mastectomies];~~
 2. ***Surgery and reconstruction of the other breast to produce a symmetrical appearance; and***
 3. ***Prostheses and physical complications of all stages of mastectomy, including lymphedemas;***
 - (b) Diagnosis and treatment of endometriosis and endometritis if the insurer also covers hysterectomies; and
 - (c) Bone density testing for women age thirty-five (35) ***years*** and older, as indicated by the health-care provider, in accordance with standard medical practice, to obtain baseline data for the purpose of early detection of osteoporosis.
- (2) No insurer under this section shall offer ***medical and surgical benefits with respect to a mastectomy***~~[coverage for mastectomies]~~ that requires the procedure to be performed on an outpatient basis.
- (3) ***An insurer shall provide written notice to a covered person of the availability of medical and surgical benefits with respect to a mastectomy upon enrollment and annually thereafter.***
- (4) ***An insurer shall not:***
 - (a) ***Deny eligibility, or continued eligibility, to an individual to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of 42 U.S.C. sec. 300gg-52; and***
 - (b) ***Penalize or otherwise reduce or limit the reimbursement of an attending provider, or provide incentives to an attending provider, to induce the provider to provide care to an individual in a manner inconsistent with 42 U.S.C. sec. 300gg-52.***

Section 2. KRS 304.17A-134 is amended to read as follows:

- (1) A health benefit plan~~[issued or renewed on or after July 15, 1996,]~~ shall make available and offer to the purchaser coverage for:
 - (a) ***The following, if a health benefit plan provides medical and surgical benefits with respect to mastectomy, in a manner determined in consultation with the attending physician and the covered person, and subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the coverage:***
 1. All stages of breast reconstruction surgery ***of the breast on which the mastectomy has been performed***~~[following a mastectomy that resulted from breast cancer if the insurer also covers mastectomies];~~
 2. ***Surgery and reconstruction of the other breast to produce a symmetrical appearance; and***

3. ***Prostheses and physical complications of all stages of mastectomy, including lymphedemas;***
- (b) Diagnosis and treatment of endometriosis and endometritis if the ***health benefit plan***~~[insurer]~~ also covers hysterectomies; and
 - (c) Bone density testing for women age thirty-five (35) ***years*** and older, as indicated by the health-care provider, in accordance with standard medical practice, to obtain baseline data for the purpose of early detection of osteoporosis.
- (2) No health benefit plan under this section shall offer ***medical and surgical benefits with respect to a mastectomy***~~[coverage for mastectomies]~~ that requires the procedure be performed on an outpatient basis.
- (3) ***A health benefit plan shall provide written notice to a covered person of the availability of medical and surgical benefits with respect to a mastectomy upon enrollment and annually thereafter.***
- (4) ***A health benefit plan shall not:***
- (a) ***Deny eligibility, or continued eligibility, to an individual to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of 42 U.S.C. sec. 300gg-52; and***
 - (b) ***Penalize or otherwise reduce or limit the reimbursement of an attending provider, or provide incentives to an attending provider, to induce the provider to provide care to an individual in a manner inconsistent with 42 U.S.C. sec. 300gg-52.***

Section 3. KRS 304.17A-527 is amended to read as follows:

- (1) A managed care plan as defined in KRS 304.17A-500 shall file with the commissioner sample copies of any agreements it enters into with providers for the provision of health care services. The commissioner shall promulgate administrative regulations prescribing the manner and form of the filings required. The agreements ***and contracts entered into or renewed after the effective date of this Act*** shall include the following:
- (a) A hold harmless clause that states that the provider may not, under any circumstance, including:
 - 1. Nonpayment of moneys due the providers by the managed care plan,
 - 2. Insolvency of the managed care plan, or
 - 3. Breach of the agreement,
 bill, charge, collect a deposit, seek compensation, remuneration, or reimbursement from, or have any recourse against the subscriber, dependent of subscriber, enrollee, or any persons acting on their behalf, for services provided in accordance with the provider agreement. This provision shall not prohibit collection of deductible amounts, copayment amounts, coinsurance amounts, and amounts for noncovered services;
 - (b) A continuity of care clause that states that if an agreement between the provider and the managed care plan is terminated for any reason, other than a quality of care issue or fraud, the provider shall continue to provide services and reimburse the provider in accordance with the agreement until the subscriber, dependent of the subscriber, or the enrollee is discharged from an inpatient facility, or the active course of treatment is completed, whichever time is greater, and in the case of a pregnant woman, services shall continue to be provided through the end of the post-partum period if the pregnant woman is in her fourth or later month of pregnancy;
 - (c) A survivorship clause that states the hold harmless clause and continuity of care clause shall survive the termination of the agreement between the provider and the managed care plan;~~and~~
 - (d) ***A clause stating that, upon request, the insurer shall provide the provider with specific fees for requested codes applicable to the compensation that the provider will receive under the contract with the insurer within thirty (30) days of the date of such request; and***
 - (e) A clause requiring that if a provider enters into any subcontract agreement with another provider to provide ***their licensed*** health care services to the subscriber, dependent of the subscriber, or enrollee of a managed care plan ***where the subcontracted provider will bill the managed care plan or subscriber or enrollee directly for the subcontracted services,*** the subcontract agreement must meet all requirements of this subtitle and that all such subcontract agreements shall be filed with the commissioner in accordance with this subsection.

- (2) An insurer that enters into any risk-sharing arrangement or subcontract agreement shall file a copy of the arrangement with the commissioner. The insurer shall also file the following information regarding the risk-sharing arrangement:
- (a) The number of enrollees affected by the risk-sharing arrangement;
 - (b) The health care services to be provided to an enrollee under the risk-sharing arrangement;
 - (c) The nature of the financial risk to be shared between the insurer and entity or provider, including, but not limited to, the method of compensation;
 - (d) Any administrative functions delegated by the insurer to the entity or provider. The insurer shall describe a plan to ensure that the entity or provider will comply with KRS 304.17A-500 to 304.17A-590 in exercising any delegated administrative functions; and
 - (e) The insurer's oversight and compliance plan regarding the standards and method of review.
- (3) Nothing in this section shall be construed as requiring an insurer to submit the actual financial information agreed to between the insurer and the entity or provider. The commissioner shall have access to a specific risk sharing arrangement with an entity or provider upon request to the insurer. Financial information obtained by the department shall be considered to be a trade secret and shall not be subject to KRS 61.872 to 61.884.

Section 4. KRS 304.17A-600 is amended to read as follows:

As used in KRS 304.17A-600 to 304.17A-633:

- (1) (a) "Adverse determination" means a determination by an insurer or its designee that the health care services furnished or proposed to be furnished to a covered person are:
 - 1. Not medically necessary, as determined by the insurer, or its designee or experimental or investigational, as determined by the insurer, or its designee; and
 - 2. Benefit coverage is therefore denied, reduced, or terminated.
- (b) "Adverse determination" does not mean a determination by an insurer or its designee that the health care services furnished or proposed to be furnished to a covered person are specifically limited or excluded in the covered person's health benefit plan;
- (2) "Authorized person" means a parent, guardian, or other person authorized to act on behalf of a covered person with respect to health care decisions;
- (3) "Concurrent review" means utilization review conducted during a covered person's course of treatment or hospital stay;
- (4) "Covered person" means a person covered under a health benefit plan;
- (5) "External review" means a review that is conducted by an independent review entity which meets specified criteria as established in KRS 304.17A-623, 304.17A-625, and 304.17A-627;
- (6) "Health benefit plan" means the document evidencing and setting forth the terms and conditions of coverage of any hospital or medical expense policy or certificate; nonprofit hospital, medical-surgical, and health service corporation contract or certificate; provider sponsored integrated health delivery network policy or certificate; a self-insured policy or certificate or a policy or certificate provided by a multiple employer welfare arrangement, to the extent permitted by ERISA; health maintenance organization contract; or any health benefit plan that affects the rights of a Kentucky insured and bears a reasonable relation to Kentucky, whether delivered or issued for delivery in Kentucky, and does not include policies covering only accident, credit, dental, disability income, fixed indemnity medical expense reimbursement policy, long-term care, Medicare supplement, specified disease, vision care, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical-payment insurance, insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance, student health insurance offered by a Kentucky-licensed insurer under written contract with a university or college whose students it proposes to insure, medical expense reimbursement policies specifically designed to fill gaps in primary coverage, coinsurance, or deductibles and provided under a separate policy, certificate, or contract, or coverage supplemental to the

coverage provided under Chapter 55 of Title 10, United States Code; **or limited health service benefit plans;** and for purposes of KRS 304.17A-600 to 304.17A-633 includes short-term coverage policies;~~[-]~~

- (7) "Independent review entity" means an individual or organization certified by the department to perform external reviews under KRS 304.17A-623, 304.17A-625, and 304.17A-627~~[- An independent review entity which is accredited by the National Commission on Quality Assurance, the American Accreditation Health Care Commission, or another nationally recognized accreditation organization as identified by the department shall be deemed certified by the department];~~
- (8) "Insurer" means any of the following entities authorized to issue health benefit plans as defined in subsection (6) of this section: an insurance company, health maintenance **organization**~~[-originator];~~ self-insurer or multiple employer welfare arrangement not exempt from state regulation by ERISA; provider-sponsored integrated health delivery network; self-insured employer-organized association; nonprofit hospital, medical-surgical, or health service corporation; or any other entity authorized to transact health insurance business in Kentucky;
- (9) "Internal appeals process" means a formal process, as set forth in KRS 304.17A-617, established and maintained by the insurer, its designee, or agent whereby the covered person, an authorized person, or a provider may contest an adverse determination rendered by the insurer, its designee, or private review agent;
- (10) **"Nationally recognized accreditation organization" means a private nonprofit entity that sets national utilization review and internal appeal standards and conducts review of insurers, agents, or independent review entities for the purpose of accreditation or certification. Nationally recognized accreditation organizations shall include the National Committee for Quality Assurance (NCQA), the American Accreditation Health Care Commission (URAC), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or any other organization identified by the department;**
- (11) "Private review agent" or "agent" means a person or entity performing utilization review that is either affiliated with, under contract with, or acting on behalf of any insurer or other person providing or administering health benefits to citizens of this Commonwealth. "Private review agent" or "agent" does not include an independent review entity which performs external review of adverse determinations;
- ~~(12)(11)~~ "Prospective review" means utilization review that is conducted prior to a hospital admission or a course of treatment;
- ~~(13)(12)~~ "Provider" shall have the same meaning as set forth in KRS 304.17A-005;
- ~~(14)(13)~~ "Qualified personnel" means licensed physician, registered nurse, licensed practical nurse, medical records technician, or other licensed medical personnel who through training and experience shall render consistent decisions based on the review criteria:~~[-]~~
- ~~(15)(14)~~ "Registration" means an authorization issued by the department to an insurer or a private review agent to conduct utilization review:~~[-]~~
- ~~(16)(15)~~ "Retrospective review" means utilization review that is conducted after health care services have been provided to a covered person. "Retrospective review" does not include the review of a claim that is limited to an evaluation of reimbursement levels, or adjudication of payment;
- ~~(17)(16)~~ "Utilization review" means a review of the medical necessity and appropriateness of hospital resources and medical services given or proposed to be given to a covered person for purposes of determining the availability of payment. Areas of review include concurrent, prospective, and retrospective review; ~~and[-]~~
- ~~(18)(17)~~ "Utilization review plan" means a description of the procedures governing utilization review activities performed by an insurer or a private review agent.

Section 5. KRS 304.17A-607 is amended to read as follows:

- (1) An insurer or private review agent shall not provide or perform utilization reviews without being registered with the department. A registered insurer or private review agent shall:
 - (a) Have available the services of sufficient numbers of registered nurses, medical records technicians, or similarly qualified persons supported by licensed physicians with access to consultation with other appropriate physicians to carry out its utilization review activities;
 - (b) Ensure that only licensed physicians shall:

1. Make a utilization review decision to deny, reduce, limit, or terminate a health care benefit or to deny, or reduce payment for a health care service because that service is not medically necessary, experimental, or investigational except in the case of a health care service rendered by a chiropractor or optometrist where the denial shall be made respectively by a chiropractor or optometrist duly licensed in Kentucky; and
 2. Supervise qualified personnel conducting case reviews;
- (c) Have available the services of sufficient numbers of practicing physicians in appropriate specialty areas to assure the adequate review of medical and surgical specialty and subspecialty cases;
- (d) Not disclose or publish individual medical records or any other confidential medical information in the performance of utilization review activities except as provided in the Health Insurance Portability and Accountability Act, Subtitle F, secs. 261 to 264 and 45 C.F.R. secs. 160 to 164 and other applicable laws and administrative regulations;
- (e) Provide a toll free telephone line for covered persons, authorized persons, and providers to contact the insurer or private review agent and be accessible to covered persons, authorized persons, and providers for forty (40) hours a week during normal business hours in this state;
- (f) ***Where an insurer, its agent, or private review agent provides or performs utilization review, be available to conduct utilization review during normal business hours and extended hours in this state on Monday and Friday through 6:00 p.m., including federal holidays***~~twenty-four (24) hours a day, seven (7) days a week to conduct:~~
- ~~1. Preadmission review of an emergency admission, if preauthorization is required for emergency admissions or use of an emergency room;~~
 - ~~2. Preauthorization of weekend admissions to a hospital, or to review services delivered on the weekend or after normal business hours, if the covered person is subject to preauthorization on weekends or after normal business hours; and~~
 - ~~3. Review of a patient's continued hospitalization, if a prior authorization will expire on a weekend;~~
- (g) Provide decisions to covered persons, authorized persons, and all providers on appeals of adverse determinations and coverage denials of the insurer or private review agent, in accordance with this section and administrative regulations promulgated in accordance with KRS 304.17A-609;
- (h) Provide a utilization review decision ***within the timeframes listed in this paragraph that will be followed by written notice of the decision within one (1) business day of the date the decision is rendered. A written notice in electronic format, including E-mail or facsimile, may suffice for this purpose where the covered person, authorized person, or provider has agreed in advance in writing to receive such notices electronically and shall include the required elements of subsection (j) of this section:***
1. Within twenty-four (24) hours of a request for:
 - a. Preadmission review of a hospital admission, unless additional information is needed;
 - b. Preauthorization of treatment when the covered person is already hospitalized; or
 - c. Retrospective review of an emergency hospital admission;
 2. Within two (2) business days of ~~a~~ receipt of a request for preauthorization for a treatment, procedure, drug, or device, ***unless there is a documented need for additional information; and***
 - ~~3. Within twenty-four (24) hours of receipt of a request for review of a covered person's continued hospital stay and prior to the time when a previous authorization for hospital care will expire; and~~
 - ~~4. Within twenty (20) business days of the receipt of requested medical information when the insurer or private review agent has initiated a retrospective review;~~
- (i) ***Provide a utilization review decision within twenty-four (24) hours of receipt of a request for review of a covered person's continued hospital stay and prior to the time when a previous authorization for hospital care will expire;***

- (j) Provide written notice of review decisions to the covered person, authorized person, and providers. An insurer or agent that denies coverage or reduces payment for a treatment, procedure, drug, or device shall include in the written notice:
 - 1. A statement of the specific medical and scientific reasons for denial or reduction of payment;
 - 2. The ~~name~~ state of licensure, medical license number, and the title of the reviewer making the decision;
 - 3. A description of alternative benefits, services, or supplies covered by the health benefit plan, **if any**; and
 - 4. Instructions for initiating or complying with the insurer's internal appeal procedure, as set forth in KRS 304.17A-617, stating, at a minimum, whether the appeal shall be in writing, **and any specific filing procedures, including any applicable** time limitations, or schedules ~~for filing appeals~~, and the **position** ~~name~~ and phone number of a contact person who can provide additional information;
 - ~~(k)(j)~~ Afford participating physicians an opportunity to review and comment on all medical and surgical and emergency room protocols, respectively, of the insurer and afford other participating providers an opportunity to review and comment on all of the insurer's protocols that are within the provider's legally authorized scope of practice; and
 - ~~(l)(k)~~ Comply with its own policies and procedures on file with the department **or, if accredited or certified by a nationally recognized accrediting entity, comply with the utilization review standards of that accrediting entity where they are comparable and do not conflict with state law.**
- (2) The insurer's failure to make a determination and provide written notice within the time frames set forth in this section shall be deemed to be an adverse determination by the insurer for the purpose of initiating an internal appeal as set forth in KRS 304.17A-617. This provision shall not apply where the failure to make the determination or provide the notice results from circumstances which are documented to be beyond the insurer's control.
 - (3) An insurer or private review agent shall submit a copy of any changes to its utilization review policies or procedures to the department. No change to policies and procedures shall be effective **or used** until ~~thirty (30) days~~ after it has been filed with and approved by the commissioner.
 - (4) A private review agent shall provide to the department the names of the entities for which the private review agent is performing utilization review in this state. Notice shall be provided within thirty (30) days of any change.

Section 6. KRS 304.17A-609 is amended to read as follows:

The department shall promulgate emergency administrative regulations regarding utilization review and internal ~~appeal~~ ~~review~~, including the specification of information required of insurers and private review agents which shall, at a minimum, include:

- (1) A utilization review plan **that contains all** ~~that includes~~ information utilized for conducting preadmission, admission, readmission review, preauthorization, continued stay authorization, and retrospective review **and which** ~~that~~, for each type of review, includes:
 - (a) Utilization review policies and procedures to evaluate proposed or delivered medical services;
 - (b) Time frames for review;
 - (c) A written summary describing the review process and required forms;
 - (d) Documentation **that actively practicing providers with appropriate qualifications are involved in the development or adoption** of ~~qualifications of personnel who developed the specific~~ utilization review **criteria** ~~procedures~~ relating to specialty and subspecialty areas;
 - (e) Descriptions and names of review criteria upon which utilization review decisions are based; and
 - (f) Additional standards, if any, for the consideration of special circumstances.
- (2) The type and qualifications of the personnel either employed or under contract to perform utilization review;

- (3) Assurance that a toll-free line will be provided that covered persons, authorized persons, and providers may use to contact the insurer or private review agent;
- (4) The policies and procedures to ensure that a representative of the insurer or private review agent shall be reasonably accessible to covered persons, authorized persons, and providers at least forty (40) hours per week during normal business hours;
- (5) The policies and procedures to ensure that all applicable state and federal laws to protect the confidentiality of individual medical records are followed;
- (6) A copy of the materials designed to inform covered persons, authorized persons, and providers of the toll-free number and the requirements of the utilization review plan;
- (7) A list of the entities for which the private review agent is performing utilization review in this state; and
- (8) Evidence of compliance or the ability to comply with the requirements and procedures established regarding utilization review and the administrative regulations promulgated thereunder.
- (9) *In lieu of disclosing information specified in subsection (1) of this section, an insurer or private review agent may submit to the department evidence of accreditation or certification, if any, with a nationally recognized accreditation organization that oversees the information described in subsections (1) to (8) of this section, provided that the department may still require the information in subsection (8) of this section or other information to demonstrate compliance with the requirements of this section and Sections 4, 5, 7, 8, 9, and 10 of this Act not covered by the standards of the nationally recognized accreditation organization, as well as basic information necessary for the department to contact the insurer or private review agent. Nothing in this subsection shall be construed to prohibit or in any way limit the department's authority to require the submission of information specified in subsections (1) to (8) of this section or any other information the department deems necessary for purposes of investigating a complaint that the insurer or private review agent is not in compliance with KRS 304.17A-600 to 304.17A-633.*

Section 7. KRS 304.17A-613 is amended to read as follows:

- (1) The department shall, through the promulgation of emergency administrative regulations, develop a process:
 - (a) For the review of applications for registration of insurers or private review agents seeking to conduct utilization reviews;
 - (b) For the review of applications for insurers or private review agents seeking registration renewal to continue as a utilization review entity;
 - (c) Ensuring that no registration shall be approved unless the commissioner has documentation or findings that all applicants seeking registration or renewal to conduct utilization review are in compliance with the requirements and procedures established regarding utilization review, and as to renewals, have complied with KRS 304.17A-600 to 304.17A-633 and administrative regulations promulgated to enforce and to administer KRS 304.17A-600 to 304.17A-633; and
 - (d) Establishing fees for applications and renewals in an amount sufficient to pay the administrative costs of the program and any other costs associated with carrying out the provisions of KRS 304.17A-600, 304.17A-603, 304.17A-605, 304.17A-607, 304.17A-609, 304.17A-611, 304.17A-613, and 304.17A-615.
- (2) The registration issued in accordance with this section expires on the second anniversary of the effective date unless it is renewed.
- (3) The registration issued under this section is not transferable.
- (4) The commissioner may revoke or suspend the utilization review registration of any insurer or private review agent who does not comply with the requirements and procedures established regarding utilization review or any administrative regulations promulgated thereunder.
- (5) The department shall establish reporting requirements to:
 - (a) Evaluate the effectiveness of insurers and private review agents; and
 - (b) Determine if the utilization review plans are in compliance with the requirements and procedures established regarding utilization review and applicable administrative regulations.

- (6) Upon request of any provider, authorized person, or covered person whose care is subject to review, the department shall provide copies of policies or procedures of any insurer or private review agent that has been issued a registration by the department to conduct review in this state.
- (7) Notwithstanding any provision to the contrary, an insurer or private review agent registered and in good standing under the provisions of KRS 211.461 to 211.466, prior to July 14, 2000, shall be deemed in compliance with requirements and procedures established in KRS 304.17A-600 to 304.17A-633 regarding utilization review and registered accordingly.
- (8) Upon receipt of written complaints from covered persons, authorized persons, or providers stating that an insurer or a private review agent has failed to perform a review in accordance with the utilization review plan or the requirements and procedures established regarding utilization review, or administrative regulations promulgated thereunder, the commissioner shall:
 - (a) Send a copy of the complaint to the insurer or the private review agent within ten (10) days of receipt of the complaint, and require that any written reply be sent to the commissioner within ten (10) days; and
 - (b) Review the complaint and any written reply received from the insurer or private review agent within the time frames set forth in paragraph (a) of this subsection and make a recommendation to the insurer or private review agent and the covered person, authorized person, or provider.
- (9) The commissioner shall consider complaints before issuing or renewing any registration or renewal of a registration to an insurer or a private review agent.
- (10) *Notwithstanding any provision in this section to the contrary, the department shall accept accreditation or certification by a nationally recognized accreditation organization as sufficient documentation or finding for purposes of subsections (1) and (5) of this section that the insurer or private review agent meets the application requirements for registration or renewal. Insurers or private review agents accredited or certified by a nationally recognized accreditation organization shall be deemed compliant with the utilization review and internal appeals requirements of this section and Sections 4, 5, 6, 8, 9, and 10 of this Act and administrative regulations to the extent the standards of such nationally recognized accreditation organization sufficiently meet these requirements. The department shall have a simplified process in administrative regulations for insurers and private review agents to register using accreditation or certification and shall limit any additional documentation only for demonstrating compliance with requirements in this section and Sections 4, 5, 6, 8, 9, and 10 of this Act not met by the standards of a nationally recognized accreditation organization.*

Section 8. KRS 304.17A-617 is amended to read as follows:

- (1) Every insurer shall have an internal appeal process to be utilized by the insurer or its designee, consistent with this section and KRS 304.17A-619 and which shall be disclosed to covered persons in accordance with KRS 304.17A-505(1)(g). An insurer shall disclose the availability of the internal ~~review~~ process to the covered person in the insured's timely notice of an adverse determination or notice of a coverage denial which meets the requirements set forth in *Section 5(1)(j) of this Act*~~[KRS 304.17A-607(1)(i)]~~. For purposes of this section "coverage denial" means an insurer's determination that a service, treatment, drug, or device is specifically limited or excluded under the covered person's health benefit plan. Where a coverage denial is involved, in addition to stating the reason for the coverage denial, the required notice shall contain instructions for filing a request for *internal appeal*~~review by the department~~.
- (2) The internal appeals process may be initiated by the covered person, an authorized person, or a provider acting on behalf of the covered person. The internal appeals process shall include adequate and reasonable procedures for review and resolution of appeals concerning adverse determinations made under utilization review and of coverage denials, including procedures for reviewing appeals from covered persons whose medical conditions require expedited review. At a minimum, these procedures shall include the following:
 - (a) Insurers or their designees shall provide decisions to covered persons, authorized persons, and providers on internal appeals of adverse determinations or coverage denials within thirty (30) days of receipt of the request for internal appeal;
 - (b) Insurers or their designees shall render a decision not later than three (3) business days after *receipt of* the request for an expedited appeal of either an adverse determination or a coverage denial. An expedited appeal is deemed necessary when a covered person is hospitalized or, in the opinion of the

treating provider, review under a standard time frame could, in the absence of immediate medical attention, result in any of the following:

1. Placing the health of the covered person or, with respect to a pregnant woman, the health of the covered person or the unborn child in serious jeopardy;
 2. Serious impairment to bodily functions; or
 3. Serious dysfunction of a bodily organ or part;
- (c) Internal appeal of an adverse determination shall only be conducted by a licensed physician who did not participate in the initial review and denial. However, in the case of a review involving a medical or surgical specialty or subspecialty, the insurer or agent shall, upon request by a covered person, authorized person, or provider, utilize a board eligible or certified physician in the appropriate specialty or subspecialty area to conduct the internal appeal;
- (d) Those portions of the medical record that are relevant to the internal appeal, if authorized by the covered person and in accordance with state or federal law, shall be considered and providers given the opportunity to present additional information;
- (e) ***In addition to any previous notice required under Section 5(1)(j) of this Act, and*** to facilitate expeditious handling of ***a request for external review***~~an appeal~~ of an adverse determination or a coverage denial, an insurer or agent that denies, limits, reduces, or terminates coverage for a treatment, procedure, drug, or device for a covered person shall provide the ***covered person, authorized person, or provider acting on behalf of the covered person***~~undertaking an appeal~~ with ***an internal appeal determination***~~a denial~~ letter that shall include:
1. A statement of the specific medical and scientific reasons for denying coverage or identifying that provision of the schedule of benefits or exclusions that demonstrates that coverage is not available;
 2. The ~~name,~~ state of licensure, medical license number, and the title of the person making the decision;
 3. A description of alternative benefits, services, or supplies covered by the health benefit plan, if any; and
 4. Instructions for initiating an ***external review of an***~~internal appeal of the~~ adverse determination, or filing a request for review with the department ~~if where~~ a coverage denial is upheld by the insurer on internal appeal.
- (3) The department shall establish and maintain a system for receiving and reviewing requests for review of coverage denials from covered persons, authorized persons, and providers. For purposes of this subsection "coverage denials" shall not include an adverse determination as defined in KRS 304.17A-600 or subsequent denials arising from an adverse determination.
- (a) On receipt of a written request for review of a coverage denial from a covered person, authorized person, or provider, the department shall notify the insurer which issued the denial of the request for review and shall call for the insurer to respond to the department regarding the request for review within five (5) days ***of*** receipt of notice to the insurer;
- (b) Within five (5) days of receiving the notice of the request for review from the department, the insurer shall provide to the department the following information:
1. Confirmation as to whether the person who received or sought the health service for which coverage was denied was a covered person~~on the date of service~~ under a health benefit plan issued by the insurer ***on the date the service was sought or denied***;
 2. Confirmation as to whether the covered person, authorized person, or provider has exhausted his or her rights under the insurer's appeal process under this section; and
 3. The reason for the coverage denial, including the specific limitation or exclusion of the health benefit plan demonstrating that coverage is not available;

- (c) In addition to the information described in paragraph (b) of this subsection, the insurer and the covered person, authorized person, or provider shall provide to the department any information requested by the department that is germane to its review;
- (d) On the receipt of the information described in paragraphs (b) and (c) of this subsection, unless the department is not able to do so because making a determination requires resolution of a medical issue, it shall determine whether the service, treatment, drug, or device is specifically limited or excluded under the terms of the covered person's health benefit plan. If the department determines that the treatment, service, drug, or device is not specifically limited or excluded, it shall so notify the insurer, and the insurer shall either cover the service, or afford the covered person an opportunity for external review under KRS 304.17A-621, 304.17A-623, and 304.17A-625, where the conditions precedent to the review are present. If the department notifies the insurer that the treatment, service, drug, or device is specifically limited or excluded in the health benefit plan, the insurer is not required to cover the service or afford the covered person an external review.
- (e) *An insurer shall be required to cover the treatment, service, drug, or device that was denied or provide notification of the right to external review in accordance with paragraph (d) of this subsection whether the covered person has disenrolled or remains enrolled with the insurer.*
- (f) *If the covered person has disenrolled with the insurer, the insurer shall only be required to provide the treatment, service, drug, or device that was denied for a period not to exceed thirty (30) days, or provide the covered person the opportunity for external review.*

Section 9. KRS 304.17A-623 is amended to read as follows:

- (1) Every insurer shall have an external review process to be utilized by the insurer or its designee, consistent with this section and which shall be disclosed to covered persons in accordance with KRS 304.17A-505(1)(g). An insurer, its designee, or agent shall disclose the availability of the external review process to the covered person in the insured's timely notice of an adverse determination or notice of a coverage denial as set forth in ***Section 5(1)(j) of this Act***~~KRS 304.17A-607(1)(i)~~ and ***in the denial letter required in KRS 304.17A-617(1) and (2)(e).*** For purposes of this section "coverage denial" means an insurer's determination that a service, treatment, drug, or device is specifically limited or excluded under the covered person's health benefit plan.
- (2) A covered person, an authorized person, or a provider acting on behalf of and with the consent of the covered person, may request an external review of an adverse determination rendered by an insurer, its designee, or agent.
- (3) The insurer shall provide for an external review of an adverse determination if the following criteria are met:
 - (a) The insurer, its designee, or agent has rendered an adverse determination;
 - (b) The covered person has completed the insurer's internal appeal process, or the insurer has failed to make a timely determination or notification as set forth in KRS 304.17A-619(2). The insurer and the covered person may however, jointly agree to waive the internal appeal requirement;
 - (c) The covered person was enrolled in the health benefit plan on the date of service or, if a prospective denial, the covered person was enrolled and eligible to receive covered benefits under the health benefit plan on the date the proposed service was requested; and
 - (d) The entire course of treatment or service will cost the covered person at least one hundred dollars (\$100) if ~~the not covered~~ ***person had no insurance***~~by the insurer~~.
- (4) The covered person, an authorized person, or a provider with consent of the covered person shall submit a request for external review to the insurer within sixty (60) days, except as set forth in KRS 304.17A-619(1), of receiving notice that an adverse determination has been timely rendered under the insurer's internal appeal process. As part of the request, the covered person shall provide to the insurer or its designee written consent authorizing the independent review entity to obtain all necessary medical records from both the insurer and any provider utilized for review purposes regarding the decision to deny, limit, reduce or terminate coverage.
- (5) The covered person shall be assessed a one (1) time filing fee of twenty-five dollars (\$25) to be paid to the independent review entity and which may be waived if the independent review entity determines that the fee creates a financial hardship on the covered person. The fee shall be refunded if the independent review entity finds in favor of the covered person.
- (6) A covered person shall not be afforded an external review of an adverse determination if:

- (a) The subject of the covered person's adverse determination has previously gone through the external review process and the independent review entity found in favor of the insurer; and
 - (b) No relevant new clinical information has been submitted to the insurer since the independent review entity found in favor of the insurer.
- (7) The department shall establish a system for each insurer to be assigned an independent review entity for external reviews. The system established by the department shall be prospective and shall require insurers to utilize independent review entities on a rotating basis so that an insurer does not have the same independent review entity for two (2) consecutive external reviews. The department shall contract with no less than two (2) independent review entities.
- (8) (a) If a dispute arises between an insurer and a covered person regarding the covered person's right to an external review, the covered person may file a complaint with the department. Within five (5) days of receipt of the complaint, the department shall render a decision and may direct the insurer to submit the dispute to an independent review entity for an external review if it finds:
- 1. The dispute involves denial of coverage based on medical necessity or the service being experimental or investigational; and
 - 2. All of the requirements of subsection (3) of this section have been met.
- (b) The complaint process established in this section shall be separate and distinct from, and shall in no way limit other grievance or complaint processes available to consumers under other provisions of the KRS or duly promulgated administrative regulations. This complaint process shall not limit, alter, or supplant the mechanisms for appealing coverage denials established in KRS 304.17A-617.
- (9) The external review process shall be confidential and shall not be subject to KRS 61.805 to 61.850 and KRS 61.870 to 61.884.
- (10) External reviews shall be conducted in an expedited manner by the independent review entity if the covered person is hospitalized, or if, in the opinion of the treating provider, review under the standard time frame could, in the absence of immediate medical attention, result in any of the following:
- (a) Placing the health of the covered person or, with respect to a pregnant woman, the health of the covered person or her unborn child in serious jeopardy;
 - (b) Serious impairment to bodily functions; or
 - (c) Serious dysfunction of a bodily organ or part.
- (11) Requests for expedited external review, shall be forwarded by the insurer to the independent review entity within twenty-four (24) hours of receipt by the insurer.
- (12) For expedited external review, a determination shall be made by the independent review entity within twenty-four (24) hours from the ~~[date of its]~~ receipt of ***all information required*** ~~[notice of the adverse determination]~~ from the insurer. An extension of up to twenty-four (24) hours may be allowed if the covered person and the insurer or its designee agree. The insurer or its designee shall provide notice to the independent review entity and to the covered person, by same-day communication, that the adverse determination has been assigned to an independent review entity for expedited review.
- (13) External reviews which are not expedited shall be conducted by the independent review entity and a determination made within twenty-one (21) calendar days of receipt of the request for external review. An extension of up to fourteen (14) calendar days may be allowed if the covered person and the insurer are in agreement.

Section 10. KRS 304.17A-625 is amended to read as follows:

- (1) In making its decision, an independent review entity conducting the external review shall take into account all of the following:
- (a) Information submitted by the insurer, the covered person, the authorized person, and the covered person's provider, including the following:
 - 1. The covered person's medical records;

2. The standards, criteria, and clinical rationale used by the insurer to make its decision; and
 3. The insurer's health benefit plan.
- (b) Findings, studies, research, and other relevant documents of government agencies and nationally recognized organizations, including the National Institutes of Health, or any board recognized by the National Institutes of Health, the National Cancer Institute, the National Academy of Sciences, and the United States Food and Drug Administration, the ***Centers for Medicare & Medicaid Services***~~Health Care Financing Administration~~ of the United States Department of Health and Human Services, and the Agency for Health Care Research and ***Quality***~~Policy~~; and
- (c) Relevant findings in peer-reviewed medical or scientific literature, published opinions of nationally recognized medical specialists, and clinical guidelines adopted by relevant national medical societies.
- (2) The independent review entity shall base its decision on the information submitted under subsection (1) of this section. In making its decision, the independent review entity shall consider safety, appropriateness, and cost effectiveness.
- (3) The insurer shall provide any coverage determined by the independent review entity to be medically necessary. The independent review entity shall not be permitted to allow coverage for services specifically limited or excluded by the insurer in its health benefit plan. The decision shall apply only to the individual covered person's external review.
- (4) Nothing in this section shall be construed as requiring an insurer to provide coverage for out of network services, procedures, or tests, except as set forth in KRS 304.17A-515(1)(c) and 304.17A-550.
- (5) The insurer shall be responsible for the cost of the external review.
- (6) The independent review entity shall provide to the covered person, treating provider, insurer, and the department a decision which shall include:
- (a) The findings for either the insurer or covered person regarding each issue under review;
 - (b) The proposed service, treatment, drug, device, or supply for which the review was performed;
 - (c) The relevant provisions in the insurer's health benefit plan and how applied; and
 - (d) The relevant provisions of any nationally recognized and peer-reviewed medical or scientific documents used in the external review.
- (7) The decision of the independent review entity shall not be made solely for the convenience of the insurer, the covered person, or the provider.
- (8) Consistent with the rules of evidence, a written decision prepared by an independent review entity shall be admissible in any civil action related to the adverse determination. The independent review entity's decision shall be presumed to be a scientifically valid and accurate description of the state of medical knowledge at the time it was written.
- (9) The decision of the independent review entity shall be binding on the insurer with respect to that covered person. Failure of the insurer to provide coverage as required by the independent review entity shall:
- (a) Be a violation of the insurance code of a nature sufficient to warrant the commissioner revoking or suspending the insurer's license or certificate of authority; and
 - (b) Constitute an unfair claims settlement practice as set forth in KRS 304.12-230.
- (10) Failure to provide coverage as required by the independent review entity shall also subject the insurer to the provisions of KRS 304.99-010 and 304.99-020 and require the insurer to pay the claim that was the subject of the external review, without need for the covered person or authorized person to further establish a right as to the payment amount. Reasonable attorney fees associated with the actions of the insured necessary to collect amounts owed the covered person shall be assessed against and borne by the insurer.
- (11) ***The insurer shall implement the decision of the independent review entity whether the covered person has disenrolled or remains enrolled with the insurer.***
- (12) ***If the covered person has been disenrolled with the insurer, the insurer shall only be required to provide the treatment, service, drug, or device that was previously denied by the insurer, its agent, or designee and later approved by the independent review entity for a period not to exceed thirty (30) days.***

- (13) *Within thirty (30) days of the decision in favor of the covered person by the independent review entity, the insurer shall provide written notification to the department that the decision has been implemented in accordance with this section.*
- (14) An independent review entity and any medical specialist the entity utilizes in conducting an external review shall not be liable in damages in a civil action for injury, death, or loss to person or property and is not subject to professional disciplinary action for making, in good faith, any finding, conclusion, or determination required to complete the external review. This subsection does not grant immunity from civil liability or professional disciplinary action to an independent review entity or medical specialist for an action that is outside the scope of authority granted in KRS 304.17A-621, 304.17A-623, and 304.17A-625.
- (15)~~(12)~~ Nothing in KRS 304.17A-600 to 304.17A-633 shall be construed to create a cause of action against any of the following:
- (a) An employer that provides health care benefits to employees through a health benefit plan;
 - (b) A medical expert, private review agent, or independent review entity that participates in the utilization review, internal appeal, or external review addressed in KRS 304.17A-600 to 304.17A-633; or
 - (c) An insurer or provider acting in good faith and in accordance with any finding, conclusion, or determination of an Independent Review Entity acting within the scope of authority set forth in KRS 304.17A-621, 304.17A-623, and 304.17A-625.
- (16)~~(13)~~ The covered person, insurer, or provider in the external review may submit written complaints to the department regarding any independent review entity's actions believed to be an inappropriate application of the requirements set forth in KRS 304.17A-621, 304.17A-623, and 304.17A-625. The department shall promptly review the complaint, and if the department determines that the actions of the independent review entity were inappropriate, the department shall take corrective measures, including decertification or suspension of the independent review entity from further participation in external reviews. The department's actions shall be subject to the powers and administrative procedures set forth in subtitle 17A of KRS Chapter 304.

Section 11. KRS 304.17A-700 is amended to read as follows:

As used in KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123.

- (1) "Adjudicate" means an insurer pays, contests, or denies a clean claim;
- (2) "Claims payment time frame" means the time period prescribed under KRS 304.17A-702 following receipt of a clean claim from a provider at the address published by the insurer, whether it is the address of the insurer or a delegated claims processor, within which an insurer is required to pay, contest, or deny a health care claim;
- (3) "Clean claim" means a properly completed billing instrument, paper or electronic, ***including the required health claim attachments, submitted in the following applicable form***~~that does not involve coordination of benefits for third-party liability, pre-existing condition investigations, or subrogation~~.
 - (a) A clean claim from an institutional provider shall consist of:
 - 1. The UB-92 data set or its successor submitted on the designated paper or electronic format as adopted by the NUBC;
 - 2. Entries stated as mandatory by the NUBC; and
 - 3. Any state-designated data requirements determined and approved by the Kentucky State Uniform Billing Committee and included in the UB-92 billing manual effective at the time of service.
 - (b) A clean claim for dentists shall consist of the form and data set approved by the American Dental Association.
 - (c) A clean claim for all other providers shall consist of the HCFA 1500 data set or its successor submitted on the designated paper or electronic format as adopted by the National Uniform Claims Committee.
 - (d) A clean claim for pharmacists shall consist of a universal claim form and data set approved by the National Council on Prescription Drug Programs;
- (4) "Commissioner" means the commissioner of the Department of Insurance;

- (5) "Covered person" means a person on whose behalf an insurer offering a health benefit plan is obligated to pay benefits or provide services;
- (6) "Department" means the Department of Insurance;
- (7) "Electronic" or "electronically" means electronic mail, computerized files, communications, or transmittals by way of technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
- (8) "Health benefit plan" has the same meaning as provided in KRS 304.17A-005;
- (9) "Health care provider" or "provider" ***means a provider licensed in Kentucky as defined***~~[has the same meaning provided]~~ in KRS 304.17A-005 and, for the purposes of KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123 only, shall include physical therapists licensed under KRS Chapter 327, ***psychologists licensed under KRS Chapter 319, and social workers licensed under KRS Chapter 335.*** Nothing contained in KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123 shall be construed to include physical therapists, ***psychologists, and social workers*** as a health care provider or provider under KRS 304.17A-005;
- (10) "Health claim ***attachments***~~[attachment]~~" means ***medical***~~[additional]~~ information from a covered person's medical record~~[to the basic claim form]~~ required by the insurer ***containing medical information relating to the diagnosis, the treatment, or services rendered to the covered person and as may be required pursuant to KRS 304.17A-720;***
- (11) "Institutional provider" means a health care facility licensed under KRS Chapter 216B;
- (12) "Insurer" has the same meaning provided in KRS 304.17A-005;
- (13) "Kentucky Uniform Billing Committee (KUBC)" means the committee of health care providers, governmental payors, and commercial insurers established as a local arm of NUBC to implement the bill requirements of the NUBC and to prescribe any additional billing requirements unique to Kentucky insurers;
- (14) "National Uniform Billing Committee (NUBC)" means the national committee of health care providers, governmental payors, and commercial insurers that develops the national uniform billing requirements for institutional providers as referenced in accordance with the Federal Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. Chapter 6A, Subchapter XXV, sec. 300gg et seq.;
- (15) "Retrospective review" means utilization review that is conducted after health care services have been provided to a covered person; and
- (16) "Utilization review" has the same meaning as provided in ***subsection (17) of Section 4 of this Act***~~[KRS 211.461]~~.

Section 12. KRS 304.17A-702 is amended to read as follows:

- (1) Except for claims involving organ transplants, each insurer shall reimburse a provider for a clean claim or send a written or an electronic notice denying or contesting the claim within thirty (30) calendar days from the date that the claim is received by the insurer or any entity that administers or processes claims on behalf of the insurer. Clean claims involving organ transplants shall be paid, denied, or contested within sixty (60) calendar days from the date that the claim is received by the insurer or any entity that administers or processes claims on behalf of the ***insurer***~~[insurers]~~.
- (2) Within the applicable claims payment time frame, an insurer shall:
 - (a) Pay the total amount of the claim in accordance with any contract between the insurer and the provider;
 - (b) Pay the portion of the claim that is not in dispute and notify the provider, in writing or electronically, of the reasons the remaining portion of the claim will not be paid; or
 - (c) Notify the provider, in writing or electronically, of the reasons no part of the claim will be paid.

Section 13. KRS 304.17A-704 is amended to read as follows:

- (1) (a) Within forty-eight (48) hours of receiving an original or corrected claim submitted electronically, an insurer, its agent, or designee shall acknowledge the date of receipt of the claim by an electronic transmission to the provider, its billing agent, or designee that submitted the claim; and

- (b) Within twenty (20) calendar days of receipt of an original or corrected claim submitted by mail or other nonelectronic means, an insurer, *its agent, or designee* shall acknowledge the date of receipt of the claim *to the provider, its billing agent, or designee that submitted the claim*.
1. For claims containing all necessary information and having no errors, the insurer shall make available confirmation of receipt of the claim to the provider, *its* billing agent, or designee that submitted the claim. Acknowledgment may be in writing or the insurer, *its agent, or designee* may list the claim and the date it was received on a file that can be accessed electronically by the provider, *its agent, or designee*.
 2. Claims that contain errors or lack necessary information shall be acknowledged by an electronic transmission or in writing to the provider, *its* billing agent, or designee that submitted the claim.
- (2) *At the time of acknowledgment under paragraph (a) or (b) of subsection (1) of this section*, an insurer, *its agent, or designee*, shall notify the provider, *its billing agent, or designee that submitted the claim*, in writing or electronically, ~~at the time that receipt of a claim is acknowledged,~~ of all information that is missing *from the billing instrument, any errors in the billing instrument, or of any other circumstances* ~~for in error~~ which preclude it from being a clean claim.
- (3) When an insurer, *its agent, or designee* has notified a provider, *its billing agent, or designee that submitted the claim*, that a claim contains errors, upon receipt of a corrected *clean* claim the insurer shall ~~adjudicate~~~~pay~~ the corrected *clean* claim within the applicable claims payment time frame for a clean claim established in KRS 304.17A-702.
- (4) By January 1, 2001, an insurer shall have in place a mechanism to inform providers of the status of a claim either through:
- (a) Notation on the remittance; or
 - (b) By allowing providers to check claim status electronically at any time following submission of the claim to the insurer.

Section 14. KRS 304.17A-706 is amended to read as follows:

- (1) An insurer may ~~contest~~~~delay payment by contesting~~ a clean claim only in the following instances:
- (a) The insurer has *reasonable documented grounds to believe that the clean claim involves a preexisting condition, coordination of benefits within the meaning of KRS 304.18-085, or* ~~information~~ that another insurer is primarily responsible for the claim;
 - (b) The insurer will conduct a retrospective review of the services identified on the claim;
 - (c) The insurer has information that the claim was submitted fraudulently; or
 - (d) The covered person's or group's premium has not been paid.
- ~~(2) An insurer shall pay any uncontested portion of a claim and provide written or electronic notification to the provider of the contested amount within the applicable claims payment time frame established in KRS 304.17A-702.~~
- ~~(3)~~ (a) If an insurer ~~routinely~~ requires a provider to submit *health claim* attachments to the claim ~~containing additional medical information summarizing the diagnosis, the treatment, or services rendered to the covered person~~ before the claim will be paid, the insurer shall identify the specific ~~routinely~~ required ~~information~~ *health claim attachments* in its provider manual or other document that sets forth the procedure for filing claims with the insurer. The insurer shall provide sixty (60) days' advance written notice of modifications to the provider manual that materially change the type or content of the *health claim* attachments *or other documents* to be submitted.
- (b) If a provider submits a clean claim with the required *health claim* attachments as specified in the provider manual or other document that sets forth the procedure for filing claims with the insurer, the insurer shall pay or deny the claim within the required claims payment time frame established in KRS 304.17A-702.
- (c) If an insurer conducts a retrospective review of a claim and requires an attachment not specified in the provider manual or other document that sets forth the procedure for filing claims, the insurer shall:

1. Notify the provider, in writing or electronically within the claims payment time frame established in KRS 304.17A-702, of the service that will be retrospectively reviewed and the specific information needed from the provider regarding the insurer's review of a claim;
 2. Complete the retrospective review within twenty (20) business days of the insurer's receipt of the medical information described in this subsection; and
 3. ***Subject to paragraph (d) of this subsection***, add interest to the amount of the claim, to be paid at a rate of twelve percent (12%) per annum, or at a rate in accordance with KRS 304.17A-730, accruing from the ***appropriate claim payment time frame established in Section 7 of this Act*** ~~(thirty-first day)~~ after the claim was received by the insurer through the date upon which the claim is paid.
- (d) ***If the provider fails to submit the information requested under subparagraph (c) 1. of this subsection within fifteen (15) business days from the date of the receipt of the notice, the insurer shall not be required to pay interest.***
- (3)~~(4)~~ (a) If a claim or portion thereof is contested by an insurer on the basis that the insurer has not received information reasonably necessary to determine insurer liability for the claim or portion thereof, ***or if the insurer contests the claim on the reasonable and documented belief that the claim involves the coordination of benefits within the meaning of KRS 304.18-085, or questions of pre-existing conditions***, the insurer shall, within the applicable claims payment time frame established in KRS 304.17A-702, provide written or electronic notice to the provider, covered person, ***group policyholder***, or ***other*** insurer, as appropriate, with an itemization of all new, never-before-provided information that is needed.
- (b) The insurer shall pay or deny the claim within thirty (30) calendar days of receiving the additional information described in paragraph (a) of this subsection. ***If the insurer does not receive the additional information described in paragraph (a) of this subsection within fifteen (15) business days from the date of receipt of the notice set forth in paragraph (a) of this subsection, the insurer may deny the claim. Any claim denied under this paragraph may be resubmitted by the provider and any resubmitted claim shall not be denied on the basis of timeliness if the resubmitted claim is made with the timeframe for submitting claims established by the insurer beginning on the date of denial.***

Section 15. KRS 304.17A-714 is amended to read as follows:

- (1) ***Except for overpayments which are a result of an error in the payment rate or method, an insurer that determines that a provider was overpaid shall, within twenty-four (24) months from the date that the insurer paid the claim, provide written or electronic notice to the provider of the amount of the overpayment, the covered person's name, patient identification number, date of service to which the overpayment applies, insurer reference number for the claim, and the basis for determining that an overpayment exists. Electronic notice includes E-mail or facsimile where the provider agreed in advance in writing to receive such notices. The insurer shall either:***
- (a) ***Request a refund from the provider; or***
 - (b) ***Indicate on the notice that, within thirty (30) calendar days from the postmark date or electronic delivery date of the insurer's notice, if the insurer does not receive a notice of provider dispute in accordance with subsection (2) of this section, the amount of the overpayment will be recouped from future payments.***
- (2) ***If a provider disagrees with the amount of the overpayment, the provider shall within thirty (30) calendar days from the postmark date or the electronic delivery date of the insurer's written notice dispute the amount of the overpayment by submitting additional information to the insurer.***
- (3) ***If a provider files a dispute in accordance with subsection (2) of this section, no recoupment shall be made until the dispute is resolved. If a provider does not dispute the amount of the overpayment and does not provide a refund as required in subsection (2) of this section, the insurer may recoup the amount due from future payments.***
- (4) ***All disputes submitted by providers pursuant to subsection (2) of this section shall be processed in accordance and completed within thirty (30) days with the insurer's provider appeals process.***

(5) *An insurer may recover an overpayment resulting from an error in the payment rate or method by requesting a refund from the provider or making a recoupment of the overpayment from the provider, subject to the provisions of subsection (6) of this section. A provider may dispute such recoupment in accordance with the provisions contained in KRS 304.17A-708.*

(6) If an insurer chooses to collect an overpayment made to a provider through a recoupment against future provider payments, the insurer shall, within twenty-four (24) months from the date that the insurer paid the claim, *and at the actual time of recoupment* give the provider written *or electronic* documentation that specifies:

- (a)~~[(1)]~~ The amount of the recoupment;
- (b)~~[(2)]~~ The covered person's name to whom the recoupment applies;
- (c)~~[(3)]~~ Patient identification number; and
- (d)~~[(4)]~~ Date of service.

Section 16. KRS 304.17A-722 is amended to read as follows:

(1) No later than ninety (90) days following *the effective date of this Act*~~[July 14, 2000]~~, the department shall promulgate administrative regulations requiring all insurers to report information *on a calendar quarter basis*~~[according to timetables prescribed by the department but no less than annually,]~~ on prompt payment of claims *to providers, as defined in Section 11 of this Act, that shall be limited to*~~[that shall include]~~ the following:

- (a) *The number of clean claims received by the insurer, its agent, or designee during the reporting period*~~[Percentage of clean claims paid within the claims payment time frame];~~
- (b) *The percentage of clean claims received by the insurer, its agent, or designee that were:*
 - 1. *Adjudicated within the claims payment timeframe;*
 - 2. *Adjudicated within one (1) to thirty (30) days from the end of the claims payment timeframe;*
 - 3. *Adjudicated within thirty-one (31) to sixty (60) days from the end of the claims payment timeframe;*
 - 4. *Adjudicated within sixty-one (61) to ninety (90) days from the end of the claims payment timeframe;*
 - 5. *Adjudicated more than ninety (90) days from the end of the claims payment timeframe; and*
 - 6. *Not yet adjudicated;*~~[Percentage of clean claims paid after the claims payment time frame and the number of days for hospitals, physicians, and all other providers, excluding pharmacies, within which the claims were finally adjudicated, reporting them in thirty one (31) to sixty (60) day, sixty one (61) to ninety (90) day, and more than ninety (90) day intervals; and]~~
- (c) *The percentage of clean claims received during the reporting quarter that were paid and not denied or contested:*
 - 1. *Within the claims payment timeframe;*
 - 2. *Within one (1) to thirty (30) days from the end of the claims payment timeframe;*
 - 3. *Within thirty-one (31) to sixty (60) days from the end of the claims payment timeframe;*
 - 4. *Within sixty (60) to ninety (90) days from the end of the claims payment timeframe;*
 - 5. *More than ninety (90) days from the end of the claims payment timeframe; and*
 - 6. *Not yet paid;*
- (d) Amount of interest paid; *and*
- (e) *For clean claims received during the reporting quarter that were not denied or contested, the percentage of the total dollar amount of those claims that were paid within the claims payment timeframe.*

(2) *Data required in subsection (1) of this section shall be reported for hospitals, physicians, and all other providers, excluding pharmacies.*

- (3) ***Insurers shall submit information required in subsection (1) of this section to the department no later than one hundred eighty (180) days following the close of the reporting quarter.***
- (4) The department shall, as part of the market conduct survey of each insurer, audit the insurer to determine compliance with KRS 304.17A-700 to 304.17A-730 and KRS 304.14-135 and 304.99-123. Findings shall be made available to the public upon request.
- (5)(3) The commissioner shall annually present to the Interim Joint Committee on Banking and Insurance and to the Governor a report on the payment practices of insurers and compliance with the provisions of KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123 and the commissioner's enforcement activities, including the number of complaints received and those acted upon by the department.

Section 17. KRS 304.17A-730 is amended to read as follows:

- (1) An insurer that fails to pay, deny, or settle a clean claim in accordance with KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123 shall pay interest according to the following schedule on the amount of the claim that remains unpaid:
- (a) For claims that are paid between ***one (1) and thirty (30)***~~*thirty-one (31) and sixty (60)*~~ days from the date that ***payment was due under Section 12 of this Act***~~*the claim was received by the insurer or any entity that administers or processes claims on behalf of the insurer*~~, interest at a rate of twelve percent (12%) per annum shall accrue from the date payment was due under KRS 304.17A-702;
 - (b) For claims that are paid between ***thirty-one (31) and sixty (60)***~~*sixty-one (61) days and ninety (90)*~~ days from the date that ***payment was due under Section 12 of this Act***~~*the claim was received by the insurer or any entity that administers or processes claims on behalf of the insurer*~~, interest at a rate of eighteen percent (18%) per annum shall accrue from the date payment was due under KRS 304.17A-702; and
 - (c) For claims that are paid more than ***sixty (60)***~~*ninety (90)*~~ days from the date ***payment was due under Section 12 of this Act***~~*that the claim was received by the insurer or any entity that administers or processes claims on behalf of the insurer*~~, interest at a rate of twenty-one percent (21%) per annum shall accrue from the date that payment was due under KRS 304.17A-702.
- (2) When paying a claim after the time required by KRS 304.17A-702, the insurer shall add the interest payable to the amount of the unpaid claim without the necessity for any claim for that interest to be made by the provider filing the original claim. The interest obligation otherwise imposed by this section shall not apply if the failure to pay, deny, or settle a claim is due to, or results from, in whole or in part, acts or events beyond the control of the insurer, including but not limited to, acts of God, natural disasters, epidemics, strikes or other labor disruptions, war, civil disturbance, riot, or complete or partial disruptions of facilities.

Section 18. KRS 304.99-123 is amended to read as follows:

- (1) In addition to any other penalty or remedy authorized by law, the department may assess the following fines for noncompliance with KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123:
- (a) A fine of one thousand dollars (\$1,000) per day or ten percent (10%) of the unpaid claim amount, whichever is greater, for each day that a clean claim remains unpaid in violation of KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123.
 - (b) Except for the late payment of claims under subsection (2) of this section, a fine of up to ten thousand dollars (\$10,000) where the commissioner determines that an insurer has willfully and knowingly violated KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123 or has a pattern of repeated violations of KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123.
- (2) For purposes of paragraph (a) of subsection (1) of this section, an insurer is in compliance when:
- (a) Ninety-five percent (95%) of the clean claims ***received by the insurer, its agent, or designee***~~*paid*~~ during each calendar quarter, excluding pharmaceutical claims ***were adjudicated within the claims payment timeframes in accordance with Section 12 of this Act; and***
 - (b) ***At least ninety percent (90%) of the total dollar amount for clean claims received by the insurer, its agent, or designee during each calendar quarter, excluding pharmaceutical claims, that were not denied or contested, were paid within the claims payment timeframes established in Section 12 of this***

~~Act[, were paid within thirty (30) days and the total dollar amount paid within thirty (30) days, excluding the amount paid for pharmaceutical claims, equaled at least ninety percent (90%) of the total dollar amount paid for clean claims during that calendar quarter].~~

Section 19. KRS 304.18-0983 is amended to read as follows:

- (1) All insurers issuing group or blanket health insurance policies and certificates in this Commonwealth providing coverage on an expense-incurred basis shall make available and offer to the purchaser coverage for:
 - (a) ***The following, if an insurer provides medical and surgical benefits with respect to a mastectomy, in a manner determined in consultation with the attending physician and the covered person, and subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the coverage:***
 1. ***All stages of breast reconstruction surgery of the breast on which the mastectomy has been performed***~~following a mastectomy that resulted from breast cancer if the insurer also covers mastectomies~~;
 2. ***Surgery and reconstruction of the other breast to produce a symmetrical appearance; and***
 3. ***Prostheses and physical complications of all stages of mastectomy, including lymphedemas;***
 - (b) Diagnosis and treatment of endometriosis and endometritis if the insurer also covers hysterectomies; and
 - (c) Bone density testing for women age thirty-five (35) ***years*** and older, as indicated by the health-care provider, in accordance with standard medical practice, to obtain baseline data for the purpose of early detection of osteoporosis.
- (2) No insurer under this section shall offer ***medical and surgical benefits with respect to a mastectomy***~~coverage for mastectomies~~ which requires the procedure be performed on an outpatient basis.
- (3) ***An insurer shall provide written notice to a covered person of the availability of medical and surgical benefits with respect to a mastectomy upon enrollment and annually thereafter.***
- (4) ***An insurer shall not:***
 - (a) ***Deny eligibility, or continued eligibility, to an individual to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of 42 U.S.C. sec. 300gg-6; and***
 - (b) ***Penalize or otherwise reduce or limit the reimbursement of an attending provider or provide incentives to an attending provider, to induce the provider to provide care to an individual in a manner inconsistent with 42 U.S.C. sec. 300gg-6.***

Section 20. KRS 304.32-1593 is amended to read as follows:

- (1) All nonprofit hospital, medical-surgical, dental, and health service corporations issuing contracts in this Commonwealth providing hospital, medical, or surgical expense benefits shall make available and offer to the purchaser coverage for:
 - (a) ***The following, if medical and surgical benefits with respect to a mastectomy are covered, in a manner determined in consultation with the attending physician and the covered person, and subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the coverage:***
 1. ***All stages of breast reconstruction surgery of the breast on which the mastectomy has been performed***~~following a mastectomy that resulted from breast cancer if the insurer also covers mastectomies~~;
 2. ***Surgery and reconstruction of the other breast to produce a symmetrical appearance; and***
 3. ***Prostheses and physical complications of all stages of mastectomy, including lymphedemas;***
 - (b) Diagnosis and treatment of endometriosis and endometritis if the insurer also covers hysterectomies; and
 - (c) Bone density testing for women age thirty-five (35) ***years*** and older, as indicated by the health-care provider, in accordance with standard medical practice, to obtain baseline data for the purpose of early detection of osteoporosis.

- (2) No insurer under this section shall offer *medical and surgical benefits with respect to a mastectomy*~~[coverage for mastectomies]~~ that requires the procedure be performed on an outpatient basis.
- (3) *An insurer shall provide written notice to a covered person of the availability of medical and surgical benefits with respect to a mastectomy upon enrollment and annually thereafter.*
- (4) *An insurer shall not:*
 - (a) *Deny eligibility, or continued eligibility, to an individual to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of 42 U.S.C. secs. 300gg-6 and 300gg-52; and*
 - (b) *Penalize or otherwise reduce or limit the reimbursement of an attending provider or provide incentives to an attending provider, to induce the provider to provide care to an individual in a manner inconsistent with 42 U.S.C. secs. 300gg-6 and 300gg-52.*

Section 21. KRS 304.38-1934 is amended to read as follows:

- (1) Health maintenance organizations issuing contracts in this Commonwealth that provide hospital, medical, or surgical expense benefits shall make available and offer to the purchaser coverage for:
 - (a) *The following, if a health maintenance organization provides medical and surgical benefits with respect to a mastectomy, in a manner determined in consultation with the attending physician and the covered person, and subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the coverage:*
 - 1. *All stages of breast reconstruction surgery of the breast on which the mastectomy has been performed*~~[following a mastectomy that resulted from breast cancer if the insurer also covers mastectomies];~~
 - 2. *Surgery and reconstruction of the other breast to produce a symmetrical appearance; and*
 - 3. *Prostheses and physical complications of all stages of mastectomy, including lymphedemas;*
 - (b) Diagnosis and treatment of endometriosis if the *health maintenance organization*~~[insurer]~~ also covers hysterectomies; and
 - (c) Bone density testing for women age thirty-five (35) *years* and older, as indicated by the health-care provider, in accordance with standard medical practice, to obtain baseline data for the purpose of early detection of osteoporosis.
- (2) No *health maintenance organization*~~[insurer]~~ under this section shall offer *medical and surgical benefits with respect to mastectomy*~~[coverage for mastectomies]~~ that requires the procedure be performed on an outpatient basis.
- (3) *A health maintenance organization shall provide written notice to a covered person of the availability of medical and surgical benefits with respect to a mastectomy upon enrollment and annually thereafter.*
- (4) *A health maintenance organization shall not:*
 - (a) *Deny eligibility, or continued eligibility, to an individual to enroll or to renew coverage under the terms of the plan, solely for the purpose of avoiding the requirements of 42 U.S.C. secs. 300gg-6 and 300gg-52; and*
 - (b) *Penalize or otherwise reduce or limit the reimbursement of an attending provider or provide incentives to an attending provider, to induce the provider to provide care to an individual in a manner inconsistent with 42 U.S.C. secs. 300gg-6 and 300gg-52.*

Section 22. KRS 304.32-320 is amended to read as follows:

Any private employer doing business in this state who provides for his employees on a self-insured basis hospital or surgical benefits shall notify the Department of Insurance of the existence of the program within sixty (60) days of June 17, 1978. Any employer doing business in this state who implements for his employees on a self-insured basis a plan for providing hospital or surgical benefits shall notify the Department of Insurance not less than thirty (30) days prior to implementing such plan, *and shall include in the notice the name of any outside third party administrator. Any change in third party administrators shall be reported to the Department of Insurance within thirty (30) days of the change. The Department of Insurance shall make this information available upon request.*

Section 23. The following KRS section is repealed:

304.17A-350 Payment and contest of claims -- Circumstances under which insurer may delay payment or require additional information from provider.

Approved April 2, 2002

CHAPTER 182

(HB 526)

AN ACT relating to the unified prosecutorial system.

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

Section 1. KRS 15.755 is amended to read as follows:

- (1) The compensation of each Commonwealth's attorney shall be paid out of the State Treasury.
- (2) The compensation of the staff of each Commonwealth's attorney shall be paid out of the State Treasury.
- (3) In each judicial circuit containing a city of the first or second class or an urban-county government, or a city of the third class and a population of sixty-eight thousand (68,000) or more, or which has a full-time **Commonwealth's**~~Commonwealth's~~ attorney, the Commonwealth's attorney shall not engage in the private practice of law. The population of a judicial circuit shall, for the purpose of this statute, be determined by the most recent federal decennial census enumeration. All other Commonwealth's attorneys shall not be prohibited from engaging in the private practice of law.
- (4) Each Commonwealth's attorney who is prohibited from engaging in the private practice of law shall receive as compensation for his services the sum of twenty-six thousand dollars (\$26,000) per annum.
- (5) Each Commonwealth's attorney who is not prohibited from engaging in the private practice of law shall receive as compensation for his services the sum of fourteen thousand three hundred dollars (\$14,300) per annum.
- (6) Each **full-time** Commonwealth's attorney of the state shall be paid each month the sum of **one thousand dollars (\$1,000) and each part-time Commonwealth's attorney shall be paid each month the sum of** five hundred dollars (\$500), which ~~sums are~~~~sum is~~ declared to be the equivalent of the minimum ~~sums~~~~sum~~ that each Commonwealth's attorney will expend each month in the performance of his official duties directed to be performed for the Commonwealth. The aforementioned sum shall be paid out of the State Treasury.
- (7) In order to equate the compensation of Commonwealth's attorneys with the purchasing power of the dollar, the Department for Local Government shall compute by the second Friday in February of every year the annual increase or decrease in the consumer price index of the preceding year by using 1949 as the base year in accordance with Section 246 of the Constitution of Kentucky which provides that the above elected officials shall be paid at a rate no greater than twelve thousand dollars (\$12,000) per annum. The Department for Local Government shall notify the appropriate governing bodies charged by law to fix the compensation of the above elected officials of the annual rate of compensation to which the elected officials are entitled in accordance with the increase or decrease in the consumer price index. Upon notification from the Department for Local Government, the appropriate governing body may set the annual compensation of the above elected officials at a rate no greater than that stipulated by the Department for Local Government.

Section 2. KRS 15.765 is amended to read as follows:

- (1) Each county attorney shall receive, for prosecutorial duties, an annual salary to be paid out of the State Treasury which shall be the total compensation as county attorney which he received during the calendar year 1976, but which in no event shall be less than twenty thousand dollars (\$20,000). Except, however, the annual salary of each county attorney shall be equal to that of each Commonwealth's attorney who is not prohibited from the private practice of law as provided in KRS 15.755(5), effective January 1, 1990.
- (2) Each county attorney shall be paid each month the sum of **five hundred dollars (\$500)**~~two hundred fifty dollars (\$250)~~, which sum is declared to be the equivalent of the minimum sum that each county attorney will expend each month in the performance of his official duties directed to be performed for the Commonwealth. The aforementioned sum shall be paid out of the State Treasury.

- (3) In order to equate the compensation of county attorneys with the purchasing power of the dollar, the Department for Local Government shall compute by the second Friday in February of every year the annual increase or decrease in the consumer price index of the preceding year by using 1949 as the base year in accordance with Section 246 of the Constitution of Kentucky which provides that the above elected officials shall be paid at a rate no greater than twelve thousand dollars (\$12,000) per annum. The Department for Local Government shall notify the appropriate governing bodies charged by law to fix the compensation of the above elected officials of the annual rate of compensation to which the elected officials are entitled pursuant to the increase or decrease in the consumer price index. Upon notification from the Department for Local Government, the appropriate governing body may set the annual compensation of the above elected officials at a rate no greater than that stipulated by the Department for Local Government.
- (4) The county attorney shall not be prohibited from engaging in the private practice of law.

Approved April 2, 2002

CHAPTER 183

(HB 452)

AN ACT relating to monetary penalties in criminal cases.

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

Section 1. KRS 23A.205 is amended to read as follows:

- (1) Court costs for a criminal case in the Circuit Court shall be **one hundred dollars (\$100)**~~eighty-two dollars (\$82), which shall include the fee mandated in KRS 346.185.~~
- (2) ***The taxation of court costs against a defendant, upon conviction in a case, shall be mandatory and shall not be subject to probation, suspension, proration, deduction, or other form of nonimposition in the terms of a plea bargain or otherwise, unless the court finds that the defendant is a poor person as defined by KRS 453.190(2) and that he or she is unable to pay court costs and will be unable to pay the court costs in the foreseeable future.***~~Except as provided in KRS 346.185, taxation of costs against a defendant, upon conviction, may be probated or suspended at the discretion of the court.~~
- (3) ***If the court finds that the defendant does not meet the standard articulated in subsection (2) of this section and that the defendant is nonetheless unable to pay the full amount of the court costs and fees at the time of sentencing, then the court shall establish a show cause date by which time the court costs, fees, and fines shall be paid and may establish an installment payment plan whereby the defendant pays the full amount of the court costs, fees, and fines to the circuit clerk in installments as established by the court. All court costs and fees under the installment plan shall be paid within one (1) year of the date of sentencing notwithstanding any remaining restitution or other monetary penalty owed by the defendant and arising out of the conviction. Installment payments will be applied first to court costs, then to restitution, then to fees, and then to fines.***~~Additional fees shall be charged in Circuit Court criminal matters as follows:~~
 - (a) — Preparing a certification \$1.00
 - (b) — Preparing a copy of a document (per page) \$0.15
- ~~(4) The additional fees required by subsection (3) of this section shall be paid to the clerk at the time the service is requested.~~
- ~~(5) The circuit clerk shall monthly pay twelve dollars (\$12) from each court cost collected pursuant to subsection (1) of this section to the sheriff for the payment of bailiffs for court security as provided for in KRS 64.092. The clerk shall include among his reports to the Administrative Office of the Courts the amounts paid to the sheriff.~~

SECTION 2. A NEW SECTION OF KRS CHAPTER 23A IS CREATED TO READ AS FOLLOWS:

In criminal cases, the following fees shall be charged by the circuit clerk and paid to the clerk at the time the corresponding services are requested:

- (1) ***Preparing an attestation \$0.50***
- (2) ***Preparing a certification \$5.00***

(3) ***Preparing a copy of a document (per page) \$0.25***

Section 3. KRS 23A.215 is amended to read as follows:

- (1) Except as provided in ~~subsection~~~~[subsections]~~ (2) ~~and (3)~~ of this section, all fees and costs collected pursuant to KRS 23A.200(1) shall be deposited in the general fund of the State Treasury.
- (2) Fees consisting of reimbursement for incidental direct outlays, including, but not limited to, postage and legal advertising, may be retained by the clerk and expended for these purposes in accordance with relevant directives of the Administrative Office of the Courts.
- (3) ***Additional costs in Circuit Court civil cases authorized by subsection (2) of KRS 23A.200 shall be paid to the sheriff or other officer serving the process.***~~The moneys authorized by subsection (5) of KRS 23A.205 shall be paid monthly to the sheriff for use by the sheriff for providing security services and related activities to the court as provided for in KRS 64.092.~~
- (4) Filing fees in civil actions shall be recoverable as costs.
- (5) ***No later than the seventh working day of each month the circuit clerk shall pay the funds collected from each court cost collected under Section 1 of this Act to the court cost distribution fund established in Section 9 of this Act and report to the Finance and Administration Cabinet and the Administrative Office of the Courts the amounts deposited into the court cost distribution fund.***

Section 4. KRS 24A.175 is amended to read as follows:

- (1) Court costs for a criminal case in the District Court shall be ***one hundred dollars (\$100), regardless of whether the offense is one for which prepayment is permitted***~~;~~
 - (a) ~~For an offense for which prepayment is permitted~~
~~and for which prepayment has been made prior to~~
~~trial as required by law \$49.00~~
 - (b) ~~For an offense for which prepayment is not permitted or~~
~~has not been made \$74.00~~
 - (c) ~~Court costs designated in paragraph (b) of this subsection shall include the fee mandated by KRS 346.185].~~
- (2) There shall be no court costs for a parking citation when:
 - (a) The fine is paid to the clerk before the trial date in the same manner as provided for speeding citations under KRS 189.394(3); and
 - (b) The citation does not involve parking in a fire lane or blocking the traveled portion of the highway.
- (3)~~Additional costs shall be assessed in District Court criminal matters as follows:~~
 - (a) ~~Preparing an attestation \$0.50~~
 - (b) ~~Preparing a certification \$1.00~~
 - (c) ~~Preparing a copy of a document (per page) \$0.25~~
- (4)~~[(5)]~~ ***The taxation of court costs against a defendant, upon conviction in a case, including persons sentenced to state traffic school as provided under KRS 186.574, shall be mandatory and shall not be subject to probation, suspension, proration, deduction, or other form of nonimposition in the terms of a plea bargain or otherwise, unless the court finds that the defendant is a poor person as defined by KRS 453.190(2) and that he or she is unable to pay court costs and will be unable to pay the court costs in the foreseeable future.***~~[probated or suspended].~~
- (4)~~[(5)]~~ ***If the court finds that the defendant does not meet the standard articulated in subsection (3) of this section and that the defendant is nonetheless unable to pay the full amount of the court costs, fees, and fines at the time of sentencing, then the court shall establish a show cause date by which time court costs, fees, and fines shall be paid and may establish an installment payment plan whereby the defendant pays the full amount of the court costs, fees, and fines to the circuit clerk in installments as established by the court.***

The court costs, fees, and fines under the installment plan shall be paid within one (1) year of the date of sentencing notwithstanding any remaining restitution or other monetary penalty owed by the defendant and arising out of the conviction. Installment payments will be applied first to court costs, then to restitution, then to fees, and then to fines. ~~The circuit clerk shall, at the time fines and costs are paid over to the state, pay five dollars (\$5) from each court cost collected pursuant to subsection (1) of this section to the county treasurer for use by the fiscal court for the sole purpose of defraying the costs of operation of the county jail and the transportation of prisoners and shall include among his reports to the Administrative Office of the Courts the amounts paid to the county.~~

- ~~(6) The circuit clerk shall, at the time fines and costs are paid over to the state, pay ten dollars (\$10) from each court cost collected pursuant to subsection (1) of this section to the State Treasury for the benefit and use of the Kentucky Local Correctional Facilities Construction Authority pursuant to KRS 441.625 to 441.695.~~
- ~~(7) The circuit clerk shall monthly pay twelve dollars (\$12) from each court cost collected pursuant to subsection (1) of this section to the sheriff for use by the sheriff for providing security services and related activities to the court as provided for in KRS 64.092. The clerk shall include among his reports to the Administrative Office of the Courts the amounts paid to the sheriff.~~

SECTION 5. A NEW SECTION OF KRS CHAPTER 24A IS CREATED TO READ AS FOLLOWS:

In criminal cases, the following fees shall be charged by the circuit clerk and paid to the clerk at the time the corresponding services are requested:

- (1) *Preparing an attestation* \$0.50
- (2) *Preparing a certification* \$5.00
- (3) *Preparing a copy of a document (per page)* \$0.25.

Section 6. KRS 24A.180 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section all fees and costs collected pursuant to KRS 24A.170(1) shall be deposited in the general fund of the State Treasury.
- (2) Fees consisting of reimbursement for incidental direct outlays, including, but not limited to, postage and legal advertising, may be retained by the clerk and expended for these purposes in accordance with relevant directives of the Administrative Office of the Courts.
- (3) Additional costs in District Court civil cases authorized by subsection (2) of KRS 24A.170 shall be paid to the sheriff or other officer serving the process.
- ~~(4) Costs and additional costs authorized by subsections (1), (2), (3), (4), (5) and (6) of KRS 24A.175 shall be placed in the general fund of the State Treasury and may be appropriated as provided by law.~~
- ~~(5) The moneys authorized by subsection (7) of KRS 24A.175 shall be paid monthly to the sheriff for use by the sheriff for providing security services and related activities to the court as provided for in KRS 64.092.~~
- ~~(6) Filing fees in civil actions shall be recoverable as costs.~~
- (5) *No later than the seventh working day of each month the circuit clerk shall pay the funds from each court cost collected under Section 4 of this Act to the court cost distribution fund established in Section 9 of this Act and report to the Finance and Administration Cabinet and the Administrative Office of the Courts the amounts deposited into the court cost distribution fund.*

Section 7. KRS 30A.200 is amended to read as follows:

All moneys which are deposited with the clerk and which are payable to a third person, not the Commonwealth, or which may become payable to such third person as a result of court action or otherwise shall ~~be~~:

- (1) *Be* logged in the appropriate record of the clerk and the person paying or depositing the money shall be given a receipt;
- (2) *Be* deposited daily in a bank approved as a state depository bank in a special escrow account or accounts subject to the clerk's withdrawal as required in the daily course of the clerk's business or as may be ordered by a court; *and*
- (3) Not *be* subject to the provisions of KRS Chapter 41 relating to the deposit of money in the State Treasury until by action of a court, such as forfeiture of a bond, the money is due and owing to the Commonwealth; ~~and~~

- ~~(4) In a criminal proceeding or in a proceeding under KRS Chapter 186 to KRS Chapter 189A, assessed a fee of five percent (5%) of the total value of the deposit, which shall be paid by the depositor at the time of making the deposit and which shall be in addition to the amount deposited. The fee shall be deposited by the clerk into a trust and agency account with the Administrative Office of the Courts and is to be used by the circuit clerk to hire additional deputy clerks and for enhancement of deputy clerk salaries to compensate for the additional duties necessitated by this section}.~~

Section 8. KRS 31.051 is amended to read as follows:

~~{(1) With the exception of the administrative fee contained in subsection (2) of this section, }~~All moneys received by the public advocate from indigent defendants pursuant to KRS Chapter 31 or which are collected by the public advocate pursuant to KRS Chapter 431 shall be credited to the public advocate fund of the county in which the trial is held and shall not be credited to any general account maintained by or for the public advocate. Moneys credited to a county public advocate fund may be used only to support the public advocate program of that county.

~~{(2) Any person provided counsel under the provisions of this chapter shall be assessed at the time of appointment, a nonrefundable fifty dollar (\$50) administrative fee, payable, at the court's discretion, in a lump sum or in installments. The first payment shall be accompanied by a handling fee of two dollars and fifty cents (\$2.50) to be paid directly to the Circuit Clerk and deposited in a trust and agency account to the credit of the Administrative Office of the Courts. The account shall be used to assist the circuit clerks in hiring additional employees and providing salary adjustments for deputy clerks. The court shall reduce or waive the fee if the person does not have the financial resources to pay the fee. In any case or legal action a needy person shall be assessed a total administrative fee of no more than fifty dollars (\$50), regardless of the stages of the matter at which the needy person is provided appointed counsel. In the event the defendant fails to pay the fee, the fee shall be deducted from any posted cash bond or shall constitute a lien upon any property which secures the person's bail, regardless of whether the bond is posted by the needy person or another. The failure to pay the fee shall not reduce or in any way affect the rendering of public defender services to the person. }~~

~~(3) The administrative fee shall be in addition to any other contribution or recoupment assessed by the court pursuant to KRS 31.120 and shall be collected in accordance with that section.~~

~~(4) The administrative fees collected pursuant to this subsection (2) shall be placed in a special trust and agency account for the Department of Public Advocacy, and the funds shall not lapse.~~

~~(5) If the administrative fee, or any portion thereof, is not paid by the due date, the court's order is a civil judgment subject to collection under Civil Rule 69.03 and KRS Chapter 426. }~~

SECTION 9. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

(1) *There is hereby established the court cost distribution fund, which is created to provide a central account into which the court costs collected by all circuit clerks, under subsection (1) of Section 1 of this Act and subsection (1) of Section 4 of this Act, shall be paid.*

(2) *The fund shall be administered by the Finance and Administration Cabinet, which shall make monthly disbursements from the fund according to the following schedule:*

- (a) *Forty-nine percent (49%) of each court cost shall be paid into the general fund;***
- (b) *Ten and eight-tenths percent (10.8%) of each court cost, up to five million four hundred thousand dollars (\$5,400,000), shall be paid into the State Treasury for the benefit and use of the Kentucky Local Correctional Facilities Construction Authority under KRS 441.605 to 441.695;***
- (c) *Six and one-half percent (6.5%) of each court cost, up to three million two hundred fifty thousand dollars (\$3,250,000), shall be paid into the spinal cord and head injury research trust fund created in KRS 211.504;***
- (d) *Five and one-half percent (5.5%) of each court cost, up to two million seven hundred fifty thousand dollars (\$2,750,000), shall be paid into the traumatic brain injury trust fund created in KRS 211.476;***
- (e) *Five percent (5%) of each court cost, up to two million five hundred thousand dollars (\$2,500,000), shall be paid into a trust and agency account with the Administrative Office of the Courts and is to be used by the circuit clerks to hire additional deputy clerks and to enhance deputy clerk salaries;***

- (f) *Three and one-half percent (3.5%) of each court cost, up to one million seven hundred fifty thousand dollars (\$1,750,000), shall be paid to a special trust and agency account that shall not lapse for the Department of Public Advocacy;*
 - (g) *Three and four-tenths percent (3.4%) of each court cost, up to one million seven hundred thousand dollars (\$1,700,000), shall be paid into the crime victims' compensation fund created in KRS 346.185;*
 - (h) *Seven-tenths of one percent (0.7%) of each court cost, up to three hundred fifty thousand dollars (\$350,000), shall be paid to the Justice Cabinet to defray the costs of conducting record checks on prospective firearms purchasers pursuant to the Brady Handgun Violence Prevention Act and for the collection, testing, and storing of DNA samples;*
 - (i) *Ten and one-tenth percent (10.1%) of each court cost, up to five million fifty thousand dollars (\$5,050,000), deposited in the fund shall be paid to the county sheriff in the county from which the court cost was received; and*
 - (j) *Five and one-half percent (5.5%) of each court cost, up to two million seven hundred fifty thousand dollars (\$2,750,000), deposited in the fund shall be paid to the county treasurer in the county from which the court cost was received and shall be used by the fiscal court in that county for the purposes of defraying the costs of operation of the county jail and the transportation of prisoners.*
- (3) *Any moneys remaining in the fund after the monthly disbursements in subsection (2) of this section shall be paid into the general fund.*
 - (4) *Any moneys collected above the prescribed amount shall be paid into the general fund.*

Section 10. KRS 64.092 is amended to read as follows:

Compensation of sheriffs and other law enforcement officers or agencies for attending court shall be as follows:

- (1) Compensation shall be provided only for the actual time for which the sheriff or other officer is ordered to be physically present in the courtroom or is ordered to be physically present to discharge a duty ordered by the Chief Circuit Judge, Chief District Judge, or Judge of the Court of Appeals, as appropriate.
- (2) Compensation shall not be provided for more than one (1) sheriff or other officer per courtroom unless the need for additional personnel is certified in writing by the Chief Circuit Judge, Chief District Judge, or Judge of the Court of Appeals, as appropriate, and the utilization of additional personnel is approved by the Chief Justice, or his designee. In the event of an emergency of such nature precluding contacting the Chief Justice or his designee, the Chief Circuit Judge, Chief District Judge, or Judge of the Court of Appeals may authorize such assignment of additional personnel for a period not to exceed twenty-four (24) hours.
- (3) Where a single sheriff or other law enforcement officer serves more than one (1) court or courtroom during a single day, he shall be paid as if he had served only one (1) courtroom during that day. Dual compensation for service during a single day shall not be permitted.
- (4) Time, for compensation purposes, shall be computed as the actual time spent in the courtroom pursuant to court direction or order and the actual time spent in other service to the court as directed or ordered by the appropriate judge.
- (5) Time spent in court service by a sheriff or other law enforcement officer shall be certified by the judge of the court which the officer attended and by the Chief Judge of the Circuit Court, if the service was to the Circuit Court, or by the Chief Judge of the District Court, if the service was to the District Court.
- (6) The sheriff or other law enforcement officer serving a Circuit or District Court shall be compensated at the rate of eight dollars (\$8) per hour of service. If service is for a part of an hour, then compensation for such service shall be prorated for the actual number of minutes' service within a given hour.
- (7) The sheriff shall receive *the disbursements provided for in paragraph (i) of subsection (2) of Section 9 of this Act* ~~twelve dollars (\$12) from each court cost collected pursuant to KRS 23A.205, 23A.215, 24A.175, and 24A.180~~ to help defray the cost of providing security services and related activities to the court. The moneys received by the sheriff under this subsection are authorized official expenses to be considered operating expenses of the sheriff's office and shall not be considered as part of his compensation.

Section 11. KRS 149.180 is amended to read as follows:

Whenever possible, the secretary for natural resources and environmental protection shall collect the costs of firefighting done and approved as provided in KRS 149.160, from the person responsible for the origin of the fire by his negligence or intent. The recovered costs shall be deposited in a special fund in the Natural Resources and Environmental Protection Cabinet. The recovered costs shall be repaid to the county in which the costs were incurred, if such county has fully paid its annual assessment to the statewide system as provided for in KRS 149.540 for the year in which the fire suppression costs were incurred. If a county is not eligible to receive the recovered costs, the money shall be used by the Division of Forestry to improve fire protection services. The funds so repaid to the county shall be placed in the county forest fire protection fund provided for in KRS 149.590. Any money in the Natural Resources and Environmental Protection Cabinet's special fund upon July 15, 1998, that were not repaid to a county for having failed to fully pay its annual assessment, shall be used by the Division of Forestry to improve fire protection services. In the event the suppression cost is not collected, the Commonwealth's attorney of the county in which the fire occurred shall institute and prosecute the necessary proceedings. ***Costs recovered under this section shall be ordered to be paid directly to the Natural Resources and Environmental Protection Cabinet. The court shall not direct that the costs be paid through the circuit clerk.***

Section 12. KRS 149.430 is amended to read as follows:

- (1) If any forest fire shall originate as a result of the violation by any person of any provision of KRS 149.360 to 149.430, such person shall be, in addition to the penalty prescribed under KRS 149.991, liable to the state and to each county for the full amount of all expenses incurred by the state and county respectively in suppressing each fire, such amounts to be recoverable by action brought by the secretary for natural resources and environmental protection in the name of the Commonwealth on behalf of the Commonwealth and by the county attorney on behalf of the county.
- (2) In addition to any penalty pursuant to KRS 149.991, any person violating any of the provisions of KRS 149.360 to 149.430 shall be answerable in damages to any persons suffering such damage for the cost incurred in the suppression of any fire resulting from such violation and for damage to property resulting from such fires.
- (3) ***Damages assessed under this section shall be ordered to be paid directly to the Natural Resources and Environmental Protection Cabinet or to any other injured person or organization specified by written order of the court. The court shall not direct that the damages be paid through the circuit clerk.***

Section 13. KRS 150.990 is amended to read as follows:

- (1) Each bird, fish, or animal taken, possessed, bought, sold, or transported and each device used or possessed contrary to the provisions of this chapter or any administrative regulation promulgated by the commission thereunder shall constitute a separate offense. The penalties prescribed in this section shall be for each offense.
- (2) Any person who violates any of the provisions of this chapter or any administrative regulations promulgated by the commission thereunder may, in addition to the penalties provided in subsections (3), (4), (5), (6), (7), and (8) of this section, forfeit his license, or if that person is license exempt, may forfeit the privilege to perform the acts authorized by the license and shall not be permitted to purchase another license or exercise the privileges granted by a license during the same license year. No fines, penalty, or judgment assessed or rendered under this chapter shall be suspended, reduced, or remitted otherwise than expressly provided by law. Any person who violates any administrative regulation which has been or may be promulgated by the commission under any provisions of this chapter shall be subject to the same penalty as is provided for the violation of any provisions of this chapter under which the administrative regulation is promulgated.
- (3) Any person who violates any of the provisions of KRS 150.120, 150.170, 150.280, 150.320, 150.355, 150.362, 150.400, 150.410, 150.415, 150.416, 150.445, 150.450, 150.470, 150.603, 150.235(1), 150.330(2), or 150.470, or any of the provisions of this chapter or any administrative regulation promulgated by the commission for which no definite fine or imprisonment is fixed shall be fined not less than twenty-five dollars (\$25) nor more than two hundred dollars (\$200).
- (4) Any person who violates any of the provisions of KRS 150.290, 150.300, 150.340, 150.360, 150.362(1), 150.485, 150.600, 150.630, 150.660, the provisions of KRS 150.195(5) to (8), or KRS 150.660(3) shall be fined not less than twenty-five dollars (\$25) nor more than two hundred dollars (\$200) or be imprisoned for not more than six (6) months, or both. Also, any person violating the provisions of KRS 150.300 shall be assessed treble damages as provided in KRS 150.690 or 150.700. ***Damages assessed under this subsection shall be***

ordered to be paid directly to the department. The court shall not direct that the damages be paid through the circuit clerk.

- (5) Any person who violates any of the provisions of KRS 150.411, 150.412, or 150.417 shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).
- (6) Any person who violates any of the provisions of KRS 150.183, 150.305, 150.365, 150.370, 150.330(1), or 150.235(2), (3), or (4) shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both.
- (7) Any person who violates any of the provisions of KRS 150.460 shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both, and in addition to these penalties shall be liable to the department in an amount not to exceed the replacement value of the fish and wildlife which has been killed or destroyed. ***Costs assessed for the restoration of wildlife under this subsection shall be ordered to be paid directly to the department. The court shall not direct that the costs be paid through the circuit clerk.***
- (8) Any person who violates the provisions of KRS 150.180, 150.520, 150.525, or administrative regulations issued thereunder shall for the first offense be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000); and shall for a second offense be fined not less than five hundred dollars (\$500) nor more than one thousand five hundred dollars (\$1,500); and for any subsequent offense, be fined two thousand dollars (\$2,000).
- (9) Any person who violates the provisions of KRS 150.520 or administrative regulations issued thereunder shall, if the violation relates to methods of taking mussels, for a first offense be imprisoned in the county jail for no more than thirty (30) days; for a second offense be imprisoned in the county jail for no more than six (6) months; and for any subsequent offense be imprisoned in the county jail for no more than one (1) year. The penalties for violation of ***this*** subsection~~[(9)]~~ shall be in addition to the penalties for violation of subsection (8).
- (10) Any person who violates any of the provisions of KRS 150.4111, 150.640, or subsections (2) or (3) of KRS 150.450 shall be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000).
- (11) Any person who violates any of the provisions of KRS 150.390 or KRS 150.092(4) shall be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) or imprisoned for not less than thirty (30) days nor more than one (1) year, or both. In addition to the penalties prescribed above, he shall forfeit his license or, if license exempt, the privilege to perform the acts authorized by the license for a period of one (1) to three (3) years and shall be liable to the department in an amount reasonably necessary to replace any deer, wild turkey, or bear taken in violation of KRS 150.390 and for violations of subsection (4) of KRS 150.092 shall be liable to the landowner or occupant for reasonable compensation for damages. ***Wildlife replacement costs assessed under this subsection shall be ordered to be paid directly to the department. The court shall not direct that the damages be paid through the circuit clerk. Damages assessed under this subsection shall be ordered to be paid directly to the landowner or occupant. The court shall not direct that the damages be paid through the circuit clerk.*** Any person who possesses, takes, or molests a wild elk in violation of KRS 150.390 or administrative regulations adopted under authority of that section shall be fined not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) or imprisoned for up to six (6) months, or both. In addition to these penalties, the person shall pay to the department an amount not to exceed the greater of the replacement cost of the wild elk or double any monetary gain realized from the illegal activity and shall forfeit his or her license, or if license exempt, the privilege to perform the acts authorized by the license for a period of one (1) to three (3) years.
- (12) Any person who violates any of the provisions of KRS 150.090 other than a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 235, or the administrative regulations issued thereunder shall be guilty of a Class A misdemeanor.
- (13) Any person who commits a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 235, or the administrative regulations issued thereunder shall be subject to the penalties specified for the offense under KRS Chapter 507 or 508, as appropriate.
- (14) A person shall be guilty of a Class B misdemeanor upon the first conviction for a violation of KRS 150.710. A subsequent conviction shall be a Class A misdemeanor.

- (15) Any person who violates the provisions of KRS 150.092 or the administrative regulations promulgated thereunder for which no other penalty is specified elsewhere in this section shall for the first offense be fined not less than one hundred dollars (\$100) nor more than three hundred dollars (\$300); for the second offense, be fined not less than three hundred dollars (\$300) nor more than one thousand dollars (\$1,000); and for subsequent offenses, shall forfeit the license, or if license-exempt, the privilege to perform the acts authorized by the license, for one (1) year and shall be fined not less than one thousand dollars (\$1,000) or be imprisoned in the county jail for up to one (1) year, or both. In addition to the penalties prescribed in this subsection, the violator shall be liable to the landowner or tenant for the replacement cost of any property which was damaged or destroyed by his actions. ***Damages assessed under this subsection shall be ordered to be paid directly to the landowner or the tenant. The court shall not direct that the damages be paid through the circuit clerk.***

Section 14. KRS 177.978 is amended to read as follows:

- (1) All revenues generated ***from the purchase of decals*** pursuant to KRS 177.990~~(4)~~ and ~~(5)~~ and KRS 177.9771(4) and no other taxes or fees normally assessed on motor carriers shall be credited to a special account within the road fund called the "energy recovery road fund" and any additional funds obtained through state appropriation, gifts, grants and federal funds may be credited to the special account, and shall be used, in addition to those road funds normally used for said highways, exclusively by the Transportation Cabinet for those costs attendant to highway purposes for roads designated as part of the extended weight coal haul road system. All funds in the account shall be carried forward at the end of each year.
- (2) All funds credited to the "coal recovery road fund" shall be transferred to the "energy recovery road fund."

Section 15. KRS 186.574 is amended to read as follows:

- (1) The Transportation Cabinet shall establish a state traffic school for new drivers and for traffic offenders. The school shall be composed of uniform education and training elements designed to create a lasting influence on new drivers and a corrective influence on traffic offenders. District Courts may in lieu of assessing penalties for traffic offenses, other than for KRS 189A.010, sentence offenders to state traffic school and no other. The Transportation Cabinet shall enroll a person in state traffic school who fails to complete a driver's education course pursuant to KRS 186.410(5).
- (2) If a District Court stipulates in its judgment of conviction that a person attend state traffic school, the court shall indicate this in the space provided on the abstract of conviction filed with the Transportation Cabinet. Upon receipt of an abstract, the Transportation Cabinet, or its representative, shall schedule the person to attend state traffic school. Failure of the person to attend and satisfactorily complete state traffic school in compliance with the court order, may be punished as contempt of the sentencing court.
- (3) The Transportation Cabinet shall supervise, operate, and administer state traffic school, and shall promulgate administrative regulations pursuant to KRS Chapter 13A governing facilities, equipment, courses of instruction, instructors, and records of the program. In the event a person sentenced under subsection (1) of this section does not attend or satisfactorily complete state traffic school, the Transportation Cabinet may deny that person a license or suspend the license of that person until he reschedules attendance or completes state traffic school, at which time a denial or suspension shall be rescinded.
- (4) Persons participating in the state traffic school as provided in this section shall pay a fee of fifteen dollars (\$15) to defray the cost of operating the school, except that if enrollment in state traffic school is to satisfy the requirement of KRS 186.410(4)(c), a fee shall not be assessed. Any funds collected pursuant to KRS 186.535(1) that are dedicated to the road fund for use in the state driver education program may be used for the purposes of state traffic school.
- (5) The following procedures shall govern persons attending state traffic school pursuant to this section:
 - (a) A person convicted of any violation of traffic codes set forth in KRS Chapters 177, 186, or 189, and who is otherwise eligible, may in the sole discretion of the trial judge, be sentenced to attend state traffic school. Upon payment of the fee required by subsection (4) of this section, and upon successful completion of state traffic school, the sentence to state traffic school shall be the person's penalty in lieu of any other penalty, except for the payment of court costs;
 - (b) Except as provided in KRS 189.990~~(27)~~~~(28)~~, a person shall not be eligible to attend state traffic school who has been cited for a violation of KRS Chapters 177, 186, or 189 that has a penalty of mandatory revocation or suspension of an offender's driver's license;

- (c) Except as provided in KRS 189.990(27)~~[(28)]~~, a person shall not be eligible to attend state traffic school for any violation if, at the time of the violation, the person did not have a valid driver's license or the person's driver's license was suspended or revoked by the cabinet;
- (d) Except as provided in KRS 189.990(27)~~[(28)]~~, a person shall not be eligible to attend state traffic school more than once in any one (1) year period, unless the person wants to attend state traffic school to comply with the driver education requirements of KRS 186.410; and
- (e) The cabinet shall notify the sentencing court regarding any person who was sentenced to attend state traffic school who was ineligible to attend state traffic school. A court notified by the cabinet pursuant to this paragraph shall return the person's case to an active calendar for a hearing on the matter. The court shall issue a summons for the person to appear and the person shall demonstrate to the court why an alternative sentence should not be imposed.

Section 16. KRS 189.2329 is amended to read as follows:

- (1) A person shall not intentionally destroy, remove, injure, or deface a temporary traffic control device erected for the purpose of enhancing traffic safety or worker safety in a highway work zone. A temporary traffic control device shall include, but not be limited to, a cone, tubular marker, delineator, warning light, drum, barricade, sign, sign truck, arrow board, or other device specified in an approved traffic control plan or by an administrative regulation promulgated by the cabinet pursuant to KRS Chapter 13A.
- (2) A person who violates the provisions of this section shall, upon conviction, in addition to any other penalty established by statute, be sentenced to pay fifty dollars (\$50) for each temporary traffic control device that the person destroyed, removed, injured, or defaced, and the person shall make restitution to the owner of the temporary traffic control device.~~[All funds collected pursuant to this subsection shall be deposited in the highway work zone safety fund established pursuant to KRS 189.394.]~~
- (3) ***Restitution payments to owners of temporary traffic control devices required to be made under subsection (2) of this section shall be paid directly to the owner of the device as specified by written order of the court. The court shall not direct that the payments be made through the circuit clerk.***

Section 17. KRS 189.394 is amended to read as follows:

- (1) The fines for speeding in violation of KRS 189.390 shall be:

Mph.	Prima Facie or Maximum Speed											
Over												
Limit	15	20	25	30	35	40	45	50	55	60	65	Fine
1		16	21	26	31	36	41	46	51	56	61	\$1
2		17	22	27	32	37	42	47	52	57	62	2
3		18	23	28	33	38	43	48	53	58	63	3
4		19	24	29	34	39	44	49	54	59	64	4
5		20	25	30	35	40	45	50	55	60	65	5
6		21	26	31	36	41	46	51	56	61	66	16
7		22	27	32	37	42	47	52	57	62	67	17
8		23	28	33	38	43	48	53	58	63	68	18
9		24	29	34	39	44	49	54	59	64	69	19
10		25	30	35	40	45	50	55	60	65	70	20
11		26	31	36	41	46	51	56	61	66	71	22
12		27	32	37	42	47	52	57	62	67	72	24
13		28	33	38	43	48	53	58	63	68	73	26
14		29	34	39	44	49	54	59	64	69	74	28
15		30	35	40	45	50	55	60	65	70	75	30

16	31	36	41	46	51	56	61	66	71	76	81	32
17	32	37	42	47	52	57	62	67	72	77	82	34
18	33	38	43	48	53	58	63	68	73	78	83	36
19	34	39	44	49	54	59	64	69	74	79	84	38
20	35	40	45	50	55	60	65	70	75	80	85	40
21	36	41	46	51	56	61	66	71				43
22	37	42	47	52	57	62	67	72				46
23	38	43	48	53	58	63	68	73				49
24	39	44	49	54	59	64	69	74				52
25	40	45	50	55	60	65	70	75				55

- (2) For speeding in excess of the speeds shown on the specific fine schedule the fine shall be not less than sixty dollars (\$60) nor more than one hundred dollars (\$100).
- (3) For any violation shown on the chart for which a specific fine is prescribed, the defendant may elect to pay the fine and court costs to the circuit clerk before the date of his trial or to be tried in the normal manner. Payment of the fine and court costs to the clerk shall be considered as a plea of guilty for all purposes.
- (4) If the offense charged shows a speed in excess of the speeds shown on the specific fine schedule the defendant shall appear for trial and may not pay the fine to the clerk before the trial date.
- ~~(5) Twelve dollars and fifty cents (\$12.50) shall be assessed for violations of KRS 189.390 in addition to the penalties set forth in subsections (1) and (2) of this section. Funds collected pursuant to this subsection shall be deposited in the spinal cord and head injury research trust fund, created pursuant to KRS 211.504, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.502.~~
- ~~(6) Ten dollars (\$10) shall be assessed for violations of KRS 189.390 in addition to the penalties set forth in subsections (1) and (2) and the additional fee established in subsection (3) of this section. Funds collected pursuant to this subsection shall be deposited in the traumatic brain injury trust fund created pursuant to KRS 211.476, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.470 to 211.475.~~
- ~~(7)~~ If the offense occurred in a highway work zone, the fine established by subsection (1) or (2) of this section shall be doubled.
- ~~(6)~~~~(8)~~ All fines collected for speeding in a highway work zone in violation of KRS 189.390 shall be deposited into a separate trust and agency account within the Transportation Cabinet known as the "Highway Work Zone Safety Fund." The highway work zone safety fund shall be used exclusively by the Transportation Cabinet to hire or pay for enhanced law enforcement of traffic laws within highway work zones.

Section 18. KRS 189.990 is amended to read as follows:

- (1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2), and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.285, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, subsection (4) of KRS 189.456, and 189.960 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty dollars (\$20) nor more than two thousand dollars (\$2,000) or imprisoned in the county jail for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (5) of KRS 189.390 shall be fined not less than eleven dollars (\$11) nor more than thirty dollars (\$30). Neither court costs nor fees shall be taxed against any person violating paragraph (c) of subsection (5) of KRS 189.390.
- (2) (a) Any person who violates the weight provisions of KRS 189.212, 189.221, 189.222, 189.226, 189.230, or 189.270 shall be fined two cents (\$0.02) per pound for each pound of excess load when the excess is five thousand (5,000) pounds or less. When the excess exceeds five thousand (5,000) pounds the fine

shall be two cents (\$0.02) per pound for each pound of excess load, but the fine levied shall not be less than one hundred dollars (\$100) and shall not be more than five hundred dollars (\$500).

- (b) Any person who violates the provisions of KRS 189.271 and is operating on a route designated on the permit shall be fined one hundred dollars (\$100); otherwise, the penalties in paragraph (a) of this subsection shall apply.
 - (c) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, 189.490, or the dimension provisions of KRS 189.212, for which another penalty is not specifically provided shall be fined not less than ten dollars (\$10) nor more than five hundred dollars (\$500).
 - (d) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the Department of Vehicle Regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.
- (3) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars (\$15).
- (b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars (\$35) nor more than two hundred dollars (\$200).
- (4) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).
- (b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).
- (c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.
- (5) Any person who violates KRS 189.370 shall for the first offense be fined not less than one hundred dollars (\$100) nor more than two hundred dollars (\$200) or imprisoned not less than thirty (30) days nor more than sixty (60) days, or both. For each subsequent offense occurring within three (3) years, the person shall be fined not less than three hundred dollars (\$300) nor more than five hundred dollars (\$500) or imprisoned not less than sixty (60) days nor more than six (6) months, or both. The minimum fine for this violation shall not be subject to suspension. A minimum of six (6) points shall be assessed against the driving record of any person convicted.
- (6) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars (\$15) in excess of the cost of the repair of the road.
- (7) Any person who violates KRS 189.510 or KRS 189.515 shall be fined not less than twenty dollars (\$20) nor more than fifty dollars (\$50).
- (8) Any peace officer who violates subsection (2) of KRS 189.520 shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100).
- (9) (a) Any person who violates KRS 189.530(1) shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100), or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.
- (b) Any person who violates KRS 189.530(2) shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100).
- (10) Any person who violates any of the provisions of KRS 189.550 shall be guilty of a Class B misdemeanor.
- (11) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty dollars (\$30) nor more than one hundred dollars (\$100) for each offense.
- (12) The fines imposed by paragraph (a) of subsection (3) and subsections (6) and (7) of this section shall, in the case of a public highway, be paid into the county road fund, and, in the case of a privately owned road or bridge, be paid to the owner. These fines shall not bar an action for damages for breach of contract.

- (13) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.
- (14) Any person who violates any provision of KRS 189.575 shall be fined not less than twenty dollars (\$20) nor more than twenty-five dollars (\$25).
- (15) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.
- (16) Any person who violates restrictions or regulations established by the secretary of transportation pursuant to subsection (3) of KRS 189.231 shall, upon first offense, be fined one hundred dollars (\$100) and, upon subsequent convictions, be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) or imprisoned for thirty (30) days, or both.
- (17) (a) Any person who violates any of the provisions of KRS 189.565 shall be guilty of a Class B misdemeanor.
(b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name the vehicle used in the transportation of inflammable liquids or explosives is licensed, the person shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500). Each violation shall constitute a separate offense.
- (18) Any person who abandons a vehicle upon the right-of-way of a state highway for three (3) consecutive days shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100), or imprisoned for not less than ten (10) days nor more than thirty (30) days.
- (19) Every person violating KRS 189.393 shall be guilty of a Class B misdemeanor, unless the offense is being committed by a defendant fleeing the commission of a felony offense which the defendant was also charged with violating and was subsequently convicted of that felony, in which case it is a Class A misdemeanor.
- (20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157.
- (21) A person who elects to operate a bicycle in accordance with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of a regulation shall be fined not less than ten dollars (\$10) nor more than one hundred dollars (\$100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.
- (22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both.
- (23) Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars (\$25) nor more than three hundred dollars (\$300).
- (24) Any person who violates the provisions of KRS 189.125(3) shall be fined fifty dollars (\$50).
- (25) Any person who violates the provisions of KRS 189.125(6) shall be fined an amount not to exceed twenty-five dollars (\$25).
- ~~(26) Any person who violates any of the provisions of KRS 189.125(3), KRS 189.290, KRS 189.300, KRS 189.340, KRS 189.345, KRS 189.370, KRS 189.393, or KRS 189.505, shall, in addition to any other fine imposed by this chapter, pay an additional fee of ten dollars (\$10). Funds collected pursuant to this subsection shall be deposited in the traumatic brain injury trust fund, created pursuant to KRS 211.476, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.470 to 211.478.~~
- ~~(27)~~ Fines levied pursuant to this chapter shall be assessed in the manner required by KRS 534.020, in amounts consistent with this chapter. Nonpayment of fines shall be governed by KRS 534.060.
- ~~(27)~~~~(28)~~ A licensed driver under the age of eighteen (18) charged with a moving violation pursuant to this chapter as the driver of a motor vehicle may be referred, prior to trial, by the court to a diversionary program. The diversionary program under this subsection shall consist of one (1) or both of the following:
 - (a) Execution of a diversion agreement which prohibits the driver from operating a vehicle for a period not to exceed forty-five (45) days and which allows the court to retain the driver's operator's license during this period; and

- (b) Attendance at a driver improvement clinic established pursuant to KRS 186.574. If the person completes the terms of this diversionary program satisfactorily the violation shall be dismissed.

Section 19. KRS 189A.010 is amended to read as follows:

- (1) A person shall not operate or be in physical control of a motor vehicle anywhere in this state:
 - (a) Having an alcohol concentration of 0.08 or more as measured by a scientifically reliable test or tests of a sample of the person's breath or blood taken within two (2) hours of cessation of operation or physical control of a motor vehicle;
 - (b) While under the influence of alcohol;
 - (c) While under the influence of any other substance or combination of substances which impairs one's driving ability;
 - (d) While under the combined influence of alcohol and any other substance which impairs one's driving ability; or
 - (e) Having an alcohol concentration of 0.02 or more as measured by a scientifically reliable test or tests of a sample of the person's breath or blood taken within two (2) hours of cessation of operation or physical control of a motor vehicle, if the person is under the age of twenty-one (21).
- (2) With the exception of the results of the tests administered pursuant to KRS 189A.103(7), if the sample of the person's blood or breath that is used to determine the alcohol concentration thereof was obtained more than two (2) hours after cessation of operation or physical control of a motor vehicle, the results of the test or tests shall be inadmissible as evidence in a prosecution under subsection (1)(a) or (e) of this section. The results of the test or tests, however, may be admissible in a prosecution under subsection (1)(b) or (d) of this section.
- (3) In any prosecution for a violation of subsection (1)(b) or (d) of this section in which the defendant is charged with having operated or been in physical control of a motor vehicle while under the influence of alcohol, the alcohol concentration in the defendant's blood as determined at the time of making analysis of his blood or breath shall give rise to the following presumptions:
 - (a) If there was an alcohol concentration of less than 0.05 based upon the definition of alcohol concentration in KRS 189A.005, it shall be presumed that the defendant was not under the influence of alcohol; and
 - (b) If there was an alcohol concentration of 0.05 or greater but less than 0.08 based upon the definition of alcohol concentration in KRS 189A.005, that fact shall not constitute a presumption that the defendant either was or was not under the influence of alcohol, but that fact may be considered, together with other competent evidence, in determining the guilt or innocence of the defendant.

The provisions of this subsection shall not be construed as limiting the introduction of any other competent evidence bearing upon the questions of whether the defendant was under the influence of alcohol or other substances, in any prosecution for a violation of subsection (1)(b) or (d) of this section.

- (4) The fact that any person charged with violation of subsection (1) of this section is legally entitled to use any substance, including alcohol, shall not constitute a defense against any charge of violation of subsection (1) of this section.
- (5) Any person who violates the provisions of paragraph (a), (b), (c), or (d) of subsection (1) of this section shall:
 - (a) For the first offense within a five (5) year period, be fined not less than two hundred dollars (\$200) nor more than five hundred dollars (\$500), or be imprisoned in the county jail for not less than forty-eight (48) hours nor more than thirty (30) days, or both. Following sentencing, the defendant may apply to the judge for permission to enter a community labor program for not less than forty-eight (48) hours nor more than thirty (30) days in lieu of fine or imprisonment, or both. If any of the aggravating circumstances listed in subsection (11) of this section are present while the person was operating or in physical control of a motor vehicle, the mandatory minimum term of imprisonment shall be four (4) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of early release.
 - (b) For the second offense within a five (5) year period, be fined not less than three hundred fifty dollars (\$350) nor more than five hundred dollars (\$500) and shall be imprisoned in the county jail for not less than seven (7) days nor more than six (6) months and, in addition to fine and imprisonment, may be

sentenced to community labor for not less than ten (10) days nor more than six (6) months. If any of the aggravating circumstances listed in subsection (11) of this section are present, the mandatory minimum term of imprisonment shall be fourteen (14) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of early release.

- (c) For a third offense within a five (5) year period, be fined not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1,000) and shall be imprisoned in the county jail for not less than thirty (30) days nor more than twelve (12) months and may, in addition to fine and imprisonment, be sentenced to community labor for not less than ten (10) days nor more than twelve (12) months. If any of the aggravating circumstances listed in subsection (11) of this section are present, the mandatory minimum term of imprisonment shall be sixty (60) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of early release.
 - (d) For a fourth or subsequent offense within a five (5) year period, be guilty of a Class D felony. If any of the aggravating circumstances listed in subsection (11) of this section are present, the mandatory minimum term of imprisonment shall be two hundred forty (240) days, which term shall not be suspended, probated, conditionally discharged, or subject to any other form of release.
 - (e) For purposes of this subsection, prior offenses shall include all convictions in this state, and any other state or jurisdiction, for operating or being in control of a motor vehicle while under the influence of alcohol or other substances that impair one's driving ability, or any combination of alcohol and such substances, or while having an unlawful alcohol concentration, or driving while intoxicated, but shall not include convictions for violating subsection (1)(e) of this section. A court shall receive as proof of a prior conviction a copy of that conviction, certified by the court ordering the conviction.
- (6) Any person who violates the provisions of subsection (1)(e) of this section shall have his driving privilege or operator's license suspended by the court for a period of no less than thirty (30) days but no longer than six (6) months, and the person shall be fined no less than one hundred dollars (\$100) and no more than five hundred dollars (\$500), or sentenced to twenty (20) hours of community service in lieu of a fine. A person subject to the penalties of this subsection shall not be subject to the penalties established in subsection (5) of this section or any other penalty established pursuant to KRS Chapter 189A, except those established in KRS 189A.040(1).
 - (7) If the person is under the age of twenty-one (21) and there was an alcohol concentration of 0.08 or greater based on the definition of alcohol concentration in KRS 189A.005, the person shall be subject to the penalties established pursuant to subsection (5) of this section.
 - (8) For a second or third offense within a five (5) year period, the minimum sentence of imprisonment or community labor shall not be suspended, probated, or subject to conditional discharge or other form of early release. For a fourth or subsequent offense under this section, the minimum term of imprisonment shall be one hundred twenty (120) days, and this term shall not be suspended, probated, or subject to conditional discharge or other form of early release. For a second or subsequent offense, at least forty-eight (48) hours of the mandatory sentence shall be served consecutively.
 - (9) When sentencing persons under subsection (5)(a) of this section, at least one (1) of the penalties shall be assessed and that penalty shall not be suspended, probated, or subject to conditional discharge or other form of early release.
 - (10) In determining the five (5) year period under this section, the period shall be measured from the dates on which the offenses occurred for which the judgments of conviction were entered.
 - (11) For purposes of this section, aggravating circumstances are any one (1) or more of the following:
 - (a) Operating a motor vehicle in excess of thirty (30) miles per hour above the speed limit;
 - (b) Operating a motor vehicle in the wrong direction on a limited access highway;
 - (c) Operating a motor vehicle that causes an accident resulting in death or serious physical injury as defined in KRS 500.080;
 - (d) Operating a motor vehicle while the alcohol concentration in the operator's blood or breath is 0.18 or more as measured by a test or tests of a sample of the operator's blood or breath taken within two (2) hours of cessation of operation of the motor vehicle;

- (e) Refusing to submit to any test or tests of one's blood, breath, or urine requested by an officer having reasonable grounds to believe the person was operating or in physical control of a motor vehicle in violation of subsection (1) of this section; and
- (f) Operating a motor vehicle that is transporting a passenger under the age of twelve (12) years old.

~~[(12) Any person who violates the provisions of subsection (1) of this section shall be assessed twenty dollars (\$20) in addition to the fines imposed by subsections (5) and (6) of this section. Funds collected pursuant to this subsection shall be deposited in the traumatic brain injury trust fund, created pursuant to KRS 211.476, within fourteen (14) days after the end of each quarter, to be used for the purposes set forth in KRS 211.470 to 211.478.]~~

Section 20. KRS 211.476 is amended to read as follows:

- (1) The traumatic brain injury trust fund is created as a separate revolving fund.~~[The trust fund shall consist of moneys collected from an additional assessment of twenty dollars (\$20) imposed on driving under the influence offenses, an additional assessment of ten dollars (\$10) imposed against selected speeding offenses, and an additional fine of ten dollars (\$10) imposed against selected moving violations.]~~
- (2) The trust fund may receive the proceeds from grants, contributions, appropriations, and any other moneys that may be made available for the purposes of the trust fund.
- (3) Expenditures from the trust fund on behalf of the medical registry created under KRS 211.474 shall not exceed one hundred twenty-five thousand dollars (\$125,000) for any fiscal year.
- (4) Funds unexpended at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year.
- (5) Any interest earnings of the trust fund shall become a part of the trust fund and shall not lapse to the general fund.

Section 21. KRS 211.500 is amended to read as follows:

- (1) The Kentucky Spinal Cord and Head Injury Research Board is hereby created for the purpose of administering the spinal cord and head injury research trust fund created pursuant to KRS 211.504. The board shall be composed of seven (7) members appointed by the Governor as follows:
 - (a) Two (2) members representing the University of Kentucky College of Medicine;
 - (b) Two (2) members representing the University of Louisville School of Medicine;
 - (c) One (1) member who has a spinal cord or head injury or who has a family member with a spinal cord or head injury;
 - (d) One (1) member representing the Kentucky Medical Association; and
 - (e) One (1) at-large member.
- (2) Board members shall be reimbursed for ordinary travel expenses, including meals and lodging, incurred in the performance of duties incident to the provisions of KRS 211.500 to 211.504.
- (3) The terms of board members shall be four (4) years, except that of the members appointed after July 15, 1998, two (2) members appointed to fill the terms ending on June 30, 1999, shall serve until January 31, 2000; two (2) members appointed to fill the terms expiring on June 30, 2000, shall serve until January 31, 2001; two (2) members appointed to fill the terms expiring on June 30, 2001, shall serve until January 31, 2002; and one (1) member appointed to fill the term expiring June 30, 2002, shall serve until January 31, 2003; and subsequent appointments shall be for four (4) year terms ending on January 31.
- (4) At the end of a term, a member shall continue to serve until a successor is appointed and qualifies. A member who is appointed after a term has begun shall serve the rest of the term and until a successor is appointed and qualifies.~~[A member may serve two (2) or more consecutive full four (4) year terms at the discretion of the Governor.]~~
- (5) A majority of the full authorized membership of the board shall constitute a quorum.
- (6) The board shall elect, by a majority vote, a chairman who shall be the presiding officer of the board, preside at all meetings, and coordinate the functions and activities of the board. The chairman shall be elected or

reelected for each calendar year. The board shall have such other organization as deemed necessary and approved by the board.

- (7) Meetings of the board shall be held at least twice a year but may be held more frequently as deemed necessary, subject to call by the chairman or by request of a majority of the board members. Board meetings shall concern, among other things, policy matters relating to spinal cord and head injury research projects and programs, research progress reports, authorization of projects and financial plans, and other matters necessary to carry out the intent of KRS 211.500 to 211.504.
- (8) No member of the board shall be subject to any personal liability or accountability for any loss sustained or damage suffered on account of any action or inaction of the board.
- (9) The board shall be attached to the Cabinet for Health Services for administrative purposes.

Section 22. KRS 211.504 is amended to read as follows:

- (1) The revenues received from the ***disbursements provided under paragraph (c) of subsection (2) of Section 9 of this Act***~~additional penalties imposed by KRS 189.394(5) and the penalties imposed for violations of KRS 189.125~~ shall be credited to the spinal cord and head injury research trust fund which is hereby created.
- (2) Federal funds or other funds which may be made available to supplement or match state funds for spinal cord and head injury research programs provided for by KRS 211.500 to 211.504 shall be credited to the trust fund created in subsection (1) of this section.
- (3) Funds deposited to the credit of the spinal cord and head injury research trust fund shall be used to finance the spinal cord and head injury research programs authorized under the provisions of KRS 211.500 to 211.504 and for the operation of the Kentucky Spinal Cord and Head Injury Research Board. Funds for research shall only be used for spinal cord and head injury research undertaken by the University of Kentucky or University of Louisville.
- (4) Funds unexpended at the close of a fiscal year shall not lapse but shall be carried forward to the next fiscal year or biennium, but any surplus shall be included in the budget considered and approved by the board for the ensuing period.

Section 23. KRS 346.040 is amended to read as follows:

The board shall have the following powers and duties:

- (1) To establish and maintain necessary offices within this state, appoint employees and agents as necessary, and prescribe their duties and compensation.
- (2) To promulgate, amend, and repeal suitable administrative regulations to carry out the provisions and purposes of this chapter, including administrative regulations for the approval of attorney's fees for representation before the board or upon judicial review as provided for in KRS 346.110.
- (3) To hear and determine all matters relating to claims for compensation, and the power to reinvestigate or reopen claims without regard to statutes of limitations.
- (4) To request from prosecuting attorneys and law enforcement officers investigations and data to enable the board to determine whether, and the extent to which, a claimant qualifies for compensation. The statute providing confidentiality for juvenile session of District Court records does not apply to proceedings under this chapter.
- (5) To hold hearings in accordance with the provisions of KRS Chapter 13B. The powers provided in this subsection may be delegated by the board to any member or employee thereof. If necessary to carry out any of its powers and duties, the board may petition any Circuit Court for an order.
- (6) To take or cause to be taken affidavits or depositions within or without the state.
- (7) To make available for public inspection all board decisions and opinions, administrative regulations, written statements of policy, and interpretations formulated, promulgated, or used by it in discharging its functions.
- (8) To publicize widely the availability of reparations and information regarding the claims therefor.
- (9) ***To make an annual report, by January 1 of each year, of its activities for the preceding fiscal year to the Office of the State Budget Director and to the Interim Joint Committee on Appropriations and Revenue.***

Each such report shall set forth a complete operating and financial statement covering its operations during the year.

Section 24. KRS 346.185 is amended to read as follows:

- (1) There is established in the State Treasury the "Crime Victims' Compensation Fund," hereinafter referred to as the "fund," to be administered by the Crime Victims' Compensation Board. ~~{ In all cases in which defendants plead or are found guilty of a crime as defined in KRS 500.080(2), there shall be imposed as an additional cost the sum of twenty dollars (\$20). This sum shall not be suspended or probated. This sum shall be collected in its entirety and shall not be prorated. The clerk of the court shall collect the cost and forward it monthly to the State Treasurer, to be deposited in the fund. }~~ Nothing herein shall be construed to limit the power of the court to order additional forms of restitution including public or charitable work or reparation to the victim, to the fund, or otherwise as authorized by law.
- (2) The fund shall consist of moneys from the following: appropriations by the General Assembly; the federal government; ***disbursements provided under paragraph (g) of subsection (2) of Section 9 of this Act;*** ~~{payments by the defendant pursuant to subsection (1) of this section}~~ and any other public or private source. Any unexpended balance remaining in the fund at the end of the biennium shall not lapse and be transferred to the general fund, but shall remain in the crime victims' compensation fund. Any funds not utilized by the board shall be used to provide assistance to programs for victims and the board shall allocate such funds to any agency providing services to victims. In the event there are insufficient funds in the fund to pay all claims in full, all claims shall be paid at seventy percent (70%). If there are no moneys in the fund, then no claim shall be paid until moneys have again accumulated. In addition to payment of claims, moneys in the fund shall be used to pay all the necessary and proper expenses of the Crime Victims' Compensation Board.
- ~~{(3) When judgment is entered against a defendant as provided in this section and each sum, or any part thereof, remains unpaid, there shall be withheld from any disbursement, payment, benefit, compensation, salary, or other transfer of money from the State of Kentucky to such defendant an amount equal to the unpaid amount of the judgment. The amount shall be paid to the crime victims' compensation fund and satisfaction of the judgment shall be entered on the court record. Under no circumstances shall the general revenue fund be used to reimburse court costs or pay for judgment. }~~

Section 25. KRS 431.100 is amended to read as follows:

- (1) ***When a money judgment is entered against a defendant in a criminal proceeding and each sum, or any part thereof, remains unpaid, there shall be withheld from any disbursement, payment, benefit, compensation, salary, or other transfer of money from the Commonwealth of Kentucky to such defendant an amount equal to the unpaid amount of the judgment. Under no circumstances shall the general fund be used to reimburse court costs or pay for judgment.***
- (2) Except as provided in this section, all fines and forfeitures imposed by law or ordinance shall inure to and vest in the Commonwealth.
- ~~{(2)}~~ (3) Fines and forfeitures imposed by law for violation of KRS 222.202 or ordinances relating to similar subject matter shall inure to and vest in the Commonwealth and shall be placed in a special fund in the State Treasury, which shall not lapse, and which, effective July 1, 1987, shall be used solely by the Cabinet for Health Services for the provision of treatment and counseling programs for alcoholics.
- ~~{(3) Fines for violation of KRS 512.070 shall be transferred by the circuit clerk to the county treasurer for inclusion in the general fund of the county in which the offense occurs. }~~
- ~~{(4) Court costs assessed pursuant to KRS 610.360 shall be placed in a trust and agency account in the State Treasury which shall be subject to appropriation by the General Assembly for the purposes of providing services and programs and for matching funds for grants for providing services and programs to juvenile public offenders. }~~
- ~~{(5)}~~ (5) The court shall not order a fine, forfeiture, service fee, cost, or any other money due the ~~Commonwealth~~ ~~{state}~~ or any other public officer paid to any person or organization other than one specifically required by ***the Kentucky Revised Statutes***, ~~{statute}~~ nor shall a court suspend payment of a fine, forfeiture, service fee, cost, or any other money due the ~~Commonwealth~~ ~~{state}~~ if the defendant makes a payment to another person or organization, ***unless so authorized by the court and the Kentucky Revised Statutes.***
- (5) ***When, as authorized in the Kentucky Revised Statutes, a court does order a fine, forfeiture, service fee, cost, or any other monetary penalty to be paid to a person other than the circuit clerk, notice of this order will be***

served on the defendant and a copy of the order will be delivered to the person. Such an order constitutes a judgment of the court and carries with it all lawful means of enforcement and collection.

Section 26. KRS 439.179 is amended to read as follows:

- (1) Any person sentenced to a jail for a misdemeanor, nonpayment of a fine or forfeiture, or contempt of court, may be granted the privilege of leaving the jail during necessary and reasonable hours for any of the following purposes:
 - (a) Seeking employment; or
 - (b) Working at his employment; or
 - (c) Conducting his own business or other self-employment occupation including, in the case of a woman, housekeeping and attending the needs of her family; or
 - (d) Attendance at an educational institution; or
 - (e) Medical treatment.
- (2) Unless the privilege is expressly granted by the court, the prisoner shall be sentenced to ordinary confinement. The prisoner may petition the sentencing court for the privilege at the time of sentence or thereafter, and, in the discretion of the sentencing court, may renew his petition. The sentencing court may withdraw the privilege at any time by order entered with or without notice. The jailer shall advise the court in establishing criteria in determining a prisoner's eligibility for work release.
- (3) The jailer shall notify the Department for Employment Services, Cabinet for Workforce Development which shall endeavor to secure employment for unemployed prisoners under this section. If a prisoner is employed for wages or salary, they shall, by wage assignment, be turned over to the District Court which shall deposit the same in a trust checking account and shall keep a ledger showing the status of the account of each prisoner. The wages or salary shall not be subject to garnishment of either the employer or the District Court during the prisoner's term, and shall be disbursed only as provided in this section. For tax purposes they shall be the income of the prisoner.
- (4) Every prisoner gainfully employed shall be liable for the cost of his board in the jail, for an amount up to twenty-five percent (25%) of the prisoner's gross daily wages, not to exceed forty dollars (\$40) per day, but not less than twelve dollars (\$12) per day, established by the fiscal court of a county or the urban-county council if an urban-county government. If he defaults, his privilege under this section shall be automatically forfeited. All moneys shall be *paid directly to the jailer*~~collected by the District Court~~ and paid to the county treasury for use on the jail as provided in KRS 441.206. The fiscal court of a county or the urban-county council if an urban-county government may, by ordinance, provide that the county furnish or pay for the transportation of prisoners employed under this section to and from the place of employment and require that the costs be repaid by the prisoner.
- (5) *The sentencing court may order the defendant's employer to deduct from the defendant's wages or salary payments for the following purposes*~~Unless otherwise ordered by the sentencing court, the wages or salaries of employed prisoners shall be disbursed by the District Court on a monthly basis for the following purposes and in the order stated:~~
 - (a) The board of the prisoner and transportation costs incurred by the county;
 - (b) Support of the prisoner's dependents, if any;
 - (c) Payment, either in full or ratably, of the prisoner's obligations acknowledged by him in writing or which have been reduced to judgment;
 - (d) The balance, if any, to the prisoner upon his discharge.
- (6) The sentencing court *shall not direct that any payment authorized under this section be paid through the circuit clerk*~~may direct that its functions under subsections (3) or (5) or both be performed by any bonded public official. The order shall remain in force until rescinded by the District Court.~~
- (7) The Department of Corrections shall, at the request of the District Judge, investigate and report on the amount necessary for the support of the prisoner's dependents, and periodically review the prisoner's progress while on leave from the jail and report its findings to the District Judge.

- (8) The jailer may refuse to permit the prisoner to exercise his privilege to leave the jail as provided in subsection (1) for any breach of discipline or other violation of jail regulations for a period not to exceed five (5) days.
- (9) In counties containing an urban-county form of government, the duties, responsibilities, and obligations vested herein in the Department of Corrections shall be performed by the adult misdemeanor probation and work release agency of the urban-county government.

Section 27. KRS 439.575 is amended to read as follows:

- (1) There is hereby created a program for prerelease probation of inmates confined in correctional facilities under the jurisdiction of or under contract to the Department of Corrections.
- (2) Any inmate who is in a prerelease program or eligible for a prerelease program as specified by administrative regulations of the Department of Corrections may apply to the sentencing court for prerelease probation.
- (3) The court, upon favorable recommendation of the Department of Corrections, may place the inmate on probation under those terms and conditions the court deems necessary, which may include but not need to be limited to those specified in KRS 533.030.
- (4) In particular, the court may require that an inmate placed on prerelease probation remain in a half-way house approved by the Department of Corrections and that the probationer pay the cost of his or her lodging in the half-way house and the costs of probation supervision in accordance with applicable statutes for probation supervision and persons granted work release from jail. ***Costs for lodging in a half-way house or other facility approved, but not operated, by the Department of Corrections shall be paid by the defendant directly to the half-way house or other facility at the rate specified by court order or by the Department of Corrections.***
- (5) An inmate placed on prerelease probation shall no longer be considered as an inmate of the Department of Corrections but shall be considered as a defendant placed on probation, subject to supervision by the Division of Probation and Parole, or other agency approved by the court, and the orders of the court.
- (6) A person placed on prerelease probation by the court who violates the conditions of his or her probation may be dealt with by the court in the same manner as any other person who violates the conditions of probation.
- (7) The period of probation under this section shall not exceed the maximum expiration date of the inmate applying for the probation.

Section 28. KRS 441.685 is amended to read as follows:

- (1) There is created and established a Kentucky Local Correctional Facilities Construction Authority fund which shall consist of the following:
 - (a) Rentals received under leases made by the authority pursuant to KRS 441.625 to 441.695;
 - (b) Appropriations by the General Assembly;
 - (c) Contributions, grants and gifts from any source, both public and private, which may be used by the authority for any project or projects;
 - (d) ***Disbursements***~~[Moneys collected and deposited in the State Treasury as]~~ provided ***under paragraph (b) of subsection (2) of Section 9 of this Act***~~[by KRS 24A.175(6)]~~; and
 - (e) All interest earned on investments made by the state from moneys deposited in this fund.
- (2) Moneys accruing to this fund shall be deposited by the State Treasurer in the fund's trust and agency account, and shall be invested by the state for the benefit and use of the authority, pending their application to the expenses of the authority and to payments of interest and principal of bonds, notes and other obligations of the authority. Notwithstanding the provisions of the foregoing sentence, at such time or times as the moneys contained in the fund are sufficient to pay the principal on all bonds, notes and obligations of the authority that would become due in the next ensuing twelve (12) month period, the authority may use moneys in the fund in excess thereof for such purposes as provided for in KRS 441.625 to 441.695.

Section 29. KRS 441.695 is amended to read as follows:

By January 1 each year the authority shall make an annual report of its activities for the preceding fiscal year to the ***Office of the State Budget Director***~~[Governor]~~ and to the ***Interim Joint Committee on Appropriations and Revenue***~~[General Assembly]~~. Each such report shall set forth a complete operating and financial statement covering its operations during the year. The authority shall provide for an audit of its books and accounts to be made within

ninety (90) days after the close of each fiscal year by certified public accountants and the cost thereof may be treated as a part of the cost of construction of the project. Such audits shall be public records within the meaning of KRS 61.870 to 61.884.

Section 30. KRS 532.032 is amended to read as follows:

- (1) Restitution to a named victim, if there is a named victim, shall be ordered in a manner consistent, insofar as possible, with the provisions of this section and KRS 439.563, 532.033, 533.020, and 533.030 in addition to any other part of the penalty for any offense under this chapter. The provisions of this section shall not be subject to suspension or nonimposition.
- (2) If pretrial diversion is granted, restitution shall be a part of the diversion agreement.
- (3) If probation, shock probation, conditional discharge, or other alternative sentence is granted, restitution shall be a condition of the sentence.
- (4) If a person is sentenced to incarceration and paroled, restitution shall be made a condition of parole.
- (5) ***Restitution payments ordered under this section shall be paid by the defendant to the clerk or a court-authorized program run by the county attorney or the Commonwealth's attorney of the county.***

Section 31. KRS 532.160 is amended to read as follows:

- (1) ***If a convicted person is unable to pay all court costs, fees, fines, and other monetary penalties at the time of sentencing, then the sentencing court may, consistent with Sections 1, 4, and 38 of this Act and KRS 534.060, issue a criminal garnishment order for all fines under KRS Chapter 534 or KRS 346.185 and for court costs, restitution, and reimbursement charges in this chapter.***
- (2) A criminal garnishment applies to any of the following:
 - (a) A convicted person's earnings as defined in KRS 427.005;
 - (b) Indebtedness that is owed to a convicted person by a garnishee for amounts that are not earnings;
 - (c) Money that is held by a garnishee on behalf of a convicted person;
 - (d) The convicted person's personal property that is in the possession of a garnishee; or
 - (e) If the garnishee is a corporation, shares or securities of a corporation or a proprietary interest in a corporation that belongs to a convicted person.
- (3) The debt associated with a criminal garnishment shall constitute a charge against the estate of any decedent owing moneys under this chapter.
- (4) The sentencing court shall combine all fines, court costs, restitution, and reimbursement charges in a single order of garnishment.
- (5) The sentencing court shall require payment of restitution to the victim of the offense before payments of any moneys to the government or a government agency.
- (6) ***The court shall order payments made under this section to be paid by the defendant directly to the person or organization specified by written order of the court. The court shall not order payments of an order of criminal garnishment to be made through the circuit clerk, except for those payments due from a person under the supervision of the Department of Corrections.***

Section 32. KRS 532.220 is amended to read as follows:

The conditions of home incarceration shall include the following:

- (1) The home incarcerated shall be confined to his home at all times except when:
 - (a) Working at approved employment or traveling directly to and from such employment;
 - (b) Seeking employment;
 - (c) Undergoing available medical, psychiatric, or mental health treatment or approved counseling and after care programs;
 - (d) Attending an approved educational institution or program;

- (e) Attending a regularly scheduled religious service at a place of worship; and
- (f) Participating in an approved community work service program;
- (2) Violation of subsection (1) of this section may subject the home incarcerated to prosecution under KRS 520.030 (escape);
- (3) The home incarcerated shall conform to a schedule prepared by a designated officer of the supervising authority specifically setting forth the times when he may be absent from the home and the locations where he may be during those times;
- (4) The home incarcerated shall not commit another offense during the period of time for which he is subject to the conditions of home incarceration;
- (5) The home incarcerated shall not change the place of home incarceration or the schedule without prior approval of the supervising authority;
- (6) The home incarcerated shall maintain a telephone or other approved monitoring device in the home or on his person at all times;
- (7) Any other reasonable conditions set by the court or the supervising authority including:
 - (a) Restitution under KRS 533.030;
 - (b) Supervision fees under KRS 439.315; and
 - (c) Any of the conditions imposed on persons on probation or conditional discharge under KRS 533.030(2); and
- (8) A written and notarized consent agreement shall be filed with the court by every adult who will share the offender's home during the term of home incarceration.
- (9) ***Any supervision fee or other monetary condition, except restitution, shall be paid by the defendant directly to the person or organization specified by the court in a written order, except that any such fees or monetary conditions owed to the Department of Corrections shall be paid through the circuit clerk.***

Section 33. KRS 532.352 is amended to read as follows:

- (1) The sentencing court may order a person who is sentenced to a term of incarceration for any nonstatus juvenile offense, moving traffic violation, criminal violation, misdemeanor, or Class D felony offense to reimburse the state or local government for the costs of his incarceration. The reimbursements paid under this subsection shall be credited to the local government sinking fund.
- (2) The sentencing court shall determine the amount of incarceration costs to be paid based on the following factors:
 - (a) The actual per diem, per person, cost of incarceration;
 - (b) The cost of medical services provided to a prisoner less any copayment paid by the prisoner; and
 - (c) The prisoner's ability to pay all or part of his incarceration costs.
- (3) ***Reimbursement of incarceration costs shall be paid by the defendant directly to the jailer in the amount specified by written order of the court. Incarceration costs owed to the Department of Corrections shall be paid through the circuit clerk.***

Section 34. KRS 532.356 is amended to read as follows:

- (1) Upon a person's conviction and sentencing for any nonstatus juvenile offense, moving traffic violation, criminal violation, misdemeanor, or Class D felony offense, the court shall impose the following sanctions in addition to any imprisonment, fine, court cost, or community service:
 - (a) Reimbursement to the state or local government for the person's incarceration, determined by the per person, per diem, expenses of each prisoner incarcerated by the respective local government, times the number of days he has spent or shall spend in confinement, plus any medical services received by the prisoner, less copayments paid by the prisoner. The convicted person's ability to pay all or part of the reimbursement shall be considered by the sentencing court in imposing the sanction; and
 - (b) Restitution to the crime victim as set out in KRS 439.563, 532.032, and 532.033.

- (2) In addition to any other penalty allowed by law, a court may declare the defendant ineligible to operate a motor vehicle for a period of up to sixty (60) days where the defendant is being sentenced for a conviction of KRS 514.030 involving the theft of gasoline or special fuels from a retail establishment and the defendant has been previously convicted of KRS 514.030 for a theft of gasoline or special fuels from a retail establishment. A retail establishment may post a sign at the location where the fuel is dispensed apprising the public of the sanctions available under this subsection.
- (3) Sanctions imposed by the sentencing court shall become a judgment of the court. ***Reimbursement of incarceration costs shall be paid by the defendant directly to the jailer in the amount specified by written order of the court. Incarceration costs owed to the Department of Corrections shall be paid through the circuit clerk.***

Section 35. KRS 533.010 is amended to read as follows:

- (1) Any person who has been convicted of a crime and who has not been sentenced to death may be sentenced to probation, probation with an alternative sentencing plan, or conditional discharge as provided in this chapter.
- (2) Before imposition of a sentence of imprisonment, the court shall consider probation, probation with an alternative sentencing plan, or conditional discharge. Unless the defendant is a violent felon as defined in KRS 439.3401 or a statute prohibits probation, shock probation, or conditional discharge, after due consideration of the nature and circumstances of the crime and the history, character, and condition of the defendant, probation or conditional discharge shall be granted, unless the court is of the opinion that imprisonment is necessary for protection of the public because:
 - (a) There is substantial risk that during a period of probation or conditional discharge the defendant will commit another crime;
 - (b) The defendant is in need of correctional treatment that can be provided most effectively by his commitment to a correctional institution; or
 - (c) A disposition under this chapter will unduly depreciate the seriousness of the defendant's crime.
- (3) In the event the court determines that probation is not appropriate after due consideration of the nature and circumstances of the crime, and the history, character, and condition of the defendant, probation with an alternative sentencing plan shall be granted unless the court is of the opinion that imprisonment is necessary for the protection of the public because:
 - (a) There is a likelihood that during a period of probation with an alternative sentencing plan or conditional discharge the defendant will commit a Class D or Class C felony or a substantial risk that the defendant will commit a Class B or Class A felony;
 - (b) The defendant is in need of correctional treatment that can be provided most effectively by commitment to a correctional institution; or
 - (c) A disposition under this chapter will unduly depreciate the seriousness of the defendant's crime.
- (4) The court shall not determine that there is a likelihood that the defendant will commit a Class C or Class D felony based upon the fact that:
 - (a) The defendant has never been convicted of, pled guilty to, or entered an Alford plea to a felony offense;
 - (b) If convicted of, having pled guilty to, or entered an Alford plea to a felony offense, the defendant successfully completed probation more than ten (10) years immediately prior to the date of the commission of the felony for which the defendant is now being sentenced and has had no intervening convictions, pleas of guilty, or Alford pleas to any criminal offense during that period; or
 - (c) The defendant has been released from incarceration for the commission of a felony offense more than ten (10) years immediately prior to the date of the commission of the felony for which the defendant is now being sentenced and has had no intervening convictions, pleas of guilty, or Alford pleas to any criminal offense during that period.
- (5) In making a determination under subsection (4) of this section, the court may determine that the greater weight of the evidence indicates that there is a likelihood that the defendant will commit a Class C or Class D felony.

- (6) Upon initial sentencing of a defendant or upon modification or revocation of probation, when the court deems it in the best interest of the public and the defendant, the court may order probation with the defendant to serve one (1) of the following alternative sentences:
- (a) To a halfway house for no more than twelve (12) months;
 - (b) To home incarceration with or without work release for no more than twelve (12) months;
 - (c) To jail for a period not to exceed twelve (12) months with or without work release, community service and other programs as required by the court;
 - (d) To a residential treatment program for the abuse of alcohol or controlled substances; or
 - (e) To any other specified counseling program, rehabilitation or treatment program, or facility.
- (7) If during the term of the alternative sentence the defendant fails to adhere to and complete the conditions of the alternative sentence, the court may modify the terms of the alternative sentence or may modify or revoke probation and alternative sentence and commit the defendant to an institution.
- (8) In addition to those conditions that the court may impose, the conditions of alternative sentence shall include the following and, if the court determines that the defendant cannot comply with them, then they shall not be made available:
- (a) A defendant sentenced to a halfway house shall:
 - 1. Be working or pursuing his or her education or be enrolled in a full-time treatment program;
 - 2. Pay restitution during the term of probation; and
 - 3. Have no contact with the victim of the defendant's crime;
 - (b) A defendant sentenced to home incarceration shall:
 - 1. Be employed by another person or self-employed at the time of sentencing to home incarceration and continue the employment throughout the period of home incarceration, unless the court determines that there is a compelling reason to allow home incarceration while the defendant is unemployed;
 - 2. Pay restitution during the term of home incarceration;
 - 3. Enter a treatment program, if appropriate;
 - 4. Pay all or some portion of the cost of home incarceration as determined by the court;
 - 5. Comply with other conditions as specified; and
 - 6. Have no contact with the victim of the defendant's crime;
 - (c) A defendant sentenced to jail with community service shall:
 - 1. Pay restitution during all or some part of the defendant's term of probation; and
 - 2. Have no contact with the victim of the defendant's crime; or
 - (d) A defendant sentenced to a residential treatment program for drug and alcohol abuse shall:
 - 1. Undergo mandatory drug screening during term of probation;
 - 2. Be subject to active, supervised probation for a term of five (5) years;
 - 3. Undergo aftercare as required by the treatment program;
 - 4. Pay restitution during the term of probation; and
 - 5. Have no contact with the victim of the defendant's crime.
- (9) When the court deems it in the best interest of the defendant and the public, the court may order the person to work at community service related projects under the terms and conditions specified in KRS 533.070. Work at community service related projects shall be considered as a form of conditional discharge.
- (10) Probation with alternative sentence shall not be available as set out in KRS 532.045 and 533.060, except as provided in KRS 533.030~~(5)~~~~(6)}~~.

- (11) The court may utilize a community corrections program authorized or funded under KRS Chapter 196 to provide services to any person released under this section.
- (12) When the court deems it in the best interest of the defendant and the public, the court may order the defendant to placement for probation monitoring by a private agency. The private agency shall report to the court on the defendant's compliance with his terms of probation or conditional discharge. The defendant shall be responsible for any reasonable charges which the private agency charges.
- (13) The jailer in each county incarcerating Class D felons may deny work release privileges to any defendant for violating standards of discipline or other jail regulations. The jailer shall report the action taken and the details of the violation on which the action was based to the court of jurisdiction within five (5) days of the violation.
- (14) The Department of Corrections shall, by administrative regulation, develop written criteria for work release privileges granted under this section.
- (15) ***Reimbursement of incarceration costs shall be paid directly to the jailer in the amount specified by written order of the court. Incarceration costs owed to the Department of Corrections shall be paid through the circuit clerk.***
- (16) The court shall enter into the record written findings of fact and conclusions of law when considering implementation of any sentence under this section.

Section 36. KRS 533.020 is amended to read as follows:

- (1) When a person who has been convicted of an offense or who has entered a plea of guilty to an offense is not sentenced to imprisonment, the court shall place him on probation if he is in need of the supervision, guidance, assistance, or direction that the probation service can provide. Conditions of probation shall be imposed as provided in KRS 533.030, but the court may modify or enlarge the conditions or, if the defendant commits an additional offense or violates a condition, revoke the sentence at any time prior to the expiration or termination of the period of probation. ***When setting conditions under this subsection, the court shall not order any defendant to pay incarceration costs or any other cost permitted to be ordered under Section 35 of this Act, or other statute, except restitution and any costs owed to the Department of Corrections, through the circuit clerk.***
- (2) When a person who has been convicted of an offense or who has entered a plea of guilty to an offense is not sentenced to imprisonment, the court may sentence him to probation with an alternative sentence if it is of the opinion that the defendant should conduct himself according to conditions determined by the court and that probationary supervision alone is insufficient. The court may modify or enlarge the conditions or, if the defendant commits an additional offense or violates a condition, revoke the sentence at any time prior to the expiration or termination of the alternative sentence.
- (3) When a person who has been convicted of an offense or who has entered a plea of guilty to an offense is not sentenced to imprisonment, the court may sentence him to conditional discharge if it is of the opinion that the defendant should conduct himself according to conditions determined by the court but that probationary supervision is inappropriate. Conditions of conditional discharge shall be imposed as provided in KRS 533.030, but the court may modify or enlarge the conditions or, if the defendant commits an additional offense or violates a condition, revoke the sentence at any time prior to the expiration or termination of the period of conditional discharge.
- (4) The period of probation, probation with an alternative sentence, or conditional discharge shall be fixed by the court and at any time may be extended or shortened by duly entered court order. Such period, with extensions thereof, shall not exceed five (5) years, or the time necessary to complete restitution, whichever is longer, upon conviction of a felony nor two (2) years, or the time necessary to complete restitution, whichever is longer, upon conviction of a misdemeanor. Upon completion of the probationary period, probation with an alternative sentence, or the period of conditional discharge, the defendant shall be deemed finally discharged, provided no warrant issued by the court is pending against him, and probation, probation with an alternative sentence, or conditional discharge has not been revoked.
- (5) Notwithstanding the fact that a sentence to probation, probation with an alternative sentence, or conditional discharge can subsequently be modified or revoked, a judgment which includes such a sentence shall constitute a final judgment for purposes of appeal.

Section 37. KRS 533.030 is amended to read as follows:

- (1) The conditions of probation and conditional discharge shall be such as the court, in its discretion, deems reasonably necessary to insure that the defendant will lead a law-abiding life or to assist him to do so. The court shall provide as an explicit condition of every sentence to probation or conditional discharge that the defendant not commit another offense during the period for which the sentence remains subject to revocation.
- (2) When imposing a sentence of probation or conditional discharge, the court may, in addition to any other reasonable condition, require that the defendant:
 - (a) Avoid injurious or vicious habits;
 - (b) Avoid persons or places of disreputable or harmful character;
 - (c) Work faithfully at suitable employment as far as possible;
 - (d) Undergo available medical or psychiatric treatment and remain in a specific institution as required for that purpose;
 - (e) Post a bond, without surety, conditioned on performance of any of the prescribed conditions;
 - (f) Support his dependents and meet other family responsibilities;
 - (g) Pay the cost of the proceeding as set by the court;
 - (h) Remain within a specified area;
 - (i) Report to the probation officer as directed;
 - (j) Permit the probation officer to visit him at his home or elsewhere;
 - (k) Answer all reasonable inquiries by the probation officer and promptly notify the probation officer of any change in address or employment; and
 - (l) ~~If the defendant's record indicates a controlled substance or alcohol problem,~~ Submit to periodic testing for *the* use of controlled substances or alcohol, ***if the defendant's record indicates a controlled substance or alcohol problem,*** and *to* pay a reasonable fee, ***as determined by the court, which fee shall not*** ~~not~~ ***exceed the actual cost of the test and analysis and shall,*** ~~as determined by the court, said fee to~~ ***be paid directly*** ~~collected by the circuit clerk, held in an agency account, and disbursed, on court order, solely~~ to the agency or agencies responsible for testing and analysis as compensation for the cost of the testing and analysis, ***as specified by written order of the court,*** performed under this subsection. For good cause shown, the testing fee may be waived by the court.
- (3) When imposing a sentence of probation or conditional discharge in a case where a victim of a crime has suffered monetary damage as a result of the crime due to his property having been converted, stolen, or unlawfully obtained, or its value substantially decreased as a result of the crime, or where the victim suffered actual medical expenses, direct out-of-pocket losses, or loss of earning as a direct result of the crime, or if as a direct result of the crime the victim incurred medical expenses that were paid by the Cabinet for Health Services, the Crime Victims Compensation Board, or any other governmental entity, the court shall order the defendant to make restitution in addition to any other penalty provided for the commission of the offense. Payment of restitution to the victim shall have priority over payment of restitution to any government agency. Restitution shall be ordered in the full amount of the damages, unless the damages exceed one hundred thousand dollars (\$100,000) or twice the amount of the gain from the commission of the offense, whichever is greater, in which case the higher of these two (2) amounts shall be awarded. The court may, in lieu of ordering monetary restitution, order the defendant to make restitution by working for or on behalf of the victim. The court shall determine the number of hours of work necessary by applying the then-prevailing federal minimum wage to the total amount of monetary damage caused by or incidental to the commission of the crime. The court may, with the consent of the agency, order the defendant to work as specified in KRS 533.070. Any work ordered pursuant to this section shall not be deemed employment for any purpose, nor shall the person performing the work be deemed an employee for any purpose. Where there is more than one (1) defendant or more than one (1) victim, restitution may be apportioned. Restitution shall be subject to the following additional terms and conditions:
 - (a) Where property which is unlawfully in the possession of the defendant is in substantially undamaged condition from its condition at the time of the taking, return of the property shall be ordered in lieu of monetary restitution;

- (b) The circuit clerk shall assess an additional fee of five percent (5%) to defray the administrative costs of collection of payments or property. This fee shall be paid by the defendant and shall inure to a trust and agency account which shall not lapse and which shall be used to hire additional deputy clerks and office personnel or increase deputy clerk or office personnel salaries, or combination thereof;
 - (c) When a defendant fails to make restitution ordered to be paid through the circuit clerk *or a court-authorized program run by the county attorney or the Commonwealth's attorney*, the circuit clerk *or court-authorized program* shall notify the court; and
 - (d) An order of restitution shall not preclude the owner of property or the victim who suffered personal physical or mental injury or out-of-pocket loss of earnings or support or other damages from proceeding in a civil action to recover damages from the defendant. A civil verdict shall be reduced by the amount paid under the criminal restitution order.
- (4) ***When requiring fees for controlled substances or alcohol tests, or other fees and payments authorized by this section or other statute, except restitution, to be paid by the defendant, the court shall not order the payments to be paid through the circuit clerk.***~~[In addition to any other terms and conditions imposed under this section, the court may require the probationer, as a condition of his probation, to make one (1) payment to a crime stoppers organization in an amount not to exceed the amount of the reward paid by a crime stoppers organization, as defined by KRS 431.570, relative to the probationer.]~~
- ~~(5) [In addition to any other terms and conditions imposed under this section, the court may require the probationer, as a condition of probation or conditional discharge of a sentence of detention or imprisonment for a drug or alcohol related offense, to make one (1) payment either to Drug Abuse Resistance Education (D.A.R.E.) or to any treatment or prevention program for drug or alcohol abuse that a local government administers, refers individuals to, or contracts to administer, in an amount not to exceed the amount of any fine which also could have been imposed for the offense].~~
- ~~(5) [(6)]~~ When a defendant is sentenced to probation or conditional discharge, he shall be given a written statement explicitly setting forth the conditions under which he is being released.
- ~~(6) [(7)]~~ When imposing a sentence of probation or conditional discharge, the court, in addition to conditions imposed under this section, may require as a condition of the sentence that the defendant submit to a period of imprisonment in the county jail or to a period of home incarceration at whatever time or intervals, consecutive or nonconsecutive, the court shall determine. The time actually spent in confinement or home incarceration pursuant to this provision shall not exceed twelve (12) months or the maximum term of imprisonment assessed pursuant to KRS Chapter 532, whichever is the shorter. Time spent in confinement or home incarceration under this subsection shall be credited against the maximum term of imprisonment assessed for the defendant pursuant to KRS Chapter 532, if probation or conditional discharge is revoked and the defendant is sentenced to imprisonment. Any prohibitions against probation, shock probation, or conditional discharge under KRS 533.060(2) or 532.045 shall not apply to persons convicted of a misdemeanor or Class D felony and sentenced to a period of confinement or home incarceration under this section.

Section 38. KRS 534.020 is amended to read as follows:

- (1) When a defendant is sentenced to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If no such provision is made a part of the sentence, ***then*** the fine shall be payable forthwith.
- (2) When a defendant is sentenced to pay a fine, an alternative sentence of imprisonment that is to be served in the event the fine is not paid shall not be imposed at the same time. The response of a court to nonpayment of a fine shall be determined only after the fine has not been paid, and ~~only~~ as provided in ***Section 4 of this Act or KRS 534.060.***

Section 39. KRS 534.045 is amended to read as follows:

- (1) Pursuant to a conviction of a misdemeanor, including traffic offenses, where a person is sentenced to incarceration in the county jail, the District Court may assess a reimbursement fee to help defray the expenses of the prisoner's room and board. The reimbursement fee shall not exceed twenty-five percent (25%) of the prisoner's gross daily wages or forty dollars (\$40) per day, whichever is less. All moneys shall be ***paid directly to the jailer***~~[collected by the District Court and paid to the county, urban county, or charter county treasury for use on the jail as provided in KRS 441.206].~~

- (2) In determining whether a reimbursement fee as described in subsection (1) of this section is to be assessed, and in establishing the amount of the fee, the court shall consider evidence relevant to the prisoner's ability to pay the fee but shall not consider as evidence the following:
- (a) Joint ownership, if any, that the prisoner may have in real property;
 - (b) Joint ownership, if any, that the prisoner may have in any assets, earnings, or other sources of income; and
 - (c) The income, assets, earnings, or other property, both real and personal, that might be owned by the prisoner's spouse or family.
- (3) After considering all relevant evidence to the issue of the prisoner's ability to pay, the court shall enter as part of its judgment the amount of the reimbursement fee, if any, that shall be paid by the prisoner during his period of incarceration in the county jail. The fee shall bear a reasonable relationship to the person's income. Upon petition by the prisoner affected by the order, the amount may be modified to reflect any changes in the financial status of the prisoner. In any appeal that might be taken from the conviction, the amount of the reimbursement fee may be challenged.
- (4) If the person sentenced to jail is released in accordance with the provisions of KRS 439.179 and is subject to the provisions of KRS 439.179(4), the payment of the reimbursement fee shall be suspended so long as the person is gainfully employed.
- (5) ***When imposing any payment authorized by this section, the court shall order the defendant to make the payment to the named officer, person, or organization. The court shall not order any payment authorized by this section to be made through the circuit clerk.***

Section 40. KRS 635.085 is amended to read as follows:

- (1) In lieu of commitment to the Department of Juvenile Justice, if a child is adjudicated a public offender, the court may in its discretion impose a fine. The imposition of a fine for an offense committed by a child shall be based upon a determination that such disposition is in the best interest of the child and to aid in his rehabilitation. Any such order shall include a finding that the child is financially able to pay the fine. Fines shall be levied consistent with the schedule set forth below:
- (a) For a felony, not to exceed five hundred dollars (\$500);
 - (b) For a misdemeanor, not to exceed two hundred fifty dollars (\$250); and
 - (c) For a violation, not to exceed one hundred dollars (\$100).
- (2) When a child is directed by the court to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If such provision is not made a part of the court's disposition, the fine shall be payable immediately. Nothing contained herein shall be construed as limiting the court's inherent contempt powers.
- (3) Any public offender detained for failure to comply with the court order shall not be scheduled for a time that would interfere with the educational, occupational, or religious obligations of the child, and shall be in a secure juvenile detention facility or juvenile holding facility. Any portion of a day a child is detained pursuant to the court's exercising its contempt powers shall be deemed as one (1) day for purposes of serving a detention term.
- ~~{(4) Fines imposed and collected pursuant to this section shall be paid by the circuit clerk to the fund specified in KRS 431.100.}~~

Section 41. The following KRS sections are repealed:

26A.150 Collection and forwarding of crime victim compensation fee.

431.102 Service fee on certain misdemeanor convictions.

Section 42. This Act takes effect August 1, 2002, and all court costs, fees, fines, and other monetary penalties assessed before this date but not collected or paid by this date shall be thereafter dispensed of in accordance with this Act.

Approved April 2, 2002

CHAPTER 184**(HCR 57)**

A CONCURRENT RESOLUTION confirming the appointment of Susan Shaffer Guess to the Council on Postsecondary Education.

WHEREAS, KRS 164.011 requires the Governor to appoint the thirteen citizen members of the Council on Postsecondary Education, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 164.011, the Governor has appointed Mrs. Susan Shaffer Guess as a citizen member of the Council on Postsecondary Education for a term expiring December 31, 2007; and

WHEREAS, the Senate and the House of Representatives find that Mrs. Guess meets the requirements of KRS 164.011, being a resident and qualified voter of Kentucky, not holding an official relationship to any institution of higher education in Kentucky, and not engaging in any occupation or business inconsistent with her duties as a member of the Council on Postsecondary Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 164.011, do confirm the appointment of Mrs. Susan Shaffer Guess to the Council on Postsecondary Education for a term expiring December 31, 2007.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and written notification of its adoption, to Mrs. Susan Shaffer Guess, 103 Mt. Moriah Road, Benton, Kentucky 42025, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 2, 2002

CHAPTER 185**(HCR 54)**

A CONCURRENT RESOLUTION confirming the appointment of Joe M. Welch to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint the fifteen (15) citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor has appointed Joe M. Welch as a citizen member of the Education Professional Standards Board representing school administrators for a term expiring September 18, 2005; and

WHEREAS, the Senate and the House of Representatives find that Mr. Welch is qualified to render service;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of Mr. Joe M. Welch to the Education Professional Standards Board for a term expiring September 18, 2005.

Section 2. The Clerk of the House shall forward a copy of this Resolution, and written confirmation of its adoption, to Mr. Joe M. Welch, 10713 Bardstown Woods Boulevard, Louisville, Kentucky 40291, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 2, 2002

CHAPTER 186**(HCR 53)**

A CONCURRENT RESOLUTION confirming the appointment of Thomas James Stull to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint the fifteen (15) citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor has appointed Thomas James Stull as a citizen member of the Education Professional Standards Board representing middle school or secondary teachers for a term expiring September 18, 2003; and

WHEREAS, the Senate and the House of Representatives find that Mr. Stull is qualified to render service;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of Mr. Thomas James Stull to the Education Professional Standards Board for a term expiring September 18, 2003.

Section 2. The Clerk of the House shall forward a copy of this Resolution, and written confirmation of its adoption, to Mr. Thomas James Stull, 705 Meadow Wood Drive #8, Crescent Springs, Kentucky 41017-4622, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 2, 2002

CHAPTER 187**(HCR 52)**

A CONCURRENT RESOLUTION confirming the appointment of M. Mark Wasicsko to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint fifteen citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor appointed M. Mark Wasicsko to the Education Professional Standards Board representing deans of colleges of education for a term expiring September 18, 2005; and

WHEREAS, the Senate and the House of Representatives find that Mr. Wasicsko is qualified for reappointment to the Education Professional Standards Board;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of M. Mark Wasicsko to the Education Professional Standards Board for a term expiring September 18, 2005.

Section 2. That the Clerk of the House shall forward a copy of this Resolution and written notification of its adoption, to M. Mark Wasicsko, 5009 Secretariat Drive, Richmond, Kentucky 40475, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 2, 2002

CHAPTER 188**(HB 421)**

AN ACT relating to reorganization.

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

Section 1. The General Assembly confirms Executive Order 2001-1217 dated September 25, 2001, by which the Department for Medicaid Services was reorganized and program responsibilities realigned by the renaming of the Division of Long Term Care Programs as the Division of Long Term Care; the Division of Children's Health Programs is renamed the Division of Medicaid Services for Maternal and Children's Health; the Division of Financial Systems is renamed the Division of Financial Management, and through the creation of the following new Divisions:

- (a) Division of Medicaid Mental Health and Mental Retardation;
- (b) Division of Physicians and Specialty Services;
- (c) Division of Managed Care;
- (d) Division of Hospitals and Outpatient Facilities Services;
- (e) Division of Program Integrity; and
- (f) Division of Systems and Member Services.

Approved April 2, 2002

CHAPTER 189**(HB 194)**

AN ACT relating to constitutional officers of the General Assembly.

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

Section 1. KRS 6.230 is amended to read as follows:

Employees of the General Assembly shall receive a per diem as follows: chief clerk, **one hundred ten dollars (\$110)**~~[ninety dollars (\$90)]~~; assistant clerk, **one hundred dollars (\$100)**~~[eighty dollars (\$80)]~~; enrolling clerk, **ninety-five dollars (\$95)**~~[seventy-five dollars (\$75)]~~; sergeant-at-arms, **seventy-five dollars (\$75)**~~[sixty dollars (\$60)]~~; doorkeeper, **seventy-five dollars (\$75)**~~[sixty dollars (\$60)]~~; janitors, **sixty-five dollars (\$65)**~~[fifty dollars (\$50)]~~; cloakroom keeper, **sixty-five dollars (\$65)**~~[fifty dollars (\$50)]~~; pages, **thirty-five dollars (\$35)**~~[thirty dollars (\$30)]~~ each.

Section 2. The provisions of Section 1 of this Act relative to the compensation of employees of the House and Senate shall apply to, and be paid for, covered employees of the 2002 Regular Session of the General Assembly effective January 1, 2002, provided that there shall be deducted from the amount due to each employee the amount already paid to the employee for services during the 2002 General Assembly which were rendered prior to the effective date of this Act.

Approved April 2, 2002

CHAPTER 190**(HB 84)**

AN ACT relating to reorganization.

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

Section 1. 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. 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.
 - (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.
 - (m) Office of Technology.
 - (n) Office of Quality.
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) Department for Coal County Development.
 - (f) Tobacco Research Board.
 - (g) 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.
 - (o) Mine Safety Review Commission.
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.
 - (k) ***Office of Human Resource Management.***
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 Tobacco Settlement Trust Corporation.
 - (w) Eastern Kentucky Exposition Center 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 Information Technology.
 - (m) Office of Labor-Management Relations and Mediation.
 - (n) Office of General Counsel.
 - (o) Workers' Compensation Funding Commission.
 - (p) 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) Department for 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.
 - (l) Office of Public Employee Health Insurance.

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.
- 10. Education Professional Standards Board.

Section 2. KRS 194B.030 is amended to read as follows:

The cabinet consists of the following major organizational units, which are hereby created:

- (1) Office of the Secretary. The Office of the Secretary for Families and Children may, in addition to the secretary for families and children, include other personnel as are necessary to direct and carry out the missions and goals of the cabinet, including a deputy secretary if deemed necessary by the secretary of the cabinet and upon approval of the Governor. The Kentucky Commission on Community Volunteerism and Service shall be attached to the Office of the Secretary for oversight, technical, and administrative support purposes.
- (2) Office of the General Counsel. The Office of the General Counsel shall provide legal advice and assistance to all units of the cabinet in any legal action in which it may be involved. The Office of the General Counsel shall employ all attorneys of the cabinet who serve the cabinet in the capacity of attorney and shall administer all personal service contracts of the cabinet for legal services. The Office of the General Counsel shall be headed by a general counsel who shall be appointed by the secretary with the approval of the Governor under KRS 12.050 and 12.210. The general counsel shall be the chief legal advisor to the secretary and shall be responsible to the secretary. The Attorney General, on the request of the secretary, may designate the general counsel as an assistant attorney general under the provisions of KRS 15.105.
- (3) Office of Program Support. The Office of Program Support shall be responsible for providing administrative and management support, planning, and appraisal of need services within the Cabinet for Families and Children. All ~~personnel,~~ fiscal, **procurement**, budgetary, legislative, **leasing**, and facility management functions of the cabinet shall be vested in the Office of Program Support. The Office of Program Support shall be headed by an executive director who shall be appointed by the secretary with the approval of the Governor under KRS 12.050. The executive director shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The executive director shall exercise authority over the Office of Program Support under the direction of the secretary and shall only fulfill those responsibilities as delegated by the secretary.
- (4) Office of Family Resource and Youth Services Centers. The Office of Family Resources and Youth Services Centers shall be responsible for the administration, management, and operations of the Family Resources and Youth Services Centers Program. The Office of Family Resources and Youth Services Centers shall be headed by an executive director who shall be appointed by the secretary with the approval of the Governor under KRS 12.050.
- (5) Office of the Ombudsman. The Office of the Ombudsman shall provide professional support in the evaluation of programs, including, but not limited to, a review and resolution of citizen complaints about programs or services of the cabinet when those complaints are unable to be resolved through normal administrative remedies ~~contract monitoring, and professional development and training~~. The Office of the Ombudsman shall be headed by an **executive director** ~~ombudsman~~ who shall be appointed by the secretary with the approval of the Governor under KRS 12.050.
- (6) Office of Technology Services. The Office of Technology Services shall develop and maintain technology and information management systems in support of all units of the cabinet. The Office of Technology Services shall be headed by an executive director who shall be appointed by the secretary with the approval of the Governor under KRS 12.050. The executive director for technology services shall be a person who by experience and training in administration and management is qualified to perform the duties of this office. The executive director for technology services shall exercise authority of the Office of Technology Services under the direction of the secretary and shall only fulfill those responsibilities as delegated by the secretary.
- (7) Office of Performance Enhancement. The Office of Performance Enhancement shall be responsible for quality **improvement and information analysis and reporting** ~~assurance and performance measurement programs~~, including contract monitoring, program monitoring, and the development of **quality service delivery** ~~outcome-based contracts~~. The Office of Performance Enhancement shall focus on research, best practice, and program accountability **and** ~~shall monitor federal compliance, and shall provide training for temporary assistance for needy families, food stamps, social services, and medical assistance programs~~. The Office of Performance Enhancement shall be headed by an executive director appointed by the secretary with the approval of the Governor in accordance with KRS 12.050.
- (8) **Office of Human Resource Management. The Office of Human Resource Management shall coordinate, oversee, and execute all personnel, training, and professional development functions of the cabinet. The office shall focus on the oversight, development, and implementation of quality personnel services; curriculum development and delivery of instruction to staff; the administration, management, and oversight of training operations; health, safety, and compliance training; and equal employment opportunity**

compliance functions. The office shall be headed by an executive director appointed by the secretary with the approval of the Governor in accordance with KRS 12.050.

- (9) Department for Community Based Services. The Department for Community Based Services shall administer an array of services including child and adult protection, permanency, child care, social services, public assistance, family and child support, and services to enhance family self-sufficiency. The department shall be headed by a commissioner appointed by the secretary with the approval of the Governor in accordance with KRS 12.050.
- ~~(10)(9)~~ Department for Disability Determination Services. The Department for Disability Determination Services shall serve as the state unit as required by Title II and Title XVI of the Social Security Act, including having responsibility for determining eligibility for disability for those citizens of the Commonwealth who file applications for disability with the Social Security Administration. The department shall also make determinations for citizens of the Commonwealth who make application for the Kentucky Transitional Assistance Program and determine medical exemptions for participants in the Kentucky Works Program. The department shall be headed by a commissioner appointed by the secretary with the approval of the Governor in accordance with KRS 12.050.

Section 3. The General Assembly hereby confirms Executive Order 2001-610, dated May 18, 2001, which establishes the Office of Human Resource Management and reorganizes various divisions and offices within the Cabinet for Families and Children, and Executive Order 2001-640, dated May 24, 2001, which amends the effective date of Executive Order 2001-610, to the extent these executive orders are not otherwise confirmed by this Act.

Approved April 2, 2002

CHAPTER 191

(HB 367)

AN ACT relating to agriculture water quality.

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

SECTION 1. A NEW SECTION OF KRS 224.71-100 TO 224.71-140 IS CREATED TO READ AS FOLLOWS:

For purposes of KRS 224.71-100 to 224.71-140, any documents relating to agriculture operations' agriculture water quality plans, conservation plans, or forest stewardship management plans, submitted to a local conservation district office or a state agency shall be confidential, and their disclosure to anyone other than a state or federal official is prohibited. The privilege of confidentiality given under this section does not apply to an agriculture operation's application for financial assistance from the soil erosion and water quality cost share program. The confidentiality given under this section shall not preclude disclosure of an agriculture operation's agriculture water quality plan to the Agriculture Water Quality Authority pursuant to a request by the authority for the purpose of the authority carrying out its statutory duties. In a civil or administrative proceeding, after a private review consistent with the Kentucky Rules of Civil Procedure, all documents claimed confidential under this section shall be disclosed if the court or hearing officer determines that the documents claimed confidential show evidence of noncompliance with this chapter or with applicable federal, state, or local law. The party asserting the privilege of confidentiality shall have the burden of showing that the privilege is properly asserted. If any person engaged in an agriculture operation is deemed a "bad actor" under KRS 224.71-130(2), the privilege of confidentiality given under this section to documents relating to the bad actor's agriculture operation shall be lost. The confidentiality granted by this section shall not prohibit disclosure of statistical information not descriptive of any identifiable agriculture operation or person. Nothing in this section shall prohibit disclosure of agency reports, monitoring or sampling data, and other information contained in state or local conservation district files relating to water quality compliance and investigations or notices under KRS 224.71-130.

Approved April 2, 2002

CHAPTER 192**(HB 736)**

AN ACT relating to purchasing by local public agencies.

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

Section 1. KRS 45A.385 is amended to read as follows:

The local public agency may use small purchase procedures for any contract for which a determination is made that the aggregate amount of the contract does not exceed ~~twenty~~~~ten~~ thousand dollars ~~(\$20,000)~~~~(\$10,000)~~ if small purchase procedures are in writing and available to the public.

Approved April 2, 2002

CHAPTER 193**(HB 650)**

AN ACT relating to water districts.

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

Section 1. The following KRS section is repealed:

74.270 Monthly estimates -- Payment.

Approved April 5, 2002

CHAPTER 194**(HB 175)**

AN ACT relating to sheriffs' fees.

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

Section 1. KRS 64.090 is amended to read as follows:

(1) Sheriffs may charge and collect ~~for the following services~~ the following fees *from the Commonwealth and any of its agencies, including the Department of State Police, when the source of payment is not otherwise specified, if the Commonwealth, any of its agencies, or the Department of State Police makes a request that the sheriff perform any of the following:*

- (a) Executing and returning process \$20.00;
- (b) Serving an order of court and return 3.00;
- (c) Summoning or subpoenaing each witness, fee to be paid by requester
to sheriff before service 10.00;
- (d) Summoning an appraiser or reviewer 2.00;
- (e) Attending a surveyor, when ordered by a
court, per deputy or sheriff assigned 20.00;
- (f) Taking any bond that he is authorized or
required to take in any action 5.00;
- (g) Collecting money under execution or distress warrant, if the debt is paid or the property sold, or a
delivery bond given and not complied with, six percent (6%) on the first three hundred dollars (\$300)
and three percent (3%) on the residue; when he levies an execution or distress warrant, and the

defendant replevies the debt, or the writ is stayed by legal proceedings or by the order of the plaintiff, half of the above commissions, to be charged to the plaintiff and collected as costs in the case;{+}

- (h)** Taking a recognizance of a witness 3.00;
- (i)** Levying an attachment 5.00;
- (j)** When property attached is sold by an officer other than the officer levying the attachment, the court shall, in the judgment, make the officer an additional and reasonable allowance for levying the attachment, and the fee of the officer selling the property shall be lessened by that sum. Reasonable charges for removing and taking care of attached property shall be allowed by order of court;{+}
- (k)** Summoning a garnishee 3.00;
- (l)** Summoning a jury in a misdemeanor case, attending the trial, and
conducting the defendant to jail, to be paid by the party
convicted 8.00;
- (m)** Serving process or arresting the party in
misdemeanor cases, to be paid by the plaintiff 10.00;
- (n)** Serving an order or process of revivor 3.00;
- (o)** Executing a writ of possession against each tenant or defendant 7.00;
- (p)** Executing a capias ad satisfaciendum, the same commission as collecting money on execution. If the debt is not paid, but stayed or secured, half commission;{+}
- (q)** Summoning and attending a jury in a case of forcible entry and
detainer, besides fees for summoning witnesses 8.00;
- (r)** Collecting militia fines and fee-bills, ten percent (10%), to be deducted out of the fee-bill or fine;{+}
- (s)** Levying for a fee-bill 3.00;
- (t)** Serving a notice 2.00;
- (u)** Serving summons, warrants or process of arrest in cases of
children born out of wedlock 6.00;
- (v)** Serving a civil summons in a nonsupport case 10.00;
- (w)** Serving each order appointing surveyors of
roads, to be paid out of the county levy 5.00;
- (x)** Serving each summons or order of court in applications concerning
roads, to be paid out of the county levy if the road is established,
and in all other cases to be paid by the applicant 5.00;
- (y)** Like services in cases of private passways to
be paid by the applicant 5.00;
- (z)** Executing each writ of habeas corpus, to be
paid by the petitioner 3.00;
- (aa)** All services under a writ issued under
KRS 381.460 to 381.570 10.00; **and**
- (bb)** For services in summoning grand and petit jurors and performing his duties under KRS Chapter 29A the sheriff shall be allowed, for each person so summoned, and paid out of the State Treasury for constructive service the sum of \$1.50 and for personal service the sum of \$3.00.

- (2) *Sheriffs may charge and collect a fee of twenty dollars (\$20) from any person not requesting the service of the sheriff on behalf of the Commonwealth, any of its agencies, or the Department of State Police for the services provided in subsection (1) of this Section where a percentage, commission, or reasonable fee is not otherwise allowed. If a percentage, commission, or reasonable fee is allowed, that amount shall be paid. If payment is specified from a person other than the person who requested the service, then the person specified shall be responsible for payment.*

Approved April 5, 2002

CHAPTER 195

(HB 395)

AN ACT relating to inherited metabolic disease.

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

Section 1. KRS 304.17A-139 is amended to read as follows:

- (1) A health benefit plan that provides coverage for a family or dependent shall provide coverage of a newly born child of the insured from the moment of birth.
- (2) Coverage for a newly born child shall consist of coverage of injury or sickness, including the necessary care and treatment of medically diagnosed inherited metabolic diseases.
- (3) If payment of a specific premium or fee is required to provide coverage for a child, the policy or contract may require that notification of birth of a newly born child and payment of the required premium or fees must be furnished to the insurer within thirty-one (31) days after the date of birth in order to have the coverage continue beyond that thirty-one (31) day period.
- (4) (a) For purposes of this subsection:
 1. "Amino acid modified preparation" means a product intended for the dietary treatment of an inherited metabolic disease listed in KRS 205.560(1)(c) under the direction of a physician; and
 2. "Low-protein modified food" means a product formulated to have less than one (1) gram of protein per serving and intended for the dietary treatment of an inherited metabolic disease listed in KRS 205.560(1)(c) under the direction of a physician.
- (b) A health benefit plan that provides prescription drug coverage shall provide that coverage for amino acid modified preparations and low-protein modified food products for the treatment of inherited metabolic diseases if the amino acid ***modified preparations and low-protein modified food*** products are prescribed for the therapeutic treatment of inherited metabolic diseases and are administered under the direction of a physician. Coverage under this subsection may be subject, for each plan year, to a cap of ***twenty-five thousand dollars (\$25,000) for medical formulas and a separate cap for each plan year of four thousand dollars (\$4,000) on low protein modified foods*** ~~both individual medical food prescription expenditures and medical formulas~~, subject to annual inflation adjustments.
- (5) The requirements of this section shall apply to all health benefit plans delivered on and after ***the effective date of this Act*** ~~July 14, 2000~~.
- (6) Nothing in this section or KRS 205.560, 213.141, or 214.155 shall be construed to require a health benefit plan to provide coverage for an amino acid modified preparation or low-protein modified food for the treatment of lactose intolerance, protein intolerance, food allergy, food sensitivity, or any other condition or disease not listed in KRS 205.560(1)(c).

Approved April 5, 2002

CHAPTER 196

(SB 267)

AN ACT relating to the flag of the Commonwealth of Kentucky.

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

Section 1. KRS 2.030 is amended to read as follows:

- (1) The official state flag of the Commonwealth of Kentucky shall be of navy blue silk, nylon, wool or cotton bunting, or some other suitable material, with the seal of the Commonwealth encircled by a wreath, the lower half of which shall be goldenrod in bloom and the upper half the words "Commonwealth of Kentucky," embroidered, printed, painted or stamped on the center thereof. The dimensions of the flag may vary, but the length shall be one and nine-tenths (1 9/10) times the width and the diameter of the seal and encirclement shall be approximately two-thirds (2/3) the width of the flag.
- (2) The approved official drawings of the state flag shall be permanently retained in the files of the office of the Secretary of State. All state flags for official use of the Commonwealth shall conform as to color and design with these official drawings.
- (3) The emblem at the head of a flagstaff used to display the flag of the Commonwealth of Kentucky shall be the Kentucky cardinal in an alert but restful pose, cast in bronze, brass or other suitable material.
- (4) The flying of the state flag at all state buildings and installations including public school buildings, National Guard armories, state parks and other such buildings is considered proper and is encouraged.
- (5) ***No disrespect should be shown to the flag of the Commonwealth of Kentucky. With the exception of the flag of the United States of America, the flag of the Commonwealth of Kentucky should not be dipped to any person or thing. The flag should never touch anything beneath it, such as the ground, the floor, water, or merchandise. The flag, when it is in such condition that it is no longer a fitting emblem for display, should be destroyed in a dignified way, preferably by burning.***

Approved April 5, 2002

CHAPTER 197

(SCR 92)

A CONCURRENT RESOLUTION directing the Legislative Research Commission to establish a task force to examine the development of the Lexington/Big Sandy Rail Trail, and suggest a strategy for its completion.

WHEREAS, the conversion of abandoned or unused railroad trails for pedestrian and nonmotorized use has become national policy through the National Trails Systems Act; and

WHEREAS, Rails to Trails projects throughout the United States have been shown to strengthen local economies through tourism and job development, preserve cultural and historic areas, protect natural green spaces, create family and individual recreational opportunities, preserve transportation options, encourage healthy lifestyles, and enhance community prosperity; and

WHEREAS, over 10,000 miles of rail-trail have been created across the country, but Kentucky has approximately 50 rail-trail miles; and

WHEREAS, the Lexington/Big Sandy Rail Trail was designated a Community Millennium Trail and has the potential to improve the quality of life for Kentucky citizens and connect communities stretching 109 miles from Lexington to Ashland;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Legislative Research Commission shall establish a task force to examine the development of the Lexington/Big Sandy Rail Trail and suggest a strategy for its completion. The task force shall be composed of twenty-five (25) members, to be approved by the Legislative Research Commission, to include:

- (1) The county judge/executive, or a designee, from the following counties:
 - (a) Bath;
 - (b) Boyd;
 - (c) Carter;

- (d) Clark;
- (e) Montgomery; and
- (f) Rowan;
- (2) The mayor, or a designee, from the following cities:
 - (a) Grayson;
 - (b) Lexington;
 - (c) Morehead;
 - (d) Mount Sterling;
 - (e) Olive Hill; and
 - (f) Winchester;
- (3) The secretary, or a designee, from the following agencies:
 - (a) Tourism Development Cabinet;
 - (b) Cabinet for Economic Development;
 - (c) Transportation Cabinet; and
 - (d) Department for Local Government;
- (4) The executive director of the Kentucky Heritage Council, or a designee;
- (5) The Governor, or a designee;
- (6) Six members of the General Assembly, three members appointed by the President of the Senate, and three members appointed by the Speaker of the House of Representatives. One of the Senate members shall be appointed co-chair by the President of the Senate, and one of the House of Representative members shall be appointed co-chair by the Speaker of the House of Representatives.
- (7) One member of the Kentucky Rails to Trails Council, suggested by the Kentucky Rails to Trails Council.

Section 2. The task force shall report its findings and recommendations to the Legislative Research Commission for referral to the appropriate committee or committees no later than December 15, 2002. The report shall include at least the following:

- (1) Solutions for overcoming existing barriers to the trail's development;
- (2) Potential funding sources to complete the trail;
- (3) Projected date for completion of the trail;
- (4) Recommendations on entities best suited to implement the strategy for the trail's completion; and
- (5) Recommendations on entities best suited to administer the trail, in both the short and long term.

Section 3. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 5, 2002

CHAPTER 198

(SB 179)

AN ACT relating to property valuation.

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

Section 1. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Cabinet" means the Revenue Cabinet.
- (2) "Taxpayer" means any person made liable by law to file a return or pay a tax.
- (3) "Real property" includes all lands within this state and improvements thereon.
- (4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.
- (5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.
- (6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent (\$0.001) per one hundred dollars (\$100) of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.
- (7) "Net assessment growth" means the difference between:
 - (a) The total valuation of property subject to taxation by the county, city, school district, or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and
 - (b) The total valuation of property subject to taxation by the county, city, school district, or special district for the current year.
- (8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:
 - (a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction; however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one (1) school district to another;
 - (b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;
 - (c) The value of improvements to existing nonresidential property;
 - (d) The value of new residential improvements to property;
 - (e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;
 - (f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator, the value of such property as a farm shall be a deletion from that category;
 - (g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;
 - (h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided; and
 - (i) The value of improvements to real property previously under assessment moratorium.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

- (9) "Agricultural land" means:
- (a) Any tract of land, including all income-producing improvements, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber;
 - (b) ***Any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for aquaculture; or***
 - (c) ***Any tract of land***~~[, or where]~~ devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government.
- (10) "Horticultural land" means any tract of land, including all income-producing improvements, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers, or ornamental plants.
- (11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:
- (a) Relative percentages of tillable land, pasture land, and woodland;
 - (b) Degree of productivity of the soil;
 - (c) Risk of flooding;
 - (d) Improvements to and on the land that relate to the production of income;
 - (e) Row crop capability including allotted crops other than tobacco;
 - (f) Accessibility to all-weather roads and markets; and
 - (g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.
- (12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.
- (13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings, and all other land connected thereto.
- (14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.
- (15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.
- (16) "Mobile home" means a structure, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee, or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.
- (17) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: travel trailer, camping trailer, truck camper, and motor home.
- (a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred

twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

- (b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.
- (c) Truck camper: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.
- (d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping, or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

Approved April 5, 2002

CHAPTER 199

(HB 39)

AN ACT relating to insurance.

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

SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

All health benefit plans issued or renewed on or after the effective date of this Act that provide coverage for general anesthesia and hospitalization services to a covered person shall provide coverage for payment of anesthesia and hospital or facility charges for services performed in a hospital or ambulatory surgical facility in connection with dental procedures for children below the age of nine (9) years, persons with serious mental or physical conditions, and persons with significant behavioral problems, where the dentist treating the patient or admitting physician involved certifies that, because of the patient's age or condition or problem, hospitalization or general anesthesia is required in order to safely and effectively perform the procedures. This section does not require coverage for routine dental care, including the diagnosis or treatment of disease or other dental conditions and procedures not covered in this section. The same deductibles, coinsurance, network requirements, medical necessity provisions, and other limitations as apply to physical illness benefits under the health benefit plan shall apply to coverage for anesthesia and hospital or facility charges required to be covered under this section.

Approved April 5, 2002

CHAPTER 200

(SB 156)

AN ACT relating to the Kentucky Law Enforcement Council.

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

Section 1. KRS 15.315 is amended to read as follows:

The Kentucky Law Enforcement Council is hereby established as an independent administrative body of state government to be made up as follows:

- (1) The Attorney General of Kentucky, the commissioner of the Department of State Police, directors of the Southern Police Institute of the University of Louisville, the dean of the College of Law Enforcement of Eastern Kentucky University, the president of the Kentucky Peace Officers Association, the president of the Kentucky Association of Chiefs of Police, and the Kentucky president of the Fraternal Order of Police, **and the president of the Kentucky Sheriffs' Association** shall be ex officio members of the council, as full voting members of the council by reason of their office. The Kentucky special agent in charge of the Federal Bureau of Investigation shall serve on the council in an advisory capacity only without voting privileges. Each ex officio member may designate in writing a person to represent him **or her** and **to** vote on his **or her** behalf.

- (2) ***Eleven (11)***~~*Nine (9)*~~ members shall be appointed by the Governor for terms of four (4) years from the following classifications: a city manager or mayor, ***three (3)***~~*one (1)*~~ Kentucky ***sheriffs***~~*sheriff*~~, a member of the Kentucky State Bar Association, five (5) chiefs of police, and a citizen of Kentucky not coming within the foregoing classifications. No person shall serve beyond the time he ***or she*** holds the office or employment by reason of which he ***or she*** was initially eligible for appointment. Vacancies shall be filled in the same manner as the original appointment and the successor shall be appointed for the unexpired term. Any member may be appointed for additional terms.
- (3) No member may serve on the council with the dual membership as the representative of more than one (1) of the aforementioned groups or the holder of more than one (1) of the aforementioned positions. In the event that an existing member of the council assumes a position entitling him to serve on the council in another capacity, the Governor shall appoint an additional member from the group concerned to prevent dual membership.
- (4) Membership on the council does not constitute a public office, and no member shall be disqualified from holding public office by reason of his membership.

Section 2. KRS 15.320 is amended to read as follows:

The business of the council shall be conducted in the following manner:

- (1) The council at its initial meeting to be held promptly after the appointment of its members, shall elect a chairman and vice chairman from among its members who shall serve until the first meeting in the succeeding year. Thereafter, the chairman and vice chairman shall be elected at the first meeting of each calendar year.
- (2) ***Ten (10)***~~*Seven (7)*~~ members of the council shall constitute a quorum for the transaction of business.
- (3) The council shall maintain minutes of its meetings and such other records as it deems necessary.
- (4) The council shall report at least annually to the Governor and to the General Assembly as to its activities.

Approved April 5, 2002

CHAPTER 201

(SB 126)

AN ACT relating to the payment of individual financial obligations to counties and declaring an emergency.

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

Section 1. KRS 64.840 is amended to read as follows:

- (1) Except for taxes collected on behalf of the state for which standard receipt forms had been supplied by the state prior to 1974, all county officials shall, upon the receipt of any fine, forfeiture, tax, or fee, prepare a receipt that meets the specifications of the state local finance officer, if the fine, forfeiture, tax, or fee is paid:
 - (a) In cash;
 - (b) By a party appearing in person to pay; or
 - (c) By check, credit card, or debit card account received through the mail, if the party includes an addressed, postage-paid return envelope and a request for receipt.
- (2) One (1) copy of the receipt shall be given to the person paying the fine, forfeiture, tax, or fee and one (1) copy shall be retained by the official for his own records. One (1) copy of the receipt shall be retained by the official to be placed with the daily bank deposit.
- (3) A county government may, but shall not be required to, accept payment of any fine, forfeiture, tax, or fee by debit or credit card account. If an individual chooses to pay a fine, forfeiture, tax, or fee by debit or credit card account, the county government ~~*may*~~***shall*** recover the transaction fee charged by the issuer of the account as part of and in addition to the original amount of the fine, forfeiture, tax, or fee.

Section 2. Whereas a large volume of the payments received for fines or taxes made by credit or debit card occur prior to the normal effective date of legislation and transaction fees are required to be included in the payment, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or its otherwise becoming a law.

Approved April 5, 2002

CHAPTER 202

(HB 136)

AN ACT relating to insurance.

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

Section 1. KRS 304.12-110 is amended to read as follows:

No insurer, agent, surplus lines broker, solicitor, or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

- (1) Any employment.
- (2) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto.
- (3) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any profits or special returns or special dividends.
- (4) Any prizes, goods, wares, merchandise, or property of an aggregate value in excess of ~~twenty-five~~~~ten~~ dollars ~~(\$25)~~~~(\$10)~~.

Approved April 5, 2002

CHAPTER 203

(HB 146)

AN ACT relating to juvenile justice and declaring an emergency.

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

Section 1. KRS 610.060 is amended to read as follows:

- (1) If the Circuit or District Court determines that a formal proceeding is required in the interest of the child or to determine the truth or falsity of the allegations against the child, a petition shall be required pursuant to KRS 610.020, and the court shall, when the child is brought before the court:
 - (a) Explain to the child and his parents, guardian, or person exercising custodial control their respective rights to counsel and, if the child and his parents, guardian, or person exercising custodial control are unable to obtain counsel, shall appoint counsel for the child, ***as provided in subsection (2) of this section***, and, unless specified to the contrary by other provisions of KRS Chapters 600 to 645, may appoint counsel for the parents, guardian, or person exercising custodial control;
 - (b) Explain the right against self-incrimination by saying that the child, parents, relative, guardian, or custodian may remain silent concerning the charges against the child, and that anything said may be used against the child;
 - (c) Unless limited by statute, explain the right to confront anyone who has accused the child and to cross-examine that person on the allegations made against the child;
 - (d) Advise the child and his parents, guardian, or person exercising custodial control of the right to appeal from a determination of the court; and

- (e) Advise the child that these rights belong to him and may not be waived by his parents, guardian, or person exercising custodial control.
- (2) (a) *No court shall accept a plea or admission or conduct an adjudication hearing involving a child accused of committing any felony offense, any offense under KRS Chapter 510, or any offense for which the court intends to impose detention or commitment as a disposition unless that child is represented by counsel.*
- (b) *For a child accused of committing any other offense, before a court permits the child to proceed beyond notification of the right to counsel required by paragraph (a) of subsection (1) of this subsection without representation, the court shall:*
 - 1. *Conduct a hearing about the child's waiver of counsel; and*
 - 2. *Make specific findings of fact that the child knowingly, intelligently and voluntarily waived his right to counsel.*
- (3) Unless otherwise exempted in KRS Chapters 600 to 645, a child and his parents or person exercising custodial control shall have a right to attend the hearing if such attendance will not unnecessarily delay the hearing.
- ~~(4)(3)~~ Subject to the provisions of KRS 31.125, the court may order a parent to pay for counsel for the child if the court determines that the parent has the ability to pay for such counsel. The fact that a child is committed to a state agency shall not be cause for the court to order that agency to pay for counsel.
- ~~(5)(4)~~ Subject to Rule 43.09 of the Rules of Civil Procedure, the court shall permit the victim, the victim's parents or legal guardian, or, if emancipated, the victim's spouse, or the legal representative of any of these, to attend all proceedings under this section.
- ~~(6)(5)~~ An attempt shall be made to notify the persons specified in subsection ~~(5)(4)~~ of this section of the time, date, and place of all proceedings under this section. Each District Court shall, by rule, establish the means of notification and the person or agency responsible for making the notifications. The failure of a victim or other person specified in subsection ~~(5)(4)~~ of this section to receive notice shall not delay the proceedings in the case.

Section 2. Whereas delayed implementation of the provisions of this Act may result in unneeded financial exposure to the Commonwealth, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Approved April 5, 2002

CHAPTER 204

(HB 189)

AN ACT relating to protecting the public safety when licensing operators of commercial motor vehicles and declaring an emergency.

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

Section 1. KRS 281A.010 is amended to read as follows:

- (1) "Alcohol" means:
 - (a) Beer, ale, port, or stout and other similar fermented beverages, including sake or similar products, of any name or description containing one-half of one percentum (0.5%) or more of alcohol by volume, brewed or produced from malt, wholly or in part, or from any substitute therefor;
 - (b) Wine of not less than one-half of one percentum (0.5%) of alcohol by volume; or
 - (c) Distilled spirits, which means that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced; or
 - (d) Any substance containing ethyl alcohol, hydrated oxide of ethyl, spirit of wine, or any distilled spirits including, but not limited to, ethanol, methanol, propanol, and isopropanol.
- (2) "Alcohol concentration" means:

- (a) The number of grams of alcohol per one hundred (100) milliliters of blood;
 - (b) The number of grams of alcohol per two hundred ten (210) liters of breath; or
 - (c) The number of grams of alcohol per sixty-seven (67) milliliters of urine.
- (3) "Cabinet" means the Transportation Cabinet of the Commonwealth of Kentucky.
- (4) "Commerce" means:
- (a) Any trade, traffic, or transportation within the jurisdiction of the United States between a place in a state and a place outside of the state, including a place outside of the United States; and
 - (b) Trade, traffic, and transportation in the United States that affects any trade, traffic, and transportation described in paragraph (a) of this subsection.
- (5) "Commercial driver's license," or CDL, means a license issued to an individual in accordance with the requirements of this chapter or, if the license is issued by another state in accordance with the Federal Commercial Motor Vehicle Safety Act, to an individual that authorizes the individual to drive any class of commercial motor vehicle.
- (6) "Commercial driver's license information system" or CDLIS means the national information system established to serve as a clearinghouse for locating information related to the licensing and identification of commercial motor vehicle drivers.
- (7) "Commercial driver's instruction permit" means a permit issued pursuant to KRS 281A.120.
- (8) "Commercial motor vehicle," or CMV, means a motor vehicle or combination motor vehicle used in commerce that is:
- (a) Designed to carry property and has a gross vehicle weight rating as determined by federal regulation which has been adopted into cabinet administrative regulations pursuant to KRS Chapter 13A;
 - (b) Designed to transport sixteen (16) or more passengers, including the driver;
 - (c) Transporting hazardous materials and is required to be placarded in accordance with Title 49, Code of Federal Regulations, Part 172; or
 - (d) Any other vehicle that is required by cabinet administrative regulation, pursuant to KRS Chapter 13A, to be operated by a licensed commercial driver.
- (9) "Controlled substance" means any substance so classified under Section 102(6) of the Controlled Substances Act, 21 U.S.C. sec. 802(6), and includes all substances listed on Schedules I through V, of Title 21, Code of Federal Regulations, Part 1308, as adopted by the Transportation Cabinet by administrative regulation pursuant to KRS Chapter 13A. It shall also include those substances defined or listed in KRS Chapter 218A.
- (10) "Conviction" means an unvacated adjudication of guilt, or a determination that a person has violated or failed to comply with the law in a court of original jurisdiction or an authorized administrative tribunal, an unvacated forfeiture of bail or collateral deposited to secure the person's appearance in court, the payment of a fine or court cost, or violation of a condition of release without bail, regardless of whether or not the penalty is rebated, suspended, or probated.
- (11) "Disqualification" means a withdrawal, cancellation, suspension, or revocation of the privilege to drive a commercial motor vehicle.
- (12) "Drive" means to drive, operate, or be in physical control of a motor vehicle.
- (13) "Driver" means any person who drives, operates, or is in physical control of a commercial motor vehicle, or who is required to hold a commercial driver's license.
- (14) "Driver's license" means a license issued by a state~~[- or foreign jurisdiction]~~ to an individual that authorizes the individual to drive a motor vehicle.
- (15) "Employee" means any operator of a commercial motor vehicle, including full-time, regularly employed drivers; casual, intermittent, or occasional drivers; leased drivers and independent, owner-operator contractors while in the course of operating a commercial motor vehicle who are either directly employed by, under lease to, or operating in a manner indicating employment to an employer.

- (16) "Employer" means any person, including the United States, a state, or a political subdivision of a state, who owns or leases a commercial motor vehicle, or assigns a person to drive a commercial motor vehicle.
- (17) "Felony" means any offense under state or federal law that is punishable by death or imprisonment for at least one (1) year in a correctional facility.
- (18)~~[(18)]~~ ~~"Foreign" means outside the fifty (50) United States and the District of Columbia.~~
- ~~(19)~~ [(19)] "Gross combination weight rating," or GCWR, is the gross vehicle weight rating of power unit plus the gross vehicle weight rating of any towed unit.
- ~~(19)~~ [(20)] "Gross vehicle weight rating," or GVWR, means the value specified by the manufacturer as the maximum loaded weight of a single, a combination or an articulated vehicle.
- ~~(20)~~ [(21)] "Hazardous materials" means the definition found in Section 103 of the Hazardous Materials Transportation Act, 49 U.S.C. secs. 1801 et seq.
- ~~(21)~~ [(22)] "Highway" shall include any way or place of any nature when any part of it is open to the use of the public as a matter of right, license, or privilege for the use of vehicular traffic.
- ~~(22)~~ [(23)] "Moped" shall have the same meaning as in KRS 186.010(5).
- ~~(23)~~ [(24)] "Motor vehicle" means a vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power used on highways, or any other vehicle required to be registered under the laws of this state, but shall not include any vehicle, machine, tractor, trailer, or semitrailers operated exclusively on a rail.
- ~~(24)~~ [(25)] "NDR" means the national driver register.
- ~~(25)~~ [(26)] "Out-of-service order" means a temporary prohibition against driving a commercial motor vehicle.
- ~~(26)~~ [(27)] "Resident" means a person who has *established Kentucky as his or her state of domicile. Proof of residency shall include, but not be limited to, a deed or property tax bill, utility agreement or utility bill, or rental housing agreement*~~[his actual or habitual place of abode in this state].~~
- ~~(27)~~ [(28)] "School bus" means a vehicle that meets the specification of KRS 156.153 and is designed to transport sixteen (16) or more passengers including the driver.
- ~~(28)~~ [(29)] "Serious traffic violation" means a conviction when operating a commercial motor vehicle of:
- (a) Excessive speeding, involving a single charge of any speed fifteen (15) miles per hour or more, above the specified speed limit;
 - (b) Reckless driving, as defined under state or local law, including conviction of driving a commercial motor vehicle in willful or wanton disregard for the safety of persons or property;
 - (c) Improper or erratic traffic lane changes;
 - (d) Following the vehicle ahead too closely;
 - (e) A violation of any state or local law related to motor vehicle traffic control, other than a parking violation, arising in connection with a fatal accident; or
 - (f) Any conviction of an offense that requires mandatory suspension under KRS 186.560 or a serious violation as defined by Title 49 of the Code of Federal Regulations Part 383 or as amended by the Federal Highway Administration.
- ~~(29)~~ [(30)] "State" means a state of the United States and the District of Columbia.
- ~~(30)~~ [(31)] "State police" means the Department of State Police of the Commonwealth of Kentucky.

SECTION 2. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

- (1) *Any person initially applying for, or initially renewing, a Kentucky CDL instruction permit or operator's license, shall be required to undergo a state and national criminal history background check of state and federal wanted or "hot file" records conducted by the Kentucky State Police. All initial and renewal application forms for a Kentucky CDL instruction permit or operator's license shall conspicuously state the following: "STATE LAW REQUIRES A STATE AND NATIONAL CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF APPLYING FOR A KENTUCKY CDL. ANY PERSON*

WHO REFUSES TO SUBMIT TO A CRIMINAL HISTORY BACKGROUND CHECK SHALL NOT BE ELIGIBLE TO APPLY FOR, OR BE ISSUED, A KENTUCKY CDL."

- (2) *The results of the state and national criminal history background checks shall be sent to the cabinet for review within seventy-two (72) hours. An applicant for a CDL instruction permit may enroll in a commercial driver training program under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A, and may be issued a CDL instruction permit upon enrollment, however the status of the applicant retaining the CDL instruction permit shall not be determined until the results of the background checks are made available to the cabinet. The cabinet shall inform the applicant and the circuit clerk of persons who, based upon the criminal history background check, are either eligible or ineligible to be issued a CDL instruction permit or CDL. The cabinet shall promulgate administrative regulations under KRS Chapter 13A to specify conditions that will cause a person to be denied a CDL instruction permit or CDL based upon the person's criminal history background check.*
- (3) *Any fee charged by the Kentucky State Police to conduct a criminal history background check shall be paid by the applicant and shall not be refundable. Any fee charged to conduct a criminal history background check shall be an amount not greater than the actual cost of processing the request and conducting the search.*
- (4) *The criminal history background checks required by this section shall be in addition to any type of background check that may be required by federal statute, rule, regulation, or order.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

A person who is not a resident of Kentucky may be issued a commercial driver's instruction permit and commercial driver's license if the person is currently enrolled in a program offering commercial truck driving under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A.

Section 4. KRS 281A.120 is amended to read as follows:

- (1) A commercial driver's instruction permit may be issued to an individual twenty-one (21) years and older who:
 - (a) *Has complied with the criminal history background check required by Section 2 of this Act;*
 - (b) Holds a valid automobile ~~Class D~~ driver's license; and ~~who~~
 - (c) Has passed the vision and knowledge tests required for a commercial driver's license of the class vehicle to be driven. Instruction permits shall be class specific.
- (2) A commercial driver's instruction permit may be issued to *a resident* ~~an individual~~ eighteen (18) years of age who:
 - (a) *Has complied with the criminal history background check required by Section 2 of this Act;*
 - (b) Holds a valid automobile Class D driver's license; *and* ~~who~~
 - (c) Has passed the vision and knowledge tests required for a commercial driver's license of the class vehicle to be driven, if the individual only drives a commercial motor vehicle in intrastate commerce and does not drive a school bus or a vehicle hauling hazardous material. The instruction permit shall be class specific and shall contain an "I" restriction noting that the commercial driver is limited to Kentucky intrastate commerce.
- (3) A commercial driver's instruction permit shall not be issued *to a resident* for a period to exceed six (6) months. Only one (1) renewal or reissuance may be granted within *a* two (2) year period for the same class of vehicle. The holder of a commercial driver's instruction permit may, unless otherwise disqualified, drive a commercial motor vehicle on the highways of Kentucky only when accompanied by the holder of a commercial driver's license valid for the type of vehicle driven and who occupies a seat beside the permit holder for the purpose of giving instruction in driving the commercial motor vehicle.
- (4) *A person who is not a resident who is enrolled in a program offering commercial truck driving under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A may be issued a provisional Class D license that allows an applicant to include a commercial driver's instruction permit into a single license that shall be valid for ninety (90) days. The fee for a provisional*

Class D license shall be the same as for a regular Class D license. A provisional Class D license may be renewed for one (1) ninety (90) day period. A person issued a provisional Class D license under this subsection shall be required to convert the license to a regular Kentucky CDL or return to the person's state of domicile and transfer the Kentucky provisional Class D license to his or her state of domicile. A provisional Class D license issued under this subsection shall not be converted to a regular Class D license unless the applicant satisfies all Kentucky residency requirements. A commercial driver's instruction permit shall contain, in addition to other information required by the cabinet, those requirements set forth in KRS 281A.170. The commercial driver's instruction permit shall not contain the permit holder's Social Security number but shall include a color photo of the permit holder.

Section 5. KRS 281A.130 is amended to read as follows:

- (1) ~~A~~~~No~~ person shall **not** be issued a commercial driver's license unless that person:
 - (a) Is a resident of this state;~~;~~
 - (b) Holds a valid operator's license; ~~issued pursuant to KRS 186.412 and~~
 - (c) ***Has complied with the provisions of Section 2 of this Act;***
 - (d) Has passed the knowledge and skills tests for driving a commercial motor vehicle which comply with minimum federal standards established by federal regulation enumerated in Title 49, Code of Federal Regulations, Part 383, as adopted by the cabinet;~~;~~ and
 - (e) Has satisfied all other safety requirements including those requirements imposed by state law or federal regulation. The tests shall be prescribed and conducted as set forth in KRS 281A.160. ~~The skills test may be waived only in those circumstances where the applicant has complied with KRS 281A.200.~~
- (2) A commercial driver's license, or commercial driver's instruction permit shall not be issued to a person while the person is subject to a disqualification from driving a commercial motor vehicle, or while the person's driver's license or driving privilege is suspended, revoked, or canceled in any state or jurisdiction.
- (3) A commercial driver's license shall not be issued to a person who has a commercial driver's license issued by any other state ~~or foreign jurisdiction~~ unless the person first surrenders all such licenses, which shall be returned to the issuing jurisdiction for cancellation.
- (4) To ensure that an applicant for a commercial driver's license or instruction permit complies with the requirements of subsections (2) and (3) of this section, ***the circuit clerk shall verify through the commercial driver's license information system and national driver register that the person applying for a Kentucky CDL does not currently have his or her operator's license or driving privilege suspended or revoked in another licensing jurisdiction. If the person's operator's license or driving privilege is currently suspended or revoked in another licensing jurisdiction, the circuit clerk shall not issue the person a Kentucky CDL until the person resolves the matter in the other licensing jurisdiction and complies with the provisions of this chapter and KRS Chapter 186***~~shall be contacted prior to the issuance of the license or permit.~~

Section 6. KRS 281A.140 is amended to read as follows:

- (1) The application for a commercial driver's license or commercial driver's instruction permit shall include the following information:
 - (a) The full ***legal*** name, including nicknames, and present ***Kentucky*** resident address of the applicant. If the applicant's mailing address is different from the resident address, the mailing address shall also be included. ***If the applicant is not a resident, the application shall include the person's resident address in the person's state of domicile and the address of the Kentucky driver training school where the applicant is currently enrolled;***~~;~~
 - (b) A physical description of the applicant including sex, height, weight, eye color, and race;
 - (c) The applicant's date of birth;
 - (d) The applicant's Social Security number;
 - (e) The applicant's signature;
 - (f) Certifications including those required by Title 49, Code of Federal Regulations, Part 383.71, paragraph (a) as adopted by the cabinet;

- (g) A consent to release driving record information;
 - (h) A valid Class D operator's license issued pursuant to KRS 186.412;
 - (i) A birth certificate if the applicant does not hold a valid operator's license at the time of application;
 - (j) *A statement that the applicant has previously been licensed as an operator in another state, if applicable;* and
 - (k) ~~(j)~~ Any other information required by the cabinet.
- (2) The cabinet or state police may require any other information needed in order to process the application.
 - (3) When the holder of a commercial driver's license changes his *or her* name or residence, ~~the~~~~his~~ information shall be reported to the cabinet within ten (10) days. The holder of a Class A, B, or C license shall make an application for a duplicate license within thirty (30) days of changing his name or address.
 - (4) Any person whose commercial driver's license has been legitimately lost or destroyed shall make an application for a duplicate:
 - (a) *A person applying for the first duplicate within the time period for which the original license was issued, shall apply in the office of the circuit clerk in the county where the person resides. The person shall provide the clerk with proof of the person's identity and a notarized affidavit with a raised seal explaining in detail the loss or destruction of the original license.*
 - (b) *A person applying for a second or subsequent duplicate within the time period for which the original license was issued, shall apply to the Transportation Cabinet in Frankfort or a Transportation Cabinet field office. The person shall provide the cabinet with proof of the person's identity and a notarized affidavit with a raised seal explaining in detail the loss or destruction of the previous duplicate issued. The Transportation Cabinet shall, within thirty (30) days of receipt of the application, review the person's proof of identity and affidavit and determine if the person will be issued a duplicate.* ~~He shall furnish by affidavit satisfactory proof substantiating the loss or destruction.~~
 - (5) A person who ~~is~~~~has been~~ a resident of this state ~~for thirty (30) days~~ shall not drive a commercial motor vehicle under the authority of a commercial driver's license issued by another jurisdiction.
 - (6) Any person who knowingly falsifies information or certifications required to obtain a commercial driver's license, a commercial driver's license permit, or a duplicate commercial driver's license subsequent to an administrative hearing conducted in accordance with KRS 186.570, shall be subject to suspension, revocation, or cancellation of his commercial driver's license for a period of at least sixty (60) consecutive days.

Section 7. KRS 281A.150 is amended to read as follows:

- (1) Every person seeking a commercial driver's license or a commercial driver's instruction permit shall first apply in person to the circuit clerk of the county in which the applicant resides *or in the county where the person is enrolled in a driver training school if the applicant is not a resident.* The application shall be in the form prescribed by KRS 281A.140 as provided by the cabinet. *Except as provided in subsection (6) of Section 8 of this Act,* each time a person applies for a commercial driver's license, an instruction permit, or seeks to upgrade or change his commercial driver's license, ~~the person~~~~he~~ shall *be required to:*
 - (a) Update ~~the~~~~his~~ application; and
 - (b) Submit the appropriate fee to the circuit clerk.
- (2) The cabinet shall set fees by administrative regulation, pursuant to KRS Chapter 13A, for the following applications that shall not exceed:
 - (a) Forty dollars (\$40) for each application for a commercial driver's license. The fee shall be based on the class, type of license, endorsement, restriction, or tests to be taken;
 - (b) Thirty-five dollars (\$35) for each application for a commercial driver's instruction permit;
 - (c) Fifteen dollars (\$15) for each application for a change or addition in class or type of license, endorsement, or restriction;

- (d) *Forty dollars (\$40) for each application for a duplicate if it is the first duplicate applied for within the time period for which the original license was issued. Sixty dollars (\$60) for a second or subsequent duplicate applied for within the time period for which the original license was issued. The fees required for a duplicate shall be in addition to fees charged under subsection (2)(c) of this section.* ~~Ten dollars (\$10) for each application for a duplicate commercial driver's license;~~
- (e) Thirty-five dollars (\$35) for each application for renewal of a commercial driver's license;
- (f) Sixty dollars (\$60) for each application for a transfer of a commercial driver's license; and
- (g) Twenty dollars (\$20) for each application for a commercial driver's license with an "S" restriction for the following persons:
 - 1. A person who operates a school bus;
 - 2. A person who is employed by a mass transit authority created under the provisions of KRS Chapter 96A;
 - 3. A person who drives a vehicle that is operated under a nonprofit bus certificate established pursuant to KRS 281.619;
 - 4. A person who drives a vehicle registered pursuant to KRS 186.050(6); or
 - 5. A person who drives a fixed route bus system vehicle that is operated by a public entity pursuant to the provisions of KRS Chapter 281.
- (3) All fees remitted to the clerk shall be nonrefundable regardless of whether the applicant completes the requirements for a commercial driver's license or is tested.
- (4) All fees collected for the issuance of a commercial driver's license or a commercial driver's instruction permit shall be deposited into trust and agency accounts to be used exclusively for the administration and implementation of this chapter, except as prescribed in subsection (5) of this section. The accounts shall not lapse but shall be continuing from year to year.
- (5) All fees collected pursuant to this section, shall be allocated between the Transportation Cabinet and Department of State Police, except a fifty cent (\$0.50) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license permit. A three dollar (\$3) issuance fee shall be allocated during the first two (2) years following the effective date of January 1, 1991, to the Administrative Office of the Courts in a trust and agency account for the use of the circuit clerks and thereafter allocated to the general fund from issuance of a commercial driver's license.
- (6) Any applicant who seeks reinstatement of his commercial driving privilege after a suspension, withdrawal, revocation, or disqualification shall pay a reinstatement fee of fifty dollars (\$50) in addition to those fees required by subsection (2) of this section and shall satisfy the requirements of KRS 281A.160. This fee shall not be required if his commercial driving privilege was withdrawn only as a result of the withdrawal of his privilege to drive a noncommercial motor vehicle.
- ~~{(7) Any person who qualifies for a commercial driver's license under the provisions of KRS 281A.200 shall pay a fee not to exceed sixty two dollars (\$62).}~~

Section 8. KRS 281A.160 is amended to read as follows:

- (1) Except as provided in subsection (3) of this section, the State Police shall be responsible for administering both the knowledge and skills test required by KRS 281A.130.
- (2) The State Police, upon request of an applicant who has passed both the vision and knowledge tests, may schedule the applicant for the skills test at the first available test date at a test site designated by the State Police but not less than ten (10) days after the applicant has filed ~~the~~*this* application.
- (3) The State Police ~~may~~*shall* authorize a *third party*~~{person, including an agency of this or another state, an employer, a private driver training facility, a private institution, or a department, agency, or instrumentality of local government,}~~ to administer the skills test specified by this section, if:
 - (a) The test is the same that would otherwise be administered by the state;~~{and}~~

- (b) The third party has entered into an agreement with this Commonwealth which complies with requirements of Title 49, Code of Federal Regulations, Part 383.75, as adopted by the Transportation Cabinet; *and*
- (c) *The third party enters a written agreement with the State Police that the State Police shall determine the entity that shall administer the skills test to applicants if:*
 - 1. *The third party offers a program in commercial truck driving by certificate or contract program through the Kentucky Community and Technical College System; or*
 - 2. *The third party is licensed under KRS Chapter 165A to offer a program in commercial truck driving.*
- (4) *The State Police shall promulgate administrative regulations under KRS Chapter 13A that establish procedures that ensure an "arms-length" relationship is maintained between a third-party tester and any owner, officer, or employee of any program offering commercial truck driving under the Kentucky Community and Technical College System or a proprietary school licensed under KRS Chapter 165A.*
- ~~(5)~~~~(4)~~ A third-party tester authorized by subsection (3) of this section may provide a vehicle for a person to use during the skills portion of the commercial driver's license exam. If the third-party tester provides a vehicle, he may charge the person taking the skills test a fee of twenty-five dollars (\$25) for use of the vehicle.
- ~~(6)~~~~(5)~~ Applicants shall be permitted to take the knowledge or skills test for a particular class vehicle an unlimited number of times; however, an applicant shall not retest more than one (1) time in any twenty-four (24) hour period.~~Subject to~~ The provisions of KRS 281A.150 *notwithstanding*, a fee shall *not* be charged for each test that is retaken as a result of a failing score.
- ~~(7)~~~~(6)~~ An applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of less than one (1) year shall pay the reinstatement fee as prescribed by KRS 281A.150(6) and shall receive his commercial driver's license with all endorsement and restrictions that were in effect at the time of suspension. An applicant who seeks reinstatement of a commercial driver's license after a suspension, withdrawal, revocation, or disqualification of one (1) year or more shall submit to the skills, knowledge, and vision tests.
- ~~(8)~~~~(7)~~ The commissioner of the Kentucky State Police shall promulgate administrative regulations pursuant to the provisions of KRS Chapter 13A to implement the provisions of this section.

Section 9. KRS 281A.170 is amended to read as follows:

- (1) The commercial driver's license shall be marked "commercial driver's license" ~~and for~~ "CDL" and shall be, to the maximum extent practicable, tamper proof. It shall include, but is not limited to, the following information:
 - (a) The name and present resident address of the licensee;
 - (b) The licensee's color photograph;
 - (c) A physical description of the licensee including sex, height, weight, and eye color;
 - (d) The licensee's date of birth;
 - (e) The licensee's signature;
 - (f) The class or type of commercial motor vehicle or vehicles that the person is authorized to drive together with any endorsements or restrictions;
 - (g) The name of this state;
 - (h) The dates between which the license is valid; and
 - (i) Any other information required by the cabinet, except for a person's Social Security number.
- (2) A commercial driver's license shall be issued with classifications, endorsements, and restrictions. Vehicles that require an endorsement shall not be driven unless the proper endorsement appears on the license and the applicant has passed the knowledge and skills test required by the State Police.
 - (a) Classifications:

1. Class A - Any combination of vehicles with a gross vehicle weight rating of twenty-six thousand and one (26,001) pounds or more, if the gross vehicle weight rating of the vehicle being towed is in excess of ten thousand (10,000) pounds. Licensees with an "A" classification may with the proper endorsement drive Class B and C vehicles.
 2. Class B - Any single vehicle with a gross vehicle weight rating of twenty-six thousand and one (26,001) pounds or more, and any vehicle towing a vehicle not in excess of ten thousand (10,000) pounds. Licensees with a "B" classification may with the proper endorsements drive Class C vehicles.
 3. Class C - Any single vehicle with a gross weight rating of less than twenty-six thousand and one (26,001) pounds or any vehicle towing a vehicle with a gross vehicle weight rating not in excess of ten thousand (10,000) pounds which includes:
 - a. Vehicles designed to transport sixteen (16) or more passengers, including the driver; or
 - b. Vehicles used in the transportation of hazardous materials which requires the vehicle to be placarded under Title 49, Code of Federal Regulations, Part 172, sub-part F, as adopted by administrative regulations of the cabinet, pursuant to KRS Chapter 13A.
 4. Class D - All other vehicles not listed in any other class.
 5. Class E - Moped only.
 6. Class M - Motorcycles. Licensees with a "M" classification may also drive Class E vehicles.
- (b) Endorsements:
1. "H" - Authorizes the driver to operate a vehicle transporting hazardous materials.
 2. "T" - Authorizes operation of double trailers and triple trailers in those jurisdictions allowing the operation of triple trailers.
 3. "P" - Authorizes operation of vehicles carrying passengers.
 4. "N" - Authorizes operation of tank vehicles.
 5. "X" - Authorizes operation of combination of hazardous materials and tank vehicle endorsements.
 6. "R" - Authorizes operation of all other endorsements not otherwise specified.
- (c) Restrictions:
1. "K" - Restricts the driver to operation of vehicles not equipped with airbrakes.
 2. "I" - Restricts the driver to Kentucky intrastate commerce driving.
 3. "S" - Restricts the driver to school buses, church buses, buses operated by a mass transit authority created under the provisions of KRS Chapter 96A, buses operated under a nonprofit bus certificate established pursuant to KRS 281.619, and fixed route buses operated by a public entity pursuant to the provisions of KRS Chapter 281.
 4. "L" - Shall not include a Class "A" bus.
 5. "J" - Shall not include a Class "A" or "B" bus.
 6. "O" - Shall not include tractor, semitrailer style vehicles.
 7. "Z" - Exempt intracity zones for commercial vehicles.
 8. "1-13" - Other restrictions.
 9. ***"14" - Restricts the driver to operation of vehicles equipped with an automatic transmission because the person conducted the required skills test in a commercial vehicle equipped with an automatic transmission. A person wanting to remove this restriction in order to operate a vehicle with a manual transmission shall be required to successfully complete a skills test while operating a commercial vehicle equipped with a manual transmission.***

- (3) Within ten (10) days after issuing a commercial driver's license, the cabinet shall notify the commercial driver's license information system of that fact, providing all information required to ensure identification of the person.
- (4) A commercial driver's license issued **to a resident** pursuant to this chapter shall expire in four (4) years unless the license was issued ~~[pursuant to the terms of KRS 281A.200, or unless the license was issued]~~ to a ~~resident person~~ under the age of twenty-one (21). **A commercial driver's license issued to a person who is not a resident shall be issued for one (1) year and shall not be renewable. The fee for a commercial driver's license issued to a nonresident shall be the same as the fee charged to a resident.**
- (5) A person under the age of twenty-one (21) shall not be licensed to operate a Class A, B, or C vehicle unless he has an "I" restriction. A commercial driver with an "I" restriction shall not drive a commercial motor vehicle in interstate commerce, unless he is exempt pursuant to 49 C.F.R. 391.2. A commercial driver under the age of twenty-one (21) shall not be allowed to operate a school bus or a vehicle transporting hazardous material in intrastate commerce.
- (6) The holder of a commercial driver's license shall be considered to hold a valid Kentucky driver's license issued under the provisions of KRS 186.412.

Section 10. KRS 281A.180 is amended to read as follows:

- (1) Every person applying for renewal or transfer of a commercial driver's license from another issuing jurisdiction, shall complete an application as required by KRS 281A.140, providing updated information, testing, and required certifications.
- (2) If **a person applies** ~~[the applicant]~~ for a renewal or transfer **of a** commercial driver's license or ~~[if the applicant]~~ seeks to add an endorsement, **or** has a hazardous materials endorsement and applies to retain the endorsement, he shall provide the required medical certificate and **take** the knowledge test for a hazardous materials endorsement ~~[shall be taken]~~ again, unless he provides proof that he has taken and passed the hazardous materials knowledge test within the preceding two (2) years.
- (3) Every person applying to add an endorsement to his existing commercial driver's license shall complete an application as required by KRS 281A.140, providing updated information and certifications. If the endorsement originally would have required a special knowledge or skills test, he shall successfully complete the test or tests prior to the endorsement being added to his commercial driver's license.

SECTION 11. A NEW SECTION OF KRS CHAPTER 281A IS CREATED TO READ AS FOLLOWS:

Any person initially renewing a commercial driver's license or adding an endorsement after September 30, 2002, shall apply for the renewal at least thirty (30) days prior to the expiration date of the license. The purpose of the early renewal procedures is to ensure the criminal history background check required under Section 2 of this Act may be completed prior to the expiration date on the license. A person may obtain the information necessary to conduct the criminal history background check from the circuit clerk. If the person has a law enforcement agency other than the Kentucky State Police conduct the background check, the law enforcement agency may charge the person a nonrefundable fee for the service. Any fee charged by any law enforcement agency to conduct a criminal history background check shall be an amount not greater than the actual cost of processing the request and conducting the search.

Section 12. The following KRS section is repealed:

281A.200 Application made between January 1, 1991, and April 1, 1992 -- Expiration -- Fees prorated -- Medical waiver.

Section 13. Section 11 of this Act takes effect September 30, 2002.

Section 14. Whereas the terrorist attacks of September 11, 2001, unveiled a war being waged on America and all Americans, both at home and abroad, by a wide spectrum of terrorists. And whereas United States Government officials have credible information that these cowardly terrorists are attempting to surreptitiously obtain commercial drivers licenses in order to commit criminal acts against the nation's infrastructure by using commercial motor vehicles as weapons of mass destruction. And whereas because the identities of these and future terrorists remain unknown, it is crucial for the Commonwealth to act as quickly as possible to protect its citizens, and by doing so protect all fellow Americans, through the strengthening of state laws governing operators of commercial motor

vehicles, an emergency is declared to exist, and Sections 1 to 10 and Section 12 of this Act take effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

Approved April 5, 2002

CHAPTER 205

(HB 232)

AN ACT relating to the lottery.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 154A IS CREATED TO READ AS FOLLOWS:

- (1) ***Except for lottery vending machines located in factories or lottery vending machines located in package liquor stores, bars or taverns to which persons under the age of eighteen (18) years are not permitted access, a lottery retailer shall locate any vending machine from which lottery tickets are dispensed in the sight of the employees of the lottery retailer.***
- (2) ***The provisions of this section shall not apply to blind persons who operate vending machines as a part of a program established by federal or state law.***

Section 2. KRS 154A.990 is amended to read as follows:

- (1) (a) Any person who knowingly sells a lottery ticket to a person under eighteen (18) years of age shall be guilty of a violation for the first offense and for each subsequent offense shall be guilty of a Class B misdemeanor.
(b) ***Any lottery retailer who violates Section 1 of this Act shall be notified by the corporation in writing that the retailer shall have thirty (30) days in which to correct the violation. If at the end of that thirty (30) day period the violation is not corrected, the corporation shall remove all lottery vending machines from the retailer's premises.***
- (2) Any person who, with intent to defraud, falsely makes, alters, forges, utters, passes, or counterfeits a state lottery ticket shall be guilty of a Class C felony.
- (3) Any person who influences or attempts to influence the winning of a prize through the use of coercion, fraud, deception, or tampering with lottery equipment or materials shall be guilty of a Class B felony.
- (4) Any person who violates the provisions of KRS 154A.030(2) shall be guilty of a Class D felony and shall be removed from the board.
- (5) Any person who violates the provisions of KRS 154A.080(2) shall be fined not less than five thousand dollars (\$5,000) nor more than fifty thousand dollars (\$50,000) and shall be guilty of a Class D felony.
- (6) Any person who violates the provisions of KRS 154A.080(3) shall be guilty of a Class D felony.
- (7) Any person who violates the provisions of KRS 154A.080(4) shall be guilty of a Class A misdemeanor.
- (8) Any person, including any retailer and any officers, directors, or employees of a corporate retailer, any general partner or employee of a retailer which is a partnership or joint venture, or any owner or employee of a retailer which is a sole proprietorship, who willfully violates the provisions of KRS 154A.420(1) shall be fined not less than one thousand dollars (\$1,000) nor more than ten thousand dollars (\$10,000) and shall be guilty of a Class D felony.
- (9) Any person who violates the provisions of KRS 154A.440(1) for the first offense shall be guilty of a violation and for each subsequent offense shall be guilty of a Class B misdemeanor.
- (10) Any person violating KRS 154A.160(3) is guilty of a Class D felony.
- (11) Any person who knowingly provides false or intentionally misleading information to the corporation in connection with a background investigation prior to employment pursuant to KRS 154A.080(5), an application for a lottery retailer certificate under KRS 154A.400, the corporation's investigation of prospective vendors pursuant to KRS 154A.600, or any investigation by the corporation's Division of Security shall be fined not less than one thousand dollars (\$1,000) nor more than ten thousand dollars (\$10,000), and shall be guilty of a Class D felony.

- (12) Unless the corporation shall have promulgated administrative regulations governing its procurements under KRS 154A.120(1), the provisions of KRS 45A.990(1) to 45A.990(8) shall be deemed to apply to procurement activities conducted under this chapter which are governed by KRS Chapter 45A. If the corporation has promulgated administrative regulations governing its procurements, any person who willfully violates the administrative regulations shall be guilty of a Class A misdemeanor.

Approved April 5, 2002

CHAPTER 206

(HB 280)

AN ACT relating to income tax.

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

Section 1. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Secretary" means the secretary of revenue;
- (2) "Cabinet" means the Revenue Cabinet;
- (3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, 1999, exclusive of any amendments made subsequent to that date, other than amendments that extend provisions in effect on December 31, 1999, that would otherwise terminate, and as modified by KRS 141.0101;
- (4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;
- (5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;
- (6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;
- (7) "Individual" means a natural person;
- (8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in Section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;
- (9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in Section 61 of the Internal Revenue Code;
- (10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by Section 62 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:
 - (a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States and Kentucky;
 - (b) Exclude income from supplemental annuities provided by the Railroad Retirement Act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;
 - (c) Include interest income derived from obligations of sister states and political subdivisions thereof;
 - (d) Exclude employee pension contributions picked up as provided for in KRS 6.505, 16.545, 21.360, 61.560, 65.155, 67A.320, 67A.510, 78.610, and 161.540 upon a ruling by the Internal Revenue Service or the federal courts that these contributions shall not be included as gross income until such time as the contributions are distributed or made available to the employee;
 - (e) Exclude Social Security and railroad retirement benefits subject to federal income tax;

- (f) Include, for taxable years ending before January 1, 1991, all overpayments of federal income tax refunded or credited for taxable years;
- (g) Deduct, for taxable years ending before January 1, 1991, federal income tax paid for taxable years ending before January 1, 1990;
- (h) Exclude any money received because of a settlement or judgment in a lawsuit brought against a manufacturer or distributor of "Agent Orange" for damages resulting from exposure to Agent Orange by a member or veteran of the Armed Forces of the United States or any dependent of such person who served in Vietnam;
- (i)
 - 1. Exclude the applicable amount of total distributions from pension plans, annuity contracts, profit-sharing plans, retirement plans, or employee savings plans.
 - 2. The "applicable amount" shall be:
 - a. Twenty-five percent (25%), but not more than six thousand two hundred fifty dollars (\$6,250), for taxable years beginning after December 31, 1994, and before January 1, 1996;
 - b. Fifty percent (50%), but not more than twelve thousand five hundred dollars (\$12,500), for taxable years beginning after December 31, 1995, and before January 1, 1997;
 - c. Seventy-five percent (75%), but not more than eighteen thousand seven hundred fifty dollars (\$18,750), for taxable years beginning after December 31, 1996, and before January 1, 1998; and
 - d. One hundred percent (100%), but not more than thirty-five thousand dollars (\$35,000), for taxable years beginning after December 31, 1997.
 - 3. As used in this paragraph:
 - a. "Distributions" includes, but is not limited to, any lump-sum distribution from pension or profit-sharing plans qualifying for the income tax averaging provisions of Section 402 of the Internal Revenue Code; any distribution from an individual retirement account as defined in Section 408 of the Internal Revenue Code; and any disability pension distribution;
 - b. "Annuity contract" has the same meaning as set forth in Section 1035 of the Internal Revenue Code; and
 - c. "Pension plans, profit-sharing plans, retirement plans, or employee savings plans" means any trust or other entity created or organized under a written retirement plan and forming part of a stock bonus, pension, or profit-sharing plan of a public or private employer for the exclusive benefit of employees or their beneficiaries and includes plans qualified or unqualified under Section 401 of the Internal Revenue Code and individual retirement accounts as defined in Section 408 of the Internal Revenue Code;
- (j)
 - 1.
 - a. Exclude the distributive share of a shareholder's net income from an S corporation subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300; and
 - b. Exclude the portion of the distributive share of a shareholder's net income from an S corporation related to a qualified subchapter S subsidiary subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300.
 - 2. The shareholder's basis of stock held in a S corporation where the S corporation or its qualified subchapter S subsidiary is subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300 shall be the same as the basis for federal income tax purposes;
- (k) Exclude for taxable years beginning after December 31, 1998, to the extent not already excluded from gross income, any amounts paid for health insurance, ***or the value of any voucher or similar instrument used to provide health insurance***, which constitutes medical care coverage for the taxpayer, the taxpayer's spouse, and dependents during the taxable year. Any amounts paid by the taxpayer for

health insurance that are excluded pursuant to this paragraph shall not be allowed as a deduction in computing the taxpayer's net income under subsection (11) of this section;

- (l) Exclude income received for services performed as a precinct worker for election training or for working at election booths in state, county, and local primary, regular, or special elections;
 - (m) Exclude any amount paid during the taxable year for insurance for long-term care as defined in KRS 304.14-600;
 - (n) Exclude any capital gains income attributable to property taken by eminent domain;
 - (o) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;
 - (p) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and
 - (q) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;
- (11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section, minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus the deduction allowed by KRS 141.0202, *minus any amount paid for vouchers or similar instruments that provide health insurance coverage to employees or their families*, and minus all the deductions allowed individuals by Chapter 1 of the Internal Revenue Code as modified by KRS 141.0101 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:
- (a) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;
 - (b) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(1)(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(1)(h);
 - (c) The deduction for personal exemptions allowed under Section 151 of the Internal Revenue Code and any other deductions in lieu thereof; and
 - (d) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;
- (12) "Gross income," in the case of corporations, means "gross income" as defined in Section 61 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows:
- (a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States;
 - (b) Exclude all dividend income received after December 31, 1969;
 - (c) Include interest income derived from obligations of sister states and political subdivisions thereof;
 - (d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by Section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;

- (e) Include in the gross income of lessors income tax payments made by lessees to lessors, under the provisions of Section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;
 - (f) Include the amount calculated under KRS 141.205;
 - (g) Ignore the provisions of Section 281 of the Internal Revenue Code in computing gross income;
 - (h) Exclude income from "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code);
 - (i) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;
 - (j) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and
 - (k) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;
- (13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus the deduction allowed by KRS 141.0202, ***minus any amount paid for vouchers or similar instruments that provide health insurance coverage to employees or their families***, and minus all the deductions from gross income allowed corporations by Chapter 1 of the Internal Revenue Code and as modified by KRS 141.0101, except the following:
- (a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;
 - (b) The deductions contained in Sections 243, 244, 245, and 247 of the Internal Revenue Code;
 - (c) The provisions of Section 281 of the Internal Revenue Code shall be ignored in computing net income;
 - (d) Any deduction directly or indirectly allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once;
 - (e) Exclude expenses related to "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code); and
 - (f) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;
- (14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section;
- (b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120;
- (c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one (1) or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;
- (d) "Taxable net income" in the case of homeowners' associations as defined in Section 528(c) of the Internal Revenue Code, means "taxable income" as defined in Section 528(d) of the Internal Revenue

Code. Notwithstanding the provisions of subsection (3) of this section, the Internal Revenue Code sections referred to in this paragraph shall be those code sections in effect for the applicable tax year; and

- (e) "Taxable net income" in the case of a corporation that meets the requirements established under Section 856 of the Internal Revenue Code to be a real estate investment trust, means "real estate investment trust taxable income" as defined in Section 857(b)(2) of the Internal Revenue Code;
- (15) "Person" means "person" as defined in Section 7701(a)(1) of the Internal Revenue Code;
- (16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed, and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the secretary, "taxable year" means the period for which such return is made;
- (17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than one hundred eighty-three (183) days of the taxable year in this state;
- (18) "Nonresident" means any individual not a resident of this state;
- (19) "Employer" means "employer" as defined in Section 3401(d) of the Internal Revenue Code;
- (20) "Employee" means "employee" as defined in Section 3401(c) of the Internal Revenue Code;
- (21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;
- (22) "Wages" means "wages" as defined in Section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), (q), and (s) of the Internal Revenue Code;
- (23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;
- (24) "Corporations" means "corporations" as defined in Section 7701(a)(3) of the Internal Revenue Code;
- (25) "S corporations" means "S corporations" as defined in Section 1361(a) of the Internal Revenue Code. Stockholders of a corporation qualifying as an "S corporation" under this chapter may elect to treat such qualification as an initial qualification under Subchapter S of the Internal Revenue Code Sections.

Section 2. This Act shall apply for taxable years beginning after December 31, 2001.

Approved April 5, 2002

CHAPTER 207

(HB 281)

AN ACT relating to health insurance.

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

SECTION 1. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 12 of this Act, unless the context requires otherwise:

- (1) *"Eligible employee" means any full time or part time employee who is actively engaged in the conduct of business of the employer, who has satisfied any employer waiting period requirements, and who has been given a voucher by the employer to purchase a health benefit plan;*
- (2) *"Eligible person" means an employer, eligible employee, self-employed person, unemployed person, or retiree who is not eligible for Medicare;*

- (3) *"Employer" means any corporation, partnership, sole proprietorship, or other business entity doing business in Kentucky that provides a voucher for a health benefit plan to its eligible employees to purchase a health benefit plan;*
- (4) *"Insurance purchasing outlet" means a business entity licensed as an administrator in accordance with Subtitle 9 of Chapter 304, which collects premiums and vouchers from or on behalf of health purchasing outlet members, and which is issued a certificate of registration in accordance with Sections 1 to 12 of this Act;*
- (5) *"Insurance purchasing outlet member" means an eligible person, including a dependent of an eligible person, who is enrolled in a health benefit plan offered through an insurance purchasing outlet by a participating insurer;*
- (6) *"Participating insurer" means an authorized insurer that contracts with an insurance purchasing outlet to provide coverage to insurance purchasing outlet members under a health benefit plan; and*
- (7) *"Voucher" means an instrument that is issued to an eligible employee by an employer to purchase a health benefit plan.*

SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *No individual or business entity shall act or hold themselves out as an insurance purchasing outlet without first being registered as an insurance purchasing outlet by the commissioner of the Kentucky Department of Insurance in accordance with Sections 1 to 12 of this Act.*
- (2) *No individual or business entity shall act for an insurance purchasing outlet to sell, solicit, or negotiate a health benefit plan to an eligible person unless the individual or business entity acting for the insurance purchasing outlet is licensed in accordance with Subtitle 9 of Chapter 304 as an agent with a health line of authority.*
- (3) *The commissioner may promulgate administrative regulations necessary to administer Sections 1 to 12 of this Act.*

SECTION 3. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *A business entity seeking to obtain a certificate of registration to act as an insurance purchasing outlet shall complete and file with the commissioner of the Kentucky Department of Insurance an application prescribed by the commissioner.*
- (2) *An application shall not be deemed filed until all information necessary to process the application properly has been received by the commissioner.*
- (3) *Within one hundred eighty (180) days of receipt of an application for a certificate of registration, the commissioner shall make a determination concerning the application and provide notice to the applicant. If approved, a certificate of registration, in a form prescribed by the commissioner, shall be provided to the insurance purchasing outlet.*
- (4) *The business entity seeking a certificate of registration to act as an insurance purchasing outlet shall file the following with the commissioner:*
 - (a) *Organizational information, including partnership agreements, articles of incorporation, bylaws, and other applicable documents.*
 - (b) *A business plan, including plan of operations, marketing plan, and financial projections of not less than three (3) years;*
 - (c) *Appeal procedures for denied enrollment to a health purchasing outlet;*
 - (d) *Enrollment procedures;*
 - (e) *Payment procedures;*
 - (f) *Evidence of financial responsibility to operate as an insurance purchasing outlet in the form of the following:*

1. *A fidelity bond in an amount not less than ten percent (10%) of projected annual premiums collected; and*
2. *A certificate of an insurer authorized to write legal liability insurance in Kentucky certifying that the insurer has and will keep in effect on behalf of the insurance purchasing outlet a policy of insurance covering the legal liability of the insurance purchasing outlet as a result of erroneous acts or failure to act in its capacity as an insurance purchasing outlet. The policy shall provide indemnification for the benefit of any aggrieved party as a result of each single occurrence in the sum of not less than ten thousand dollars (\$10,000). The policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner and to the insurance purchasing outlet;*
- (g) *Biographical affidavits of owners, partners, officers, and directors of the applicant;*
- (h) *Identification of any contracted company which manages the insurance purchasing outlet, or any administrator which adjusts or settles claims of the insurance purchasing outlet members;*
- (i) *Names and addresses of the principal place of business of the applicants;*
- (j) *Geographic area to be serviced;*
- (k) *Requirements for membership and participation in the insurance purchasing outlet;*
- (l) *Name and address of each participating insurer, if known;*
- (m) *Proposed health benefit plan to be offered, if known; and*
- (n) *Any other information required by the commissioner to evaluate the applicant's suitability as an insurance purchasing outlet.*
- (5) *Any information filed by an insurance purchasing outlet pursuant to subsection (4) of this section that changes shall be refiled with the commissioner for approval.*
- (6) *The commissioner may promulgate administrative regulations to establish standards in accordance with subsection (4) of this section.*

SECTION 4. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

An application for or an existing certificate of registration of an insurance purchasing outlet may be denied, suspended, or revoked for any reason penalty could be imposed upon an administrator's license in accordance with KRS 304.9-440. In addition to denial, suspension, or revocation, a civil penalty may also be imposed.

SECTION 5. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *The insurance purchasing outlet may collect premiums and the value of vouchers from or on behalf of insurance purchasing outlet members under its administrator license.*
- (2) *The insurance purchasing outlet shall not adjust or settle claims on insurance purchasing outlet members under its administrator license.*
- (3) *The insurance purchasing outlet shall comply with KRS 304.9-371 to 304.9-377.*
- (4) *The insurance purchasing outlet shall furnish annual and quarterly financial statements no later than sixty (60) days after the end of the reporting period on a form prescribed by the commissioner. Additionally, the insurance purchasing outlet shall furnish to the commissioner annual audited financial statements based on generally accepted accounting principles by an independent certified public accountant on or before one hundred twenty (120) days from the end of the insurance purchasing outlet's fiscal year for the immediately preceding fiscal year.*
- (5) *The books and records of the insurance purchasing outlet shall be retained in the state of Kentucky and made available to the commissioner for inspection or examination.*
- (6) *Upon payment of all applicable fees, the certificate of registration issued in accordance with Section 3 of this Act shall be renewed at the same time that the insurance purchasing outlet renews its administrator license in accordance with Subtitle 9 of Chapter 304.*

- (7) *The certificate of registration issued under Section 3 of this Act is not transferable.*
- (8) *The department shall promulgate administrative regulations to establish fees for the initial registration and renewal of registration of an insurance purchasing outlet.*

SECTION 6. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) *An insurance purchasing outlet shall:*

- (a) *Set and collect fees to finance necessary costs incurred in marketing, selling, servicing, and administering its services;*
- (b) *Offer health benefit plans to eligible persons;*
- (c) *Provide premium and voucher collection services for participating insurers;*
- (d) *Establish and adhere to appropriate administrative and accounting procedures for operating the health purchasing outlet;*
- (e) *Establish and adhere to rules, conditions, and procedures for insurance purchasing outlet members and participating insurers;*
- (f) *Establish and adhere to enrollment and participation requirements for insurance purchasing outlet members;*
- (g) *Receive, review, and conduct appeals for persons who have been denied enrollment to an insurance purchasing outlet;*
- (h) *Demonstrate and maintain at all times proof of financial responsibility and solvency;*
- (i) *Prepare an annual report on the operations of the insurance purchasing outlet in accordance with administrative regulations promulgated by the commissioner;*
- (j) *Establish procedures for billing and collection of premiums from insurance purchasing outlet members;*
- (k) *Establish procedures for collecting and redeeming vouchers; and*
- (l) *Maintain an administrator license in accordance with Subtitle 9 of Chapter 304.*

(2) *An insurance purchasing outlet may:*

- (a) *Contract with qualified third parties for any services necessary to carry out the powers and duties authorized or required by this chapter;*
- (b) *Employ necessary staff;*
- (c) *Sue or be sued;*
- (d) *Contract with independent licensed administrators to adjust or settle claims, since the insurance purchasing outlet is prohibited from these activities in accordance with Section 5 of this Act; and*
- (e) *Employ, contract, or otherwise use licensed insurance agents to market and service coverage.*

SECTION 7. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *For administrative purposes, an insurance purchasing outlet shall be the policyholder or contract holder of the health benefit plan on behalf of an insurance purchasing outlet member.*
- (2) *The participating insurer shall issue a certificate of coverage to each insurance purchasing outlet member;*
- (3) *The insurance purchasing outlet shall provide the following disclosures to an insurance purchasing outlet member at the time of enrollment:*
 - (a) *The insurance purchasing outlet is not an insurer and does not pay benefits or claims. It collects and distributes premiums on behalf of insurance purchasing outlet members;*
 - (b) *The insurance purchasing outlet is registered with the Kentucky Department of Insurance to provide specific administrative services and may not assume any risk for claim and benefit payments; and*

(c) *Other disclosures as the commissioner shall require by administrative regulation.*

SECTION 8. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding any other provision of this chapter, the amount or rate of premiums for an insurance purchasing outlet health benefit plan may be determined, subject to the restrictions of subsection (2) of this section, based upon the experience or projected experience of the insurance purchasing outlets whose members obtain coverage under the plan. The index rate for the insurance purchasing outlet shall be calculated solely with respect to that insurance purchasing outlet and shall not be tied to, linked to, or otherwise adversely affected by any other index rate used by the participating insurer.*
- (2) *The following restrictions shall be applied in calculating the permissible amount or rate of premiums for an insurance purchasing outlet health benefit plan:*
 - (a) *The premium rates charged during a rating period to members of the insurance purchasing outlet with similar characteristics for the same or similar coverage, or the premium rates that could be charged to a member of the insurance purchasing outlet under the rating system for that class of business, shall not vary from its own index rate by more than twenty-five percent (25%), except that the premium rates charged to an insurance purchasing outlet member shall not vary from the index rate by more than fifty percent (50%) through December 31, 2002. However, upon any policy issuance or renewal, on or after January 1, 2003, the maximum variation shall revert to twenty-five percent (25%) of the index rate.*
 - (b) *The percentage increase in the premium rate charged to a member of an insurance purchasing outlet for a new rating period shall not exceed the sum of the following:*
 1. *The percentage change in the new business premium rate for the insurance purchasing outlet measured from the first day of the prior rating period to the first day of the new rating period;*
 2. *Any adjustment, not to exceed twenty percent (20%) annually and adjusted pro rata for rating periods of less than one (1) year, due to the claims experience, mental and physical condition, including medical condition, medical history, and health service utilization, or duration of coverage of the member as determined from the insurer's rate manual; and*
 3. *Any adjustment due to change in coverage or change in the case characteristics of the member as determined by the insurer's rate manual.*
- (3) *In utilizing case characteristics the ratio of the highest rate factor to the lowest rate factor within a class of business shall not exceed five to one (5:1). For purposes of this limitation, case characteristics include age, gender, occupation or industry, and geographic area.*

SECTION 9. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Health benefit plan coverage obtained through an insurance purchasing outlet shall be deemed group health insurance in accordance with KRS 304.18-020.*
- (2) *Health benefit plans obtained through an insurance purchasing outlet shall meet the requirements in KRS 304.17A-200, 304.17A-220, and 304.17A-240.*
- (3) *An insurance purchasing outlet member who no longer meets participation requirements may, at the option of the member, remain a member of the insurance purchasing outlet until the time of renewal.*

SECTION 10. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *A voucher issued by an employer shall only be redeemable at an insurance purchasing outlet. A voucher shall be nonassignable and nontransferable.*
- (2) *An insurance purchasing outlet shall redeem the value of the voucher with the employer. If an employer fails to redeem the value of the voucher, the insurance purchasing outlet shall notify the eligible person. An eligible person may pay the premium amount directly to the insurance purchasing outlet if the employer fails to redeem the value of the voucher.*

- (3) *An insurance purchasing outlet shall pay an insurer the appropriate premium amount on or before the premium due date. If an insurance purchasing outlet fails to pay the premium amount on or before the due date the following shall occur:*
 - (a) *An insurer shall issue the insurance purchasing outlet a notice of termination if the premium amount is not paid pursuant to KRS 304.17A-245.*
 - (b) *Upon receipt of a notice of termination from the insurer, the insurance purchasing outlet shall issue the eligible member a notice of termination.*
 - (c) *The insurer shall notify the eligible person of his conversion rights under KRS 304.18-110.*
- (4) *An insurer may allow for a thirty-one (31) day grace period for the premium amount to be paid by the insurance purchasing outlet.*
- (5) *The department shall prescribe the items to be included on a voucher.*
- (6) *An insurance purchasing outlet shall be required to accept a voucher as payment for a health benefit plan, or as partial payment if the value of the voucher is insufficient to cover the full premium of the health benefit plan.*
- (7) *An insurance purchasing outlet may charge a reasonable administrative fee to cover the cost of processing the voucher.*
- (8) *The commissioner shall promulgate administrative regulations to implement the provisions of this section.*

Section 11. KRS 304.47-020 is amended to read as follows:

- (1) For the purposes of this subtitle, a person or entity commits a "fraudulent insurance act" if he or she engages in any of the following, including, but not limited to, matters relating to workers' compensation:
 - (a) Knowingly and with intent to defraud or deceive presents, causes to be presented, or prepares with knowledge or belief that it will be presented to an insurer, Board of Claims, Special Fund, or any agent thereof, any written or oral statement as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy or from a "self-insurer" as defined by KRS Chapter 342, knowing that the statement contains any false, incomplete, or misleading information concerning any fact or thing material to a claim;
 - (b) Knowingly and with intent to defraud or deceive presents, causes to be presented, or prepares with knowledge or belief that it will be presented to an insurer, Board of Claims, or any agent thereof, any statement as part of, or in support of, an application for an insurance policy, for renewal, reinstatement, or replacement of insurance, or in support of an application to a lender for money to pay a premium, knowing that the statement contains any false, incomplete, or misleading information concerning any fact or thing material to the application;
 - (c) Knowingly and willfully transacts any contract, agreement, or instrument which violates this title;
 - (d) Knowingly and with intent to defraud or deceive, receives money for the purpose of purchasing insurance, and fails to obtain insurance;
 - (e) Knowingly and with intent to defraud or deceive, fails to make payment or disposition of money *or voucher as defined in Section 1 of this Act*, as required by agreement or legal obligation, that comes into his or her possession while acting as a licensee under this chapter;
 - (f) Issues or knowingly presents fake or counterfeit insurance policies, certificates of insurance, insurance identification cards, insurance binders, or any other documents that purport to evidence insurance;
 - (g) Makes any false or fraudulent representation as to the death or disability of a policy or certificate holder in any written statement or certificate for the purpose of fraudulently obtaining money or benefit from an insurer;
 - (h) Engages in unauthorized insurance, as defined in KRS 304.11-030;
 - (i) Knowingly and with intent to defraud or deceive, presents, causes to be presented, or prepares with knowledge or belief that it will be presented to or by an insurer, or to the commissioner, any statement, knowing that the statement contains any false, incomplete, or misleading information concerning any material fact or thing, as part of, or in support of one (1) or more of the following:

1. The rating of an insurance policy;
 2. The financial condition of an insurer;
 3. The formation, acquisition, merger, reconsolidation, dissolution, or withdrawal from one (1) or more lines of insurance in all or part of this Commonwealth by an insurer; or
 4. A document filed with the commissioner;
- (j) Knowingly and with intent to defraud or deceive, engages in any of the following:
1. Solicitation or acceptance of new or renewal insurance risks on behalf of an insolvent insurer; or
 2. Removal, concealment, alteration, tampering, or destruction of money, records, or any other property or assets of an insurer; or
- (k) Assists, abets, solicits, or conspires with another to commit a fraudulent insurance act in violation of this subtitle.
- (2) (a) Except as provided in paragraphs (b) and (c) of this subsection, a person convicted of a violation of subsection (1) of this section shall be guilty of a misdemeanor where the aggregate of the claim, benefit, or money referred to in subsection (1) of this section is less than or equal to three hundred dollars (\$300), and shall be punished by:
1. Imprisonment for not more than one (1) year;
 2. A fine, per occurrence, of not more than one thousand dollars (\$1,000) per individual nor five thousand dollars (\$5,000) per corporation or twice the amount of gain received as a result of the violation, whichever is greater; or
 3. Both imprisonment and a fine as set forth in subparagraphs 1. and 2. of this paragraph;
- (b) Except as provided in paragraph (c) of this subsection, where the claim, benefit, or money referred to in subsection (1) of this section exceeds an aggregate of three hundred dollars (\$300), a person convicted of a violation of subsection (1) of this section shall be guilty of a felony and shall be punished by:
1. Imprisonment for not less than one (1) nor more than five (5) years;
 2. A fine, per occurrence, of not more than ten thousand dollars (\$10,000) per individual nor one hundred thousand dollars (\$100,000) per corporation or twice the amount of gain received as a result of the violation, whichever is greater; or
 3. Both imprisonment and a fine as set forth in subparagraphs 1. and 2. of this paragraph.
- (c) Any person, with the purpose to establish or maintain a criminal syndicate, or to facilitate any of its activities, as set forth in KRS 506.120(1), shall be guilty of engaging in organized crime, a Class B felony, and shall be punished by:
1. Imprisonment for not less than ten (10) years nor more than twenty (20) years;
 2. A fine, per occurrence, of not more than ten thousand dollars (\$10,000) per individual nor one hundred thousand dollars (\$100,000) per corporation, or twice the amount of gain received as a result of the violation; whichever is greater; or
 3. Both imprisonment and a fine, as set forth in subparagraphs 1. and 2. of this paragraph.
- (d) In addition to imprisonment, the assessment of a fine, or both, a person convicted of a violation of paragraph (a), (b), or (c) of subsection (2) of this section may be ordered to make restitution to any victim who suffered a monetary loss due to any actions by that person which resulted in the adjudication of guilt, and to the division for the cost of any investigation. The amount of restitution shall equal the monetary value of the actual loss or twice the amount of gain received as a result of the violation, whichever is greater.
- (3) Any person damaged as a result of a violation of any provision of this section when there has been a criminal adjudication of guilt shall have a cause of action to recover compensatory damages, plus all reasonable investigation and litigation expenses, including attorneys' fees, at the trial and appellate courts.

- (4) The provisions of this section shall also apply to any agent, unauthorized insurer or its agents or representatives, or surplus lines carrier who, with intent, injures, defrauds, or deceives any claimant with regard to any claim. The claimant shall have the right to recover the damages provided in subsection (3) of this section.

SECTION 12. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Insurance purchasing outlets shall be subject to the provisions of this subtitle, and to the following provisions of this chapter, to the extent applicable and not in conflict with the expressed provisions of this subtitle:

- (1) *Subtitle 1;*
- (2) *Subtitle 2;*
- (3) *Subtitle 3;*
- (4) *Subtitle 4;*
- (5) *Subtitle 9;*
- (6) *Subtitle 12;*
- (7) *Subtitle 14;*
- (8) *Subtitle 18;*
- (9) *Subtitle 25;*
- (10) *Subtitle 47; and*
- (11) *Subtitle 99.*

Approved April 5, 2002

CHAPTER 208

(HB 333)

AN ACT relating to assault in the third degree.

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

Section 1. KRS 508.025 is amended to read as follows:

- (1) A person is guilty of assault in the third degree when the actor:
 - (a) Recklessly, with a deadly weapon or dangerous instrument, or intentionally causes or attempts to cause physical injury to:
 - 1. A state, county, city, or federal peace officer;
 - 2. An employee of a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or adjudicated delinquent because of a public offense or as a youthful offender;
 - 3. An employee of the Department for Community Based Services employed as a social worker to provide direct client services, if the event occurs while the worker is performing job related duties;~~or~~
 - 4. A probation and parole officer; or
 - 5. *A transportation officer appointed by a county fiscal court or legislative body of a consolidated local government, urban-county government, or charter government to transport inmates when the county jail or county correctional facility is closed while the transportation officer is performing job related duties; or*
 - (b) Being a person confined in a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or adjudicated delinquent because of a public offense or as a youthful offender, inflicts

physical injury upon or throws or causes feces, or urine, or other bodily fluid to be thrown upon an employee of the facility.

- (2) Assault in the third degree is a Class D felony.

Approved April 5, 2002

CHAPTER 209

(HB 350)

AN ACT relating to agriculture.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

- (1) *There is hereby established in the State Treasury a separate trust and agency account to be known as the "organic certification fund" to be administered by the Department of Agriculture for the purposes provided in this section. Any moneys accruing to this fund in any fiscal year shall not lapse but shall be carried forward to the next fiscal year.*
- (2)
 - (a) *Any moneys deposited in the fund shall be used to provide for a portion of the operating costs of the Organic Agricultural Product Certification Program required under Section 3 of this Act;*
 - (b) *Any moneys received from the collection of certification fees from the Organic Agricultural Product Certification Program shall be deposited in the fund; and*
 - (c) *The fund may receive state appropriations, gifts, grants, and federal funds.*

Section 2. KRS 260.020 is amended to read as follows:

- (1) The Office for Agricultural Marketing and Product Promotion in the Department of Agriculture shall be under the supervision of the Commissioner, and shall consist of personnel determined and appointed by the Commissioner.
- (2) The Office for Agricultural Marketing and Product Promotion shall be headed by an executive director appointed by the Commissioner.
- (3) *The Commissioner may promulgate administrative regulations to carry out the provisions of any programs established under the Office for Agricultural Marketing and Product Promotion, and may establish fees for the administration of those programs.*

Section 3. KRS 260.030 is amended to read as follows:

- (1) The Office for Agricultural Marketing and Product Promotion shall:
 - (a) Promote and develop markets for Kentucky agricultural products, assist in setting up farm cooperatives, and assist in coordinating feasibility studies, loans, grants, and funding activities for producers and cooperatives;
 - (b) Gather and disseminate information concerning supply, demand, prevailing prices, and commercial movement, including common and cold storage of food products, and maintain market news service for the purpose of disseminating this information;
 - (c) Foster and encourage the inspection, grading, standardizing, labeling, and branding of farm products; provide standards of excellence and brands for the use of producers and consumers in the marketing of Kentucky-grown products; and promote the standardization of packages and containers for those purposes;
 - (d) Promulgate administrative regulations for the grading, packing, hauling, storing, and sale of farm products if the administrative regulations are authorized by statutes, and enforce those administrative regulations;
 - (e) Act as mediator or arbitrator, when invited, in any issue that may arise between producers and distributors of agricultural products;

- (f) Encourage the establishment of public markets and direct dealing between producer and consumer;
 - (g) Promote the sale of Kentucky-grown products locally, and in domestic and international markets;
 - (h) Encourage the development of a market for the commercial production of earthworms;
 - (i) Negotiate and enter into cooperative agreements with the United States Department of Agriculture or any other appropriate federal agency for carrying out the provisions of this section;~~and~~
 - (j) Develop opportunities for the diversification of Kentucky agriculture, including additional crops and enterprises for tobacco growers; *and*
 - (k) ***Establish an Organic Agricultural Product Certification Program.***
- (2) The functions of the office shall be supplementary to, and not in duplication of, the educational activities of the College of Agriculture of the University of Kentucky.
 - (3) In accomplishing its purposes, the office shall not compete with business operated by private capital.

Approved April 5, 2002

CHAPTER 210

(HB 427)

AN ACT relating to retirement.

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

Section 1. KRS 61.552 is amended to read as follows:

- (1) Any employee participating in one (1) of the state-administered retirement systems who has been refunded his accumulated contributions under the provisions of KRS 16.645(22), 61.625, or 78.545(15), thereby losing service credit, may regain the credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system. If the participating employee dies before regaining lost service credit, the employee's beneficiary, as designated according to the requirements of the employee's retirement system, may regain the credit by paying the amount refunded with interest at a rate determined by the board of the respective retirement system. Thereafter the beneficiary shall be entitled to the benefits that are payable based upon the deceased employee's total service credit. The provisions of KRS 161.470 shall be met in order to regain the credit in the Teachers' Retirement System. KRS 21.460 shall govern with respect to regaining credit in the Judicial Retirement Plan or Legislators' Retirement Plan. The beneficiary shall make the payment within one (1) year of the date of the employee's death. The payment, including interest as determined by the board, shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.
- (2) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the County Employees Retirement System, as provided in KRS 78.540(2), may obtain credit in the County Employees Retirement System for prior service and for current service by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.
- (3) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the Kentucky Employees Retirement System, as provided in KRS 61.525(2), may obtain credit in the Kentucky Employees Retirement System for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.
- (4) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the Kentucky Employees Retirement System for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the

employee may pay by increments. Effective August 1, 1988, each employee of the Kentucky Racing Commission who was employed by the racing commission on the date that agency first participated in the Kentucky Employees Retirement System, whether or not the employee was eligible to participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.

- (5) (a) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the County Employees Retirement System for current service between July 1, 1958, and the effective date of participation of his county by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.
- (b) An employee participating in the Kentucky Employees Retirement System or the County Employees Retirement System, who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for the period of his service with an area development district created pursuant to KRS 147A.050 or with a business development corporation created pursuant to KRS 155.001 to 155.230 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system in which he participates the full cost of the service credit purchased, as determined by the board's actuary. The employee may obtain credit for employment with a business development corporation only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. Payment may be by lump sum or the employee may pay by increments.
- (6) After August 1, 2000, service credit obtained under the subsections of this section which do not require the employee to have a minimum number of years of service credit to be eligible to make a purchase shall be disallowed and the recontribution of refund, including interest as determined by the board or other payment, if any, shall be paid to the member if the member does not obtain for service performed six (6) months' additional current service credit in one (1) of the state-administered retirement systems. The service requirement shall be waived if the member dies or becomes disabled as provided for by KRS 16.582 or 61.600.
- (7) The members shall not receive benefit of service for the same period of time in another public defined benefit retirement fund.
- (8) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65) in one (1) of the retirement systems administered by the Kentucky Retirement Systems, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by a defined benefit retirement program, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the County Employees Retirement System, the Kentucky Employees Retirement System, or the State Police Retirement System for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the County Employees, Kentucky Employees Retirement System, or State Police Retirement System. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum, or the employee may pay by increments.
- (9) (a) Effective August 1, 1980, any county participating in the County Employees Retirement System may purchase current service, between July 1, 1958, and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);
- (b) Effective July 1, 1973, any department participating in the Kentucky Employees Retirement System may purchase current service between July 1, 1956, and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);

- (c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for the service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of the service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period;
 - (d) If a county or department elects the provisions of this subsection, any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for the service credit refunded with interest at the rate paid under KRS 61.575 or 78.640;
 - (e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.
- (10) Interest paid by a member of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System under this section or other similar statutes under KRS 16.510 to 16.652, KRS 61.515 to 61.705, or KRS 78.520 to 78.852 prior to June 19, 1976, shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.
- (11) Employees who served as assistants to officers and employees of the General Assembly who were unable to acquire service under KRS 61.510(20) may purchase credit for the service performed after January 1, 1960, if the service purchased when added to other accumulated service will total at least forty-eight (48) months. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).
- (12) (a) Effective August 1, 1988, any employee participating in one (1) of the state-administered retirement systems may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on a calendar or fiscal year basis. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).
- (b) Any noncertified employee of a school board may purchase service credit for part-time employment prior to the 1990-91 school year which averaged eighty (80) or more hours of work per month on a calendar or fiscal year basis by paying to the County Employees Retirement System a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 78.610(4), by the employer. Payment may be by lump sum or the employee may pay by increments. If the average number of hours of work is less than eighty (80) per month, the noncertified employee of a school board shall be allowed credit only for those months he receives creditable compensation for eighty (80) hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 78.610(4).
- (13) A retired member, who is contributing to one (1) of the state-administered retirement programs and purchases service credit under this section in the system or systems from which he is retired, shall have his retirement allowance recomputed:
- (a) Upon termination from employment, if the member is contributing to the same system or systems from which he was retired; or
 - (b) Upon completion of six (6) months' service credit as required under subsection (6) of this section, if the member is contributing to a system other than the system or systems from which he is retired.
- (14) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for prior or current service for any period of approved educational leave, or for agency-

approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, by paying to the respective retirement system a delayed contribution payment. The employee may also obtain credit for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, but only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

- (15) Any employee participating in one (1) of the state-administered retirement systems may obtain credit for prior or current service for any period of approved maternity leave, or for any period of approved sick leave without pay, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.
- (16) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by making installment payments in lieu of a lump-sum payment.
 - (a) The cost of the service shall be computed in the same manner as for a lump-sum payment which shall be the principal; and interest, at the actuarial rate in effect at the time the member elects to make the purchase compounded annually, shall be added for the period that the installments are to be made. Multiple service purchases may be combined under a single installment purchase; however, no employee may make more than one (1) installment purchase at the same time. Once multiple service purchases have been combined in an installment purchase, the employee may not separate the purchases or pay a portion of one (1) of the purchases. The employee may elect to stop the installment payments by notifying the retirement system; may have the installment purchase recalculated to add one (1) or more additional service purchases; or may pay by lump sum the remaining principal.
 - (b) Twelve (12) consecutive monthly installment payments shall be made for each one thousand dollars (\$1,000) or any part thereof of the total cost, except that the total number of installments shall not be less than twelve (12) and shall not exceed sixty (60).
 - (c) The employee shall pay the installments by payroll deduction each pay period. Upon notification by the retirement system, the employer shall report the installment payments separate from regular employee contributions on the forms or by the computer format specified by the board. The payments made under this subsection shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 61.560(4) and no employer contributions shall be paid on the installments.
 - (d) The retirement system shall determine how much of the total cost represents payment for one (1) month of the service to be purchased and shall credit one (1) month of service to the member's account each time this amount has been paid. The first service credited shall represent the first calendar month of the service to be purchased and each succeeding month of service credit shall represent the succeeding months of that service.
 - (e) If the employee elects to stop the installment payments, dies, retires, or does not continue employment in a position required to participate in the retirement system, the member, or in the case of death, the beneficiary, shall have sixty (60) days to pay the remaining principal of the purchase by lump sum. If the member or beneficiary does not pay the remaining cost, the retirement system shall refund to the member or the beneficiary the payment, payments, or portion of a payment that does not represent a full month of service purchased.
 - (f) If the employer does not report installment payments on an employee for sixty (60) days, the installment purchase shall cease and the retirement system shall refund to the employee the payment, payments, or portion of a payment that does not represent a full month of service purchased.
 - (g) If payments have ceased under paragraph (e) or (f) of this subsection and the member later becomes a participating employee in one (1) of the three (3) systems administered by Kentucky Retirement Systems, the employee may complete the adjusted original installment purchase by lump sum or installment payments. If the employee elects to renew the installment purchase, the cost of the remaining

service shall be recalculated in accordance with paragraph (a) of this subsection. If the original installment purchase was for multiple service purchases, the employee may not separate those purchases under a new installment purchase.

- (h) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by transferring funds pursuant to the rules in 26 U.S.C. sec. 401(a)(31) directly from a retirement plan or a deferred compensation arrangement maintained by his employer which is a qualified plan pursuant to 26 U.S.C. sec. 401(a). Service credit may also be purchased by a rollover of funds from a qualified retirement plan pursuant to the rules specified in 26 U.S.C. sec. 402(c). The Kentucky Retirement Systems shall accept the transfer or rollover to the extent permitted under the rules specified in 26 U.S.C. secs. 402(c) and 401(a)(31). The amount shall be credited to the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member.
- (17) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems who is age sixty-five (65) or older and has forty-eight (48) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System or, if younger, who has sixty (60) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System may purchase credit in the system in which the employee has the service credit for up to ten (10) years service in a regular full-time position that was credited to a state or local government-administered public defined benefit plan in another state other than a defined benefit plan for teachers. The employee shall pay the full cost of the service as determined by the system. Payment may be by lump sum, or the employee may pay by increments. The employee may transfer funds directly from the other state's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws and shall provide proof that he is not eligible for a retirement benefit for the period of service from the other state's plan.
- (18) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems, who has sixty (60) or more months of service in the State Police Retirement System or in a hazardous position in the Kentucky Employees Retirement System or the County Employees Retirement System, may purchase credit in the system in which the employee has the sixty (60) months of service credit for up to ten (10) years of service in a regular full-time position that was credited to a defined benefit retirement plan administered by a state or local government in another state, if the service could be certified as hazardous pursuant to KRS 61.592. The employee shall pay the full cost of the service credit as determined by the system. Payment may be by lump sum or by increments. The employee may transfer funds directly from the other unit of government's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws, and the employee shall provide proof that he is not eligible for a retirement benefit for the period of service from the other unit of government's plan.
- (19) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) who has completed service as a volunteer in the Kentucky Peace Corps, created by KRS 154.01-720, may purchase service credit for the time served in the corps by making delayed contribution payments.
- (20) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65), or at least sixty (60) months' service if under age sixty-five (65), and who was formerly employed in a regional community mental health and mental retardation services program, organized and operated under the provisions of KRS 210.370 to 210.480, which does not participate in a state-administered retirement system may obtain credit for the period of his service in the regional community mental health and mental retardation program, by paying to the state retirement system in which he participates the full cost of the service credit purchased, as determined by the system. Payment to one (1) of the retirement systems administered by the Kentucky Retirement Systems may be made by lump sum or in increments.
- (21) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65), who was employed by a vocational technical school in a noncertified part-time position averaging eighty (80) or more hours per month, determined by using the number of months actually worked within a calendar or fiscal year, may purchase service credit in the Kentucky Employees Retirement System. The cost of the service shall be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

- (22) Any employee participating in one (1) of the state-administered retirement systems on June 30, 2000, may obtain credit for subsequent service with a parted employer from the Commonwealth operating for the purposes of KRS 163.475, by paying to the respective retirement system a delayed contribution payment if the respective retirement system receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall be deposited to the individual member's account. The delayed contribution payment shall not be picked up by the employer as described in KRS 61.560(4).
- (23) Any employee participating in the County Employees Retirement System who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may purchase service credit for service with a city, county, or joint city-county planning commission, if that service was not covered by a state-administered retirement system. Notwithstanding any statute to the contrary, the employee shall be entitled to a full month of service for each month or portion of month that the employee occupied the position whether or not the employee would have qualified, at the time of planning commission service, for the service under KRS 6.525. The employee shall pay to the retirement system the full cost of the service credit purchased, as determined by the board's actuary. The payment shall not be picked up, as described in KRS 78.610(4), by the employer and shall be deposited to the member's account. Payment may be by lump sum or in increments. The employee may obtain credit for service with a city, county, or joint city-county planning commission only if the Kentucky Retirement Systems receives a favorable letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor.
- (24) (a) Any member or retired member of one (1) of the retirement systems administered by the Kentucky Retirement Systems who is entitled to service credit for employment which was not reported in accordance with KRS 16.543, 61.543, or KRS 78.615 may obtain credit for the service by paying the employee contributions due within six (6) months of notification by the system. No interest shall be added to the contributions. The service credit shall not be credited to the member's account until the employer contributions are received. If a retired member makes the payment within six (6) months, the retired member's retirement allowance shall be adjusted to reflect the added service after the employer contributions are received by the retirement system.
- (b) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems who is entitled to service credit under paragraph (a) of this subsection and who has not repaid the employee contributions due within six (6) months of notification by the system may regain the credit after the six (6) months by paying to the system the employee contributions plus interest at the actuarially assumed rate from the date of initial notification under paragraph (a) of this subsection. Service credit shall not be credited to the member's account until the employer contributions are received by the retirement system. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.
- (25) Any employee participating in one (1) of the state-administered retirement systems may purchase service credit for employment with a public agency that would have been eligible to participate under KRS 61.520 but which did not participate in the Kentucky Employees Retirement System or a political subdivision that would have been eligible to participate under KRS 78.530 but which did not participate in the County Employees Retirement System if the former public agency or political subdivision has merged with or been taken over by a participating department or county. The cost of the service shall be determined as a delayed contribution payment for the respective retirement system. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or KRS 78.610(4), by the employer.
- (26) Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems ~~on or after August 1, 1998,~~ who has at least **one hundred and eighty (180)** ~~two hundred forty (240)~~ months of service credit may purchase a combined maximum total of five (5) years of retirement service credit which is not otherwise purchasable under any of the provisions of KRS 16.510 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852. The purchase price for the retirement service credit shall be calculated and paid for **as a delayed contribution payment** ~~based on the full actuarial cost as determined by the system~~. The payment shall not be picked up, as described in KRS 16.545(4), KRS 61.560(4), KRS 78.610(4), by the employer, and the employee's payment shall be paid into the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by increments. **The service purchased under this subsection shall not be**

used in determining a retirement allowance until the member has accrued at least two hundred and forty (240) months of service, excluding service purchased under this subsection. If the member does not accrue at least two hundred and forty (240) months of service, excluding service purchased under this subsection, upon retirement, death or written request following termination, the payment plus interest as provided in KRS 61.575 shall be refunded.

- (27) An employee participating in one (1) of the state-administered retirement systems, who has at least forty-eight (48) months of service if age sixty-five (65), or at least sixty (60) months of service if under age sixty-five (65), may obtain credit in the County Employees Retirement System for the period of that employee's service with a community action agency created under KRS 273.405 to 273.453 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system the full actuarial cost of the service credit purchased. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or 78.610(4), by the employer.

Approved April 5, 2002

CHAPTER 211

(HB 469)

AN ACT relating to emergency medical services.

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

SECTION 1. KRS CHAPTER 311A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context otherwise requires:

- (1) *"Ambulance" means a vehicle which has been inspected and approved by the board, including a helicopter or fixed-wing aircraft, except vehicles or aircraft operated by the United States government, that are specially designed, constructed, or have been modified or equipped with the intent of using the same, for the purpose of transporting any individual who is sick, injured, or otherwise incapacitated who may require immediate stabilization or continued medical response and intervention during transit or upon arrival at the patient's destination to safeguard the patient's life or physical well-being;*
- (2) *"Ambulance provider" means any individual or private or public organization, except the United States government, who is licensed by the board to provide medical transportation services at either basic life support level or advanced life support level and who may have a vehicle or vehicles, including ground vehicles, helicopters, or fixed-wing aircraft to provide such transportation. An ambulance provider may be licensed as an air ambulance provider, as a Class I ground ambulance provider, as a Class II ground ambulance provider, or as a Class III ground ambulance provider;*
- (3) *"Board" means the Kentucky Board of Emergency Medical Services;*
- (4) *"Emergency medical facility" means a hospital or any other institution licensed by the Cabinet for Health Services that furnishes emergency medical services;*
- (5) *"Emergency medical services" means the services utilized in providing care for the perceived individual need for immediate medical care to protect against loss of life, or aggravation of physiological or psychological illness or injury;*
- (6) *"Emergency Medical Services for Children Program" or "EMSC Program" means the program established under this chapter;*
- (7) *"Emergency medical services personnel" means persons, certified or licensed, and trained to provide emergency medical services, and an authorized emergency medical services medical director, whether on a paid or volunteer basis;*
- (8) *"Emergency medical services system" means a coordinated system of health-care delivery that responds to the needs of acutely sick and injured adults and children, and includes community education and prevention programs, centralized access and emergency medical dispatch, communications networks, trained emergency medical services personnel, medical first response, ground and air ambulance services, trauma care systems, mass casualty management, medical direction, and quality control and system evaluation procedures;*

- (9) *"Emergency medical services training or educational institution" means any person or organization which provides emergency medical services training or education or in-service training, other than a licensed ambulance service which provides training, or in-service training in-house for its own employees or volunteers.*
- (10) *"Emergency medical technician" or "EMT" means a person certified under this chapter as an EMT-basic, EMT-basic instructor, or EMT-instructor trainer;*
- (11) *"First responder" means a person certified under this chapter as a first responder or first responder instructor;*
- (12) *"Emergency medical services medical director" means a physician licensed in Kentucky who is employed by, under contract to, or has volunteered to provide supervision for a paramedic or an ambulance service, or both;*
- (13) *"Paramedic" means a person who is involved in the delivery of medical services and is licensed under this chapter;*
- (14) *"Paramedic course coordinator" means a person certified under this chapter to coordinate a paramedic course. A paramedic course coordinator shall not practice as a paramedic unless they are also licensed as a paramedic;*
- (15) *"Paramedic preceptor" means a licensed paramedic who supervises a paramedic student during the field portion of the student's training;*
- (16) *"Prehospital care" means the provision of emergency medical services or transportation by trained and certified or licensed emergency medical services personnel at the scene or while transporting sick or injured persons to a hospital or other emergency medical facility; and*
- (17) *"Trauma" means a single or multisystem life-threatening or limb-threatening injury requiring immediate medical or surgical intervention or treatment to prevent death or permanent disability.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky Board of Emergency Medical Services is created and shall consist of eighteen (18) members who are residents of Kentucky appointed by the Governor in conjunction with recognized state emergency medical services related organizations. Membership shall be made up of the following:*
 - (a) *One (1) paramedic who works for a government agency but is not serving in an educational, management, or supervisory capacity;*
 - (b) *One (1) emergency medical technician-basic who works for a government agency but is not serving in an educational, management, or supervisory capacity;*
 - (c) *One (1) first responder who is not serving in an educational, management, or supervisory capacity;*
 - (d) *One (1) physician licensed in Kentucky having a primary practice in the delivery of emergency medical care selected from a list of three (3) physicians submitted by the Kentucky Medical Association;*
 - (e) *One (1) physician licensed in Kentucky serving as medical director of an advanced life support ambulance service, selected from a list of three (3) physicians submitted by the Kentucky Medical Association;*
 - (f) *One (1) physician licensed in Kentucky who routinely is involved in the emergency care of ill and injured children selected from a list of three (3) physicians submitted by the Kentucky Medical Association;*
 - (g) *One (1) trauma surgeon licensed in Kentucky selected from a list of three (3) physicians submitted by the Kentucky Medical Association;*
 - (h) *One (1) citizen having no involvement in the delivery of medical or emergency services;*
 - (i) *One (1) emergency medical services educator from a Kentucky technical college, community college, college, or university that provides an emergency medical services educational program;*

- (j) *One (1) mayor of a city that operates, either directly or through contract services, a licensed Class I ground ambulance service;*
 - (k) *One (1) county judge/executive from a county that operates, whether directly or through contract services, a licensed Class I ground ambulance service;*
 - (l) *One (1) volunteer-staffed, licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic;*
 - (m) *One (1) fire-service-based, licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic;*
 - (n) *One (1) licensed air ambulance service administrator or paramedic for a licensed air ambulance service headquartered in Kentucky;*
 - (o) *One (1) private licensed Class I ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic who is a resident of Kentucky;*
 - (p) *One (1) hospital administrator selected from a list of five (5) nominees submitted by the Kentucky Hospital Association;*
 - (q) *One (1) basic life support, licensed Class I government-operated ground ambulance service administrator who is a certified emergency medical technician or a licensed paramedic; and*
 - (r) *One (1) advanced life support, government-operated ambulance service administrator who is a certified emergency medical technician or a licensed paramedic.*
- (2) *No board member shall serve more than two (2) consecutive terms. A member appointed to a partial term vacancy exceeding two (2) years shall be deemed to have served a full term. A former member may be reappointed following an absence of one (1) term.*
- (3) *The board shall annually:*
- (a) *Meet at least six (6) times a year;*
 - (b) *In September, elect a chair and vice chair by majority vote of the members present; and*
 - (c) *Set a schedule of six (6) regular meetings for the next twelve (12) month period.*
- (4) *The board shall adopt a quorum and rules of procedure by administrative regulation.*
- (5) (a) *A member of the board who misses three (3) regular meetings in one (1) year shall be deemed to have resigned from the board and his or her position shall be deemed vacant.*
- (b) *The failure of a board member to attend a special or emergency meeting shall not result in any penalty.*
 - (c) *The year specified in this subsection shall begin with the first meeting missed and end three hundred sixty-five (365) days later or with the third meeting missed, whichever occurs earlier.*
 - (d) *The Governor shall appoint a person of the same class to fill the vacancy within ninety (90) days.*
 - (e) *The person removed under this subsection shall not be reappointed to the board for ten (10) years.*
- (6) *Members of the board shall be entitled to reimbursement for actual and necessary expenses when carrying out official duties of the board in accordance with state administrative regulations relating to travel reimbursement. The board shall meet at least six (6) times each year.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall:*
- (a) *Exercise all of the administrative functions of the state not regulated by the Board of Medical Licensure or Cabinet for Health Services in the regulation of the emergency medical services system and the practice of first responders, emergency medical technicians, paramedics, ambulance services, and emergency medical services training institutions;*
 - (b) *Issue any licenses or certifications authorized by this chapter;*
 - (c) *Oversee the operations and establish the organizational structure of the Office of the Kentucky Board of Emergency Medical Services, which is created and shall be attached to the board for*

administrative purposes. The office shall be headed by the executive director appointed under paragraph (d) of this subsection and shall be responsible for:

1. *Personnel and budget matters affecting the board;*
 2. *Fiscal activities of the board, including grant writing and disbursement of funds;*
 3. *Information technology, including the design and maintenance of databases;*
 4. *Certification and recertification of first responders;*
 5. *Certification and recertification of emergency medical technicians;*
 6. *Licensure and relicensure of ambulances and ambulance services;*
 7. *Licensure and relicensure of paramedics;*
 8. *Certification and recertification of paramedic course coordinators;*
 9. *Investigation of and resolution of quality complaints and ethics issues; and*
 10. *Other responsibilities that may be assigned to the executive director by the board;*
- (d) *Employ an executive director and deputy executive director and fix the compensation. The executive director and deputy executive director shall serve at the pleasure of the board, administer the day-to-day operations of the Office of the Kentucky Board of Emergency Medical Services, and supervise all directives of the board. The director and deputy executive director shall possess a baccalaureate degree and shall have no less than five (5) years of experience in public administration or in the administration of an emergency medical services program;*
- (e) *Employ or contract with a physician licensed in Kentucky who is board certified in emergency medicine and fix the compensation. The physician shall serve at the pleasure of the board and as the medical advisor to the Kentucky Board of Emergency Medical Services and the staff of the board;*
- (f) *Employ or contract with a general counsel licensed to practice law in Kentucky and fix the compensation. The general counsel shall serve at the pleasure of the board;*
- (g) *Employ personnel sufficient to carry out the statutory responsibilities of the board.*
1. *Personnel assigned to investigate a first responder program complaint or regulate the first responder programs shall be certified first responders, emergency medical technicians, or licensed paramedics.*
 2. *Personnel assigned to investigate an emergency medical technician program complaint or regulate the emergency medical technician program shall be certified emergency medical technicians or paramedics.*
 3. *Personnel assigned to investigate a paramedic program complaint or regulate the paramedic program shall be licensed paramedics.*
 4. *A person who is employed by the board who is licensed or certified by the board shall retain his or her license or certification if he or she meets the in-service training requirements and pays the fees specified by administrative regulation.*
 5. *A person who is employed by the board may instruct in emergency medical subjects in which they are qualified, with the permission of the board. All instruction shall be rendered without remuneration other than their state salary and the employee shall be considered as on state duty when teaching.*
 6. *A person who is employed by the board may render services for which the person is qualified at a declared disaster or emergency or in a situation where trained personnel are not available until those personnel arrive to take over the patient, or where insufficient trained personnel are available to handle a specific emergency medical incident. All aid shall be rendered without remuneration other than the employee's state salary and the employee shall be considered as on state duty when rendering aid. In cases specified in this paragraph, the state medical advisor shall serve as the emergency medical services medical director for the employee;*

- (h) *Establish committees and subcommittees and the membership thereof. Members of committees and subcommittees do not need to be members of the board;*
- (i) *Enter into contracts, apply for grants and federal funds, and disburse funds to local units of government as approved by the General Assembly. All funds received by the board shall be placed in a trust and agency account in the State Treasury subject to expenditure by the board;*
- (j) *Administer the Emergency Medical Services for Children Program; and*
- (k) *Establish minimum curriculum and standards for emergency medical services training.*
- (2) *The board may utilize materials, services, or facilities as may be made available to it by other state agencies or may contract for materials, services, or facilities.*
- (3) *The board may delegate to the executive director, by written order, any function other than promulgation of an administrative regulation specified in this chapter.*
- (4) *Except for securing funding for trauma centers and the implementation of Section 31 of this Act, the board shall not regulate a trauma center.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall, subject to the provisions of this chapter, create levels of certification or licensure, as appropriate for individuals providing services under this chapter. These may consist of, but not be limited to:*
 - (a) *First responder and first responder instructor;*
 - (b) *Emergency medical technician-basic, emergency medical technician-basic instructor, and emergency medical technician-basic instructor trainer;*
 - (c) *Paramedic, paramedic course coordinator, paramedic instructor, and paramedic preceptor;*
 - (d) *Emergency medical services medical director who supervises a person or organization licensed or certified by the board;*
 - (e) *Emergency medical service training institution;*
 - (f) *Emergency medical service testing agency;*
 - (g) *Ground ambulance service, including categories thereof;*
 - (h) *Air ambulance service;*
 - (i) *Medical first response provider;*
 - (j) *Emergency medical dispatcher, emergency medical dispatch instructor, and emergency medical dispatch instructor trainer;*
 - (k) *Emergency medical dispatch center or public safety answering point; and*
 - (l) *Any other entity authorized by this chapter.*
- (2) *The board shall promulgate administrative regulations for any certification or license the board may create. The administrative regulations shall, at a minimum, address:*
 - (a) *Requirements for students, if appropriate;*
 - (b) *Requirements for training;*
 - (c) *Eligibility for certification or licensure; and*
 - (d) *Renewal, recertification, and relicensure requirements.*
- (3) *The board may authorize a physician licensed to practice in Kentucky to serve as an emergency medical services medical director if that physician meets the requirements specified by the board by administrative regulation.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the functions of this chapter, including, but not limited to:

- (1) *Licensing, inspecting, and regulating of ambulance services and medical first-response providers. The administrative regulations shall address specific requirements for:*
 - (a) *Air ambulance providers, which provide basic or advanced life support services;*
 - (b) *Class I ground ambulance providers, which provide basic life support or advanced life support services to all patients for emergencies or scheduled ambulance transportation which is medically necessary;*
 - (c) *Class II ground ambulance providers, which provide only basic life support services but do not provide initial response to the general population with medical emergencies and which are limited to providing scheduled ambulance transportation which is medically necessary;*
 - (d) *Class III ground ambulance providers, which provide mobile intensive care services at or above the level of advanced life support to patients with critical illnesses or injuries who must be transported between hospitals in vehicles with specialized equipment as an extension of hospital-level care; and*
 - (e) *Medical first-response providers, which provide prehospital or advanced life support services, but do not transport patients; and*
- (2) *Emergency medical services training institutions.*

Nothing in this section shall be construed to change or alter the issuance of certificates of need for emergency medical services providers.

SECTION 6. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board may carry out the functions of this chapter, including, but not limited to:

- (1) *Establishing minimum data reporting requirements, including requirements specifically related to emergency medical services and trauma care of children, for ambulance providers and collection and analysis of data related to the provision of emergency medical services;*
- (2) *Maintaining the Emergency Medical Services for Children Program with federal funds so designated plus any additional funds that may be appropriated by the General Assembly, or any other funds that may become available to the board, including gifts, grants, or other sources;*
- (3) *Developing a statewide plan for the implementation of emergency medical services systems and trauma care systems within the Commonwealth of Kentucky that specifically addresses the unique needs of rural areas;*
- (4) *Applying for, receiving, and disposing of federal, state, or private funds by grant, appropriation, donation, or otherwise for emergency medical services programs, personnel, and equipment; and*
- (5) *Developing, monitoring, and encouraging other projects and programs that may be of benefit to emergency medical services in the Commonwealth;*

Nothing in this section shall be construed to change or alter the issuance of certificates of need for emergency medical services providers.

SECTION 7. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The board may, on petition by an interested party, issue an advisory opinion relating to the applicability to any person, property, or state of facts of a statute in this chapter, administrative regulation promulgated by the board, decision, order, or other written statement of law or policy within the jurisdiction of the board.*
- (2) *An advisory opinion shall be binding on the board and all parties to the proceeding on the statement of facts alleged.*
- (3) *The board may not retroactively change an advisory opinion, but nothing in this section shall prevent the board from prospectively changing an advisory opinion.*
- (4) *The board shall promulgate an administrative regulation in accordance with KRS Chapter 13A on procedures for submission, consideration, reconsideration, and disposition of a petition for an advisory opinion.*
- (5) *An advisory opinion of the board may be appealed to the Circuit Court of the county in which the board's offices are located within thirty (30) days of the date of the advisory opinion by the board.*

- (6) *Each advisory opinion shall be a public record and shall be published in the manner specified by the board.*
- (7) *When the board supersedes, vacates, modifies, or repeals a previous advisory opinion the new opinion shall specify each previous opinion affected.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The board may employ or contract with a coordinator and other positions who shall serve at the pleasure of the board for the Emergency Medical Services for Children Program for which funding is provided by the General Assembly or through any other sources, including gifts, grants, or federal funds.*
- (2) *The coordinator shall, subject to the direction of the board:*
 - (a) *Implement and oversee the Emergency Medical Services for Children Program described in this section; and*
 - (b) *Serve as liaison for collaboration and coordination between the Emergency Medical Services for Children Program, the board and other public and private organizations, the state traffic safety office, the maternal and child health program, the Medicaid department, the state and local child fatality review and response teams, state and local professional organizations, private sector voluntary organizations, and consumer and community representatives.*
- (3) *The Emergency Medical Services for Children Program may include, but not be limited to, the establishment of the following:*
 - (a) *Guidelines for necessary out-of-hospital medical service equipment;*
 - (b) *Guidelines and protocols for out-of-hospital pediatric emergency medical services;*
 - (c) *Assistance in the development and provision of professional education programs for emergency medical services personnel for the provision of emergency care of infants and children;*
 - (d) *Coordination and cooperation between the Emergency Medical Services for Children Program and other public and private organizations interested or involved in emergency care for children, including those persons and organizations identified in subsection (2)(b) of this section; and*
 - (e) *The scope of activities carried out by and the provision of staff for the Emergency Medical Services for Children Program shall be commensurate with the availability of funds.*
- (4) *Funds received by the Emergency Medical Services for Children Program shall be placed in a trust and agency account in the state treasury which shall not lapse unless grant provisions specify otherwise. No funds shall be expended from a grant except by vote of the board.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *No person shall:*
 - (a) *Call or hold himself or herself out as or use the title of emergency medical technician, first responder, paramedic, first responder instructor or instructor trainer, emergency medical technician instructor or instructor trainer, or paramedic instructor, paramedic instructor trainer, or paramedic course coordinator unless licensed or certified under the provisions of this chapter. The provisions of this subsection shall not apply if the board does not license or certify a person as an instructor, instructor trainer, or course coordinator in a particular discipline regulated by the board;*
 - (b) *Operate or offer to operate or represent or advertise the operation of a school or other educational program for first responders, emergency medical technicians, paramedics, or instructors or instructor trainers for first responders, emergency medical technicians, or paramedics unless the school or educational program has been approved under the provisions of this chapter. The provisions of this paragraph shall not apply to in-house training given by an ambulance service for its employees or volunteers; or*
 - (c) *Knowingly employ a first responder, emergency medical technician, paramedic, or an instructor or instructor trainer for first responders, emergency medical technicians, or paramedics, or paramedic course coordinator unless that person is licensed or certified under the provisions of this chapter.*
- (2) *No person licensed or certified by the board or who is an applicant for licensure or certification by the board shall:*

- (a) *If licensed or certified, violate any provision of this chapter or any administrative regulation promulgated by the board;*
 - (b) *Use fraud or deceit in obtaining or attempting to obtain a license or certification from the board, or be granted a license upon mistake of a material fact;*
 - (c) *If licensed or certified by the board, grossly negligently or willfully act in a manner inconsistent with the practice of the discipline for which the person is certified or licensed;*
 - (d) *Be unfit or incompetent to practice a discipline regulated by the board by reason of negligence or other causes;*
 - (e) *Abuse, misuse, or misappropriate any drugs placed in the custody of the licensee or certified person for administration, or for use of others;*
 - (f) *Falsify or fail to make essential entries on essential records;*
 - (g) *Be convicted of a misdemeanor which involved acts that bear directly on the qualifications or ability of the applicant, licensee, or certified person to practice the discipline for which the person is an applicant, licensee, or certified person;*
 - (h) *Be convicted of a misdemeanor which involved fraud, deceit, breach of trust, or physical harm or endangerment to self or others, acts that bear directly on the qualifications or ability of the applicant, licensee, or certificate holder to practice acts in the license or certification held or sought;*
 - (i) *Be convicted of a misdemeanor offense under KRS Chapter 510 involving a patient or be found by the board to have had sexual contact as defined in KRS 510.010(7) with a patient while the patient was under the care of the licensee or certificate holder;*
 - (j) *Have had his or her license or credential to practice as a nurse or physician denied, limited, suspended, probated, revoked, or otherwise disciplined in Kentucky or in another jurisdiction on grounds sufficient to cause a license to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth;*
 - (k) *Have a license or certification to practice in any activity regulated by the board denied, limited, suspended, probated, revoked, or otherwise disciplined in another jurisdiction on grounds sufficient to cause a license or certification to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth.*
 - (l) *Violate any lawful order or directive previously entered by the board;*
 - (m) *Have been listed on the nurse aide abuse registry with a substantiated finding of abuse, neglect, or misappropriation of property; or*
 - (n) *Be convicted of, have entered a guilty plea to, have entered an Alford plea to a felony offense, or completed a diversion program for a felony offense.*
- (3) *It shall be unlawful for any person licensed or certified by the board or an employer of a person licensed or certified by the board having knowledge of the facts to refrain from reporting to the board any person licensed or certified by the board who:*
- (a) *Has been convicted of, has entered a guilty plea to, has entered an Alford plea to a felony offense, or has completed a diversion program for a felony offense;*
 - (b) *Has been convicted of a misdemeanor or felony which involved acts that bear directly on the qualifications or ability of the applicant, licensee, or certified person to practice the discipline for which they are an applicant, licensee, or certified person;*
 - (c) *Is reasonably suspected of fraud or deceit in procuring or attempting to procure a license or certification from the board;*
 - (d) *Is reasonably suspected of grossly negligently or willfully acting in a manner inconsistent with the practice of the discipline for which they are certified or licensed;*

- (e) *Is reasonably suspected of being unfit or incompetent to practice a discipline regulated by the board by reason of negligence or other causes including, but not limited to, being unable to practice the discipline for which they are licensed or certified with reasonable skill or safety;*
 - (f) *Is reasonably suspected of violating any provisions of this chapter or the administrative regulations promulgated under this chapter;*
 - (g) *Has a license or certification to practice an activity regulated by the board denied, limited, suspended, probated, revoked, or otherwise disciplined in another jurisdiction on grounds sufficient to cause a license or certification to be denied, limited, suspended, probated, revoked, or otherwise disciplined in this Commonwealth;*
 - (h) *Is practicing an activity regulated by the board without a current active license, or certification issued by the board;*
 - (i) *Is reasonably suspected of abusing, misusing, or misappropriating any drugs placed in the custody of the licensee or certified person for administration, or for use of others; or*
 - (j) *Is suspected of falsifying or in a grossly negligent manner making incorrect entries or failing to make essential entries on essential records.*
- (4) *A person who violates subsection (1)(a), (b), or (c) of this section shall be guilty of a Class A misdemeanor for a first offense and a Class D felony for each subsequent offense.*
- (5) *The provisions of this section shall not preclude prosecution for the unlawful practice of medicine, nursing, or other practice certified or licensed by an agency of the Commonwealth.*
- (6) *The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the office of the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.*
- (7) *The institution or imposition of disciplinary action by the office of the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *In accordance with the provisions of KRS Chapter 13B, all discipline for which the board is authorized to conduct investigations, hold hearings, and impose punishments is delegated to the executive director, state medical advisor, board attorney, and hearing panels as provided herein.*
- (2) *Any person may make a complaint to the executive director that an entity licensed or certified by the board, first responder, emergency medical technician, paramedic, emergency medical services medical advisor or other person licensed or certified by the board has violated a provision of this chapter, an administrative regulation promulgated pursuant to this chapter, protocol, practice standard, or order of the board.*
- (3) *Each complaint shall:*
- (a) *Be in writing;*
 - (b) *Identify specifically the person or organization against whom the complaint is made;*
 - (c) *Set forth the facts relating to the violation alleged and any other supporting information which may have a bearing on the matter;*
 - (d) *Contain the name, address, telephone number, facsimile number, and e-mail address, if available, of the complainant;*
 - (e) *Be subscribed and sworn to as to the truth of the statements contained in the complaint by the complainant; and*
 - (f) *Be notarized.*

- (4) *A complaint which is unsigned shall not be acted upon by the executive director. A complaint which is not subscribed and sworn in the manner specified in subsection (3) of this section shall be returned to the complainant for completion.*
- (5) *The executive director of the board may, on behalf of the board, based on knowledge available to the office of the board, make a complaint against any person or organization regulated by the board in the same manner as provided in subsection (3) of this section.*
- (6) *Upon receipt of a properly completed complaint, the executive director shall assign the complaint to a staff investigator who shall investigate the complaint and shall make findings of fact and recommendations to the executive director who shall then convene a preliminary inquiry board.*
- (7) *When the executive director assigns a complaint to a staff investigator he or she shall notify the person or organization against whom the complaint has been filed and shall notify the employer of a first responder, emergency medical technician, or paramedic and the emergency medical services medical director for the organization and for any paramedic against whom the complaint is filed and any other person or organization specified in this chapter.*
- (8) *The notification shall name the person or organization complained against, the complainant, the violations alleged, and the facts presented in the complaint and shall notify the person or organization complained against, the employer, and the emergency medical services medical director of:*
 - (a) *The fact that the complaint shall be answered, the steps for answering the complaint, and the action to be taken if the complaint is not answered;*
 - (b) *The time frame and steps in the proceedings of a complaint;*
 - (c) *The rights of the parties, including the right to counsel; and*
 - (d) *The right to testify at any hearing.*
- (9) *Upon the failure of a license or certificate holder to respond to a written accusation or to request a hearing within twenty (20) days after the sending of the accusation, the accused shall be considered to have admitted the truth of the facts and the circumstances in the allegation and appropriate discipline may be imposed.*
- (10) *The preliminary inquiry board shall consist of the executive director, a person representing the same category of certification or licensure as the defendant who is not a member of the board appointed by the chairman of the board, and the board attorney.*
- (11) *After reviewing the complaint and results of any investigation conducted on behalf of the board, the preliminary inquiry board shall consider whether the accusation is sufficient to remand the matter for a hearing as provided in this section and KRS Chapter 13B. A majority vote of the members of the preliminary inquiry board shall be necessary for action to either remand the matter for hearing or dismiss the complaint without hearing.*
- (12) *If the preliminary inquiry board dismisses the complaint, all parties notified previously shall be notified of the action. If the preliminary inquiry board remands the matter for a hearing, all parties notified previously shall be notified of the action.*
- (13) *Each proceeding to consider the imposition of a penalty which the board is authorized to impose pursuant to this chapter shall be conducted in accordance with KRS Chapter 13B.*
- (14) *A hearing panel for purposes of making a decision in any disciplinary matter shall consist of one (1) physician who may be a member of the board or who meets the qualifications of an emergency medical services medical director; one (1) person from the category of persons or organizations of the same class as the defendant; and the hearing officer, who shall not be involved in emergency medical services.*
- (15) *The hearing officer may issue subpoenas to compel the attendance of witnesses and the production of documents in the conduct of an investigation. The subpoenas may be enforced by any Circuit Court for contempt. Any order or subpoena of the court requiring the attendance and testimony of witnesses and the production of documentary evidence may be enforced and shall be valid anywhere in this state.*
- (16) *At all hearings the board attorney or, on request of the board, the Attorney General of this state or one (1) of the assistant Attorneys General designated shall appear and represent the board.*

- (17) *The employer of a person licensed or certified by the board and the emergency medical services medical director of such a person who is the defendant in a hearing shall be parties to the action and may appear and testify in the matter at any deposition or hearing on the matter and may propose conclusions of law, findings of fact, and penalties to the hearing panel.*
- (18) *To make a finding or recommend discipline, the two (2) members of the hearing panel who are not the hearing officer shall agree on the finding or discipline. In the event of a tie vote, the hearing officer shall cast the deciding vote.*
- (19) *The final order in any disciplinary proceeding shall be prepared by the executive director and sent to all parties in the manner prescribed by law.*
- (20) *Any person or entity aggrieved by a final order of the board may appeal to the Franklin Circuit Court in accordance with the provisions of KRS Chapter 13B.*
- (21) *The only discipline that the board may impose against an emergency medical services medical director is denial, suspension or withdrawal of the board's approval for that person to serve as an emergency medical services medical director.*
- (22) *If the executive director substantiates that sexual contact occurred between a licensee or certificate holder and a patient while the patient was under the care of or in a professional relationship with the licensee or certificate holder, the license or certification may be revoked or suspended with mandatory treatment of the person as prescribed by the executive director. The executive director may require the licensee or certificate holder to pay a specified amount for mental health services for the patient which are needed as a result of the sexual contact.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *If it is determined that an entity regulated by the board, a paramedic, first responder, or emergency medical technician has violated a statute, administrative regulation, protocol, or practice standard relating to serving as an entity regulated by the board, a paramedic, first responder, or emergency medical technician, the office of the board may impose any of the sanctions provided in subsection (2) of this section. Any party to the complaint shall have the right to propose findings of fact and conclusions of law, and to recommend sanctions.*
- (2) *The office of the board may use any one (1) or more of the following sanctions when disciplining a paramedic, emergency medical technician first responder, emergency medical technician, or any entity regulated by the board:*
 - (a) *Private reprimand that shall be shared with each of the paramedic's, first responder's, or emergency medical technician's employer and medical director;*
 - (b) *Public reprimand;*
 - (c) *Fines of fifty dollars (\$50) to five hundred dollars (\$500) for a natural person or fifty dollars (\$50) to five thousand dollars (\$5,000) for a public agency or business entity;*
 - (d) *Revocation of certification or licensure;*
 - (e) *Suspension of licensure until a time certain;*
 - (f) *Suspension until a certain act or acts are performed;*
 - (g) *Limitation of practice permanently;*
 - (h) *Limitation of practice until a time certain;*
 - (i) *Limitation of practice until a certain act or acts are performed;*
 - (j) *Repassing a portion of the paramedic, first responder, or emergency medical technician examination;*
 - (k) *Probation for a specified time; or*
 - (l) *If it is found that the person who is licensed or certified by the board has been convicted of, pled guilty to, entered an Alford plea to a felony offense, or has completed a diversion program for a felony offense the license or certification shall be revoked.*

- (3) *The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the office of the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.*
- (4) *The institution or imposition of disciplinary action by the office of the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.*

SECTION 12. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *If the office of the board has reasonable cause to believe that any licensee or certificate holder or any applicant for licensure or certification by examination, reinstatement, or change of status is unable to practice with reasonable skill or safety or has abused alcohol or drugs, it may require that person to submit to a mental or physical examination by a physician or psychologist it designates. Upon the failure of the person to submit to a mental or physical examination, unless due to circumstances beyond the person's control, the office of the board may initiate an action for immediate temporary suspension pursuant to this chapter or deny the application until the person submits to the required examination. The office of the board may issue an immediate and temporary suspension from the time of the examination until the hearing.*
- (2) *Every licensee or certificate holder or applicant for licensure or certification by examination, reinstatement, or change of status shall be deemed to have given consent to submit to an examination when so directed in writing by the board. The direction to submit to an examination shall contain the basis of the office of the board's reasonable cause to believe that the person is unable to practice with reasonable skill or safety, or has abused alcohol or drugs. The person shall be deemed to have waived all objections to the admissibility of the examining physician's or psychologist's testimony or examination reports on the ground of privileged communication.*
- (3) *The licensee or certificate holder or applicant for licensure or certification by examination, reinstatement, or change of status shall bear the cost of any mental or physical examination ordered by the office of the board.*

SECTION 13. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *When a complaint is filed against an ambulance service, emergency medical services provider, or an emergency medical services educational institution or an employee or volunteer thereof, or when the office of the board is contemplating action against an ambulance service, emergency medical services provider, or emergency medical services educational institution or an employee or volunteer thereof, written notice of the complaint or proposed action shall be sent to:*
 - (a) *The county judge/executive, in the event of a county-operated ambulance service, emergency medical services provider, or educational institution;*
 - (b) *The mayor, in the event of a city-operated ambulance service, emergency medical services provider, or educational institution;*
 - (c) *The mayor, in the event of an urban-county government-operated ambulance service, emergency medical services provider, or educational institution;*
 - (d) *The chairman of the fire protection district, in the event of a fire district-operated ambulance service, emergency medical services provider, or educational institution;*
 - (e) *The head of the public agency, in the event of an ambulance service, emergency medical services provider, or educational institution operated by a public agency other than specified in paragraphs (a) to (d) of this subsection;*
 - (f) *The president, chancellor, or other officer in charge of an educational institution operated, in the event of an ambulance service or educational institution;*

- (g) *The chief operating officer or president of a nonprofit corporation, corporation for profit, limited liability corporation, or other business entity, in the event of an ambulance service, emergency medical services provider, or educational institution operated by the business entity; and*
 - (h) *Both the ambulance service, emergency medical services provider, or educational institution officials specified in this subsection and the officials of any public agency contracting for services.*
- (2) *The notice specified in this section shall be in addition to any notice provided to any other person or organization.*

SECTION 14. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The state medical advisor, one (1) physician board member selected by the chairman of the board, and one (1) member of the board of the same category of licensure or certification as the defendant selected by the chairman of the board, in writing, may determine that immediate temporary suspension of a license or certification of a natural person against which disciplinary action or an investigation is pending is necessary in order to protect the public. If the defendant is employed by an emergency medical services provider, the input of the employer's emergency medical services medical director shall be sought with regard to the matter. In the event of an action against an organization, the determination shall be made by the state medical advisor, one (1) physician member of the board, and one (1) other member of the board who is not a physician selected by the chairman of the board. When this action may be necessary, the executive director, in writing, shall issue an emergency order suspending the licensee or certificate holder. Upon appeal of an emergency order, an emergency hearing shall be conducted in accordance with KRS 13B.125.*
- (2) *No board member shall be disqualified from serving on a disciplinary action hearing panel for the reason that he or she has previously sat on a hearing panel considering temporary suspension of the same license.*
- (3) *Disciplinary actions in which a license or certification has been temporarily suspended and a hearing shall be held in accordance with KRS 13B.125 within ninety (90) days unless the defendant requests an extension of time.*
- (4) *The order of immediate temporary suspension shall remain in effect until either retracted or superseded by final disciplinary action by the office of the board. In cases where disciplinary action is imposed, the office of the board may additionally order that the temporary suspension continue in effect until the later expiration of time permitted for appeal or termination of the appellate process.*

SECTION 15. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *No person as defined in KRS 446.010 who is not licensed to do so, or whose license to do so has been suspended, revoked, or denied, shall operate an ambulance service or advanced life support emergency medical first response program.*
- (2) *Any person as defined in KRS 446.010 who violates subsection (1) of this section is guilty of a Class A misdemeanor for the first offense and a Class D felony for each subsequent offense.*
- (3) *The provisions of this section shall not preclude the board from revoking or increasing the suspension period of a person operating an ambulance service or advanced life support first response program which has illegally operated while its license is under suspension or has been revoked.*
- (4) *The filing of criminal charges or a criminal conviction for violation of the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the board from instituting or imposing board disciplinary action authorized by this chapter against any person or organization violating this chapter or the administrative regulations promulgated thereunder.*
- (5) *The institution or imposition of disciplinary action by the board against any person or organization violating the provisions of this chapter or the administrative regulations promulgated thereunder shall not preclude the filing of criminal charges against or a criminal conviction of any person or organization for violation of the provisions of this chapter or the administrative regulations promulgated thereunder.*

SECTION 16. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person licensed or certified by the board shall immediately notify the office of the board in writing if any professional or business license that is issued to the person by any agency of the Commonwealth or any other jurisdiction is surrendered or terminated under threat of disciplinary action or is refused, suspended, or revoked, or if renewal of continuance is denied.

SECTION 17. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person licensed or certified by the board shall, within thirty (30) days of entry of the final judgment, notify the office of the board in writing of any misdemeanor or felony criminal conviction in this Commonwealth or any other jurisdiction. Upon learning of any failure to notify the office of the board under this section, the office of the board may initiate an action for immediate temporary suspension under this chapter until the person submits the required notification.

SECTION 18. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) A paramedic license, first responder certification, or emergency medical technician certification shall be valid for a period of two (2) years.*
- (2) Each paramedic license, first responder certification, or emergency medical technician certification shall expire on December 31 of the second year from its issuance.*
- (3) The license or certification of every person issued under the provisions of this chapter shall be renewed at least biennially except as provided in this section. At least six (6) weeks before the renewal date the office of the board shall mail an application for renewal to every person for whom a license or certification was issued during the current licensure or certification period. The applicant shall fill in the application form and return it to the office of the board with the renewal fee prescribed by the board in an administrative regulation before the expiration date of his or her current license or certification. Upon receipt of the application and fee, the board shall verify the accuracy of the application to determine whether the licensee or person seeking certification has met all the requirements as set forth in this chapter and in the administrative regulations promulgated by the board, and, if so, shall issue to the applicant a license or certification to practice or engage in the activity for the ensuing licensure or certification period. Such license or certification shall render the holder a legal practitioner of the practice or activity specified in the license or certification for the period stated on it. The board shall prescribe by administrative regulation the beginning and ending of the licensure or certification period.*
- (4) Any person who is licensed or certified by the board who allows his or her license or certification to lapse by failing to renew the license or certification as provided in this section may be reinstated by the board on payment of the current fee for original licensure or certification and by meeting the requirements of administrative regulations promulgated by the board.*
- (5) An application for renewal of a license or certification shall be sent to the last known address of each licensee or certified person.*
- (6) Any person practicing any practice or activity regulated by the board during the time his or her license or certification has lapsed shall be considered an illegal practitioner and shall be subject to the penalties provided for violations of this chapter.*
- (7) Failure to receive the application for renewal of a license or certification shall not relieve a paramedic, first responder, or emergency medical technician from the duty to renew his or her license or certification prior to December 31 of the year in which the license or certification expires.*
- (8) The duration of any license or certification issued by the board may be limited by disciplinary action of the board.*
- (9) Every license or certification issued by the board shall have the seal of the board affixed. A holder of a license or certification shall retain it in his or her possession and be prepared to exhibit it upon demand by an employer or anyone to whom the holder of the license or certification offers emergency medical services or any board or staff member of the Kentucky Board of Emergency Medical Services.*
- (10) Failure or refusal to produce a license or certification upon demand shall be prima facie evidence that no such license or certification exists.*
- (11) In order to assure a proper transition during the implementation of the provisions of this section, the board may, for a period of three (3) years, extend a license or certification of any person in order to utilize the expiration date provided for in this section. The board shall, in writing, notify each person whose license or certification is extended of the extension and the new date of expiration. The extension shall be without charge.*

SECTION 19. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board may require a criminal background investigation of an applicant for licensure or certification, including by means of a fingerprint check by the State Police or the Federal Bureau of Investigation, or both.

SECTION 20. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

Any person as defined in KRS 446.010 licensed or certified by the board shall maintain a current mailing address with the office of the board and immediately notify the board in writing of a change of mailing address. As a condition of holding a license or certification from the board, a licensee or certificate holder is deemed to have consented to service of notice or orders of the board at the mailing address on file with the office of the board, and any notice or order of the board mailed or delivered to the mailing address on file with the board constitutes valid service of the notice or order.

SECTION 21. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

The board shall, by administrative regulation, require an applicant for licensure as a paramedic, certification as a first responder, or certification as an emergency medical technician to have completed a board-approved educational course on the transmission, control, treatment, and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome with an emphasis on appropriate behavior and attitude change.

SECTION 22. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) For each licensure renewal of a paramedic following the issuance of an initial license or certification by the board, as a prerequisite for license or certification renewal, all individuals licensed under the provisions of this chapter shall be required to document continuing competence during the immediate past licensure or certification period as prescribed in administrative regulations promulgated by the board.*
- (2) The compliance with continuing competency requirement shall be documented by the emergency medical services medical director and reported as set forth by the board in administrative regulations promulgated in accordance with KRS Chapter 13A.*
- (3) The board shall approve providers of emergency medical services education and continuing education. The approval may include recognition of providers approved by national organizations and state boards of emergency medical services with comparable standards. Standards for these approvals shall be set forth by the board in administrative regulations promulgated in accordance with KRS Chapter 13A. The board need not approve the in-house conduct of in-service training of its own employees or volunteers by a licensed ambulance service.*
- (4) The board shall work cooperatively with professional emergency medical services organizations, approved schools, and other potential sources of continuing education programs to ensure that adequate continuing education offerings are available statewide. The board may enter into contractual agreements to implement the provisions of this section.*

SECTION 23. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) The conduct of proper in-service training, including, but not limited to, in-house in-service training, in accordance with the standards specified by this chapter, administrative regulations, and the standards of relevant United States Department of Transportation curricula shall be that of the provider of the in-service training.*
- (2) If in-service training is conducted by an ambulance service, emergency medical services provider, or educational institution, the organization, the instructor, and its medical director share responsibility for the provision of training which meets or exceeds the requirements of subsection (1) of this section.*
- (3) Persons and organizations providing in-service training for first responders, emergency medical technicians, or paramedics shall keep the records required by the board by administrative regulation and shall make them available to a representative of the board upon request.*
- (4) Failure to keep a record required by the board by administrative regulation or required to be kept by statute, falsifying a record, or grossly negligently maintaining a record required to be kept by administrative regulation or statute shall be subject to action by the office of the board.*
- (5) Providing in-service training not meeting or exceeding the requirements specified in subsections (1) and (2) of this section shall be subject to action of the office of the board.*
- (6) Penalties specified in this section shall be in addition to any action which the board may be permitted to take against the license or certification of any person or organization.*

- (7) *The board may refuse to recognize any in-service training not conducted in accordance with the provisions of this chapter, U.S. Department of Transportation curricula, or administrative regulations promulgated pursuant to this chapter. If the board determines that in-service training will not be accepted, the denial of credit shall be extended to all persons who completed that specific in-service training.*

SECTION 24. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall promulgate administrative regulations relating to paramedics. The administrative regulations may include the classification and licensure of paramedics, instructor-trainers, instructors, and students and trainees; examinations; standards of training and experience; curricula standards; administration of drugs and controlled substances by paramedics under the direction or supervision of licensed physicians; issuance and renewal of licenses; and such other administrative regulations as may be necessary for the protection of public health and safety in the delivery of emergency medical services.*
- (2) *Relicensure programs shall be organized to include continuing education and in-service training approved by the board.*

SECTION 25. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall promulgate administrative regulations relating to emergency medical technicians. The administrative regulations may include the classification and certification of emergency medical technicians, instructors, instructor-trainers, and students and trainees; examinations; standards of training and experience; curricula standards; issuance or renewal of certificates; hearing of appeals; and other administrative regulations as may be necessary for the protection of public health and safety in the delivery of emergency medical services. No additional testing or examinations shall be required for recertification, except for proficiency testing of new skills or knowledge, or areas in which there is documented evidence of deterioration of skills.*
- (2) *Recertification programs shall be organized to include continuing education and in-service training approved by the board.*
- (3) *Beginning July 14, 2000, a new emergency medical technician shall, for initial certification, be certified using the requirements and testing established by the National Registry of Emergency Medical Technicians or other agent chosen by the board.*
- (4) *Beginning July 14, 2000, a certified emergency medical technician who seeks recertification shall obtain recertification under the requirements established and maintained by the board. These requirements shall contain a minimum of sixteen (16) hours of required topics and eight (8) hours of elective topics over a two (2) year recertification period. The board shall also recertify any emergency medical technician who chooses to obtain recertification under the requirements established by the National Registry of Emergency Medical Technicians or other agent chosen by the board in lieu of the standards established by the board.*
- (5) *Except as provided in Section 11 of this Act, the board shall not require any additional course work, in-service training, testing, or examinations of a person who chooses the National Registry of Emergency Medical Technicians or other agent chosen by the board for certification or recertification as an emergency medical technician.*
- (6) *Any person licensed by the board as a paramedic shall be certified as an emergency medical technician by the board. The certification shall be issued without fee, without additional training, in-service training, testing, or examination. The emergency medical technician certification shall be issued and expire at the same time that the paramedic license is issued or expires, and if a paramedic voluntarily gives up his or her license prior to the expiration of his or her paramedic license, his or her emergency medical technician certification shall be unaffected thereby. If a paramedic chooses not to be relicensed as a paramedic but chooses to retain his emergency medical technician certification, the paramedic shall, prior to the expiration of his paramedic license, complete the requirements for recertification as an emergency medical technician utilizing one (1) of the methods provided for in this section.*
- (7) *A paramedic whose license as a paramedic or certification as an emergency medical technician is suspended, revoked, or denied by the board shall have the same action taken automatically with regard to his emergency medical technician certification or paramedic license.*

SECTION 26. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The board may, by administrative regulation, prescribe a reasonable schedule of fees and charges for:*

- (a) *Examination;*
 - (b) *Issuance, renewal, and reinstatement of licenses;*
 - (c) *Issuance, renewal, and reinstatement of certifications;*
 - (d) *Inspections and reinspections;*
 - (e) *Applications; and*
 - (f) *Other services and materials provided by the board.*
- (2) *All fees, charges, or other moneys collected or received by the board shall be paid into the State Treasury and credited to a trust and agency fund which shall not lapse, to be used by the board for the carrying out of the provisions of this chapter.*

SECTION 27. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

A paramedic licensed pursuant to this chapter and a first responder certified pursuant to this chapter shall have the privileges and immunities specified in KRS 411.148, subject to the provisions of that statute.

SECTION 28. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *There shall be an emergency medical services grant program to provide funding to each county for the direct operation of emergency medical services, including, but not limited to, purchase or lease of ambulances or equipment. Funds available shall not be used to fund personnel or consultant salaries.*
- (2) *Funds appropriated to or received by the emergency medical services grant program shall be placed in a trust and agency account in the State Treasury and shall not lapse.*
- (3) *The board shall administer the emergency medical services grant program and may promulgate administrative regulations, which shall include, but not be limited to, funding criteria necessary for its implementation and operation.*
- (4) *Twenty percent (20%) of the funds received each fiscal year for the grant program may be withheld from general distribution and shall be distributed for emergency purposes only.*
- (5) *Grants may be made each fiscal year to each county fiscal court determined to be eligible by the board for distribution to public ambulance services operated by or for the county. A county may keep funds appropriated to them for a period of two (2) years, if desired, for expenditure for authorized purposes. At the end of two (2) years from the date of the receipt of the grant, the county shall return any funds remaining unexpended to the emergency medical services grant fund. Each expenditure made by the fiscal court from grant funds provided to the county shall be documented, with appropriate receipts or other documents, and a copy of each receipt or other document shall be provided to the board to verify that the expenditure was proper. The board shall require reimbursement to the emergency medical services fund by the county, with interest at a rate of twenty percent (20%) annually, for any funds expended for an unauthorized purpose. If the county fails or refuses to reimburse the fund, the board shall notify the Attorney General, who shall seek appropriate civil and criminal remedies.*
- (6) *The board shall, annually, by January 1, promulgate administrative regulations specifying items of equipment and other authorized expenditures for the upcoming fiscal year. No funds shall be provided to the county until after the start of the fiscal year.*
- (7) *The board may, in the event of a documented situation which the board considers to be an emergency and beyond the ability of the county to pay, provide emergency funding to the fiscal court for an ambulance or authorized equipment which has been damaged or destroyed. Normal replacement of an ambulance or equipment shall not be considered an emergency. The amount of funding that may be provided by the board shall not exceed ten thousand dollars (\$10,000). Only one (1) emergency funding request shall be granted for any county in each fiscal year. The amount of the emergency grant to the county shall be deducted from the county's grant for the next fiscal year.*

SECTION 29. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *A first responder may, subject to the provisions of this section, perform any procedure:*
 - (a) *Specified in the most recent curriculum of the United States Department of Transportation training course for first responders; and*

(b) *Any additional procedure authorized by the board by administrative regulation.*

- (2) *When there is a change in the United States Department of Transportation curriculum for first responders or the board approves an additional skill or procedure by administrative regulation, no person who was not trained under that curriculum shall perform any activity or procedure authorized by the new curriculum or administrative regulation unless the person has been trained according to the new curriculum or administrative regulation and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the first responder shall successfully complete the new material or lose his or her certification as a first responder.*
- (3) *Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing emergency medical services to its citizens nor to prevent the employer from exercising any reasonable control over first responders providing emergency medical care on behalf of a licensed entity or other provider.*
- (4) *Nothing in this section shall be construed to permit utilization of any certified first responder for the purpose of such individual working with primary responsibility and duties limited to hospitals, physician's offices, clinics, or other definitive care facilities, except as a first responder trainee or as a full-time instructor of first responders.*

SECTION 30. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *An emergency medical technician may, subject to the provisions of this section, perform any procedure:*
 - (a) *Specified in the most recent curriculum of the United States Department of Transportation training course for emergency medical technicians; and*
 - (b) *Any additional procedure authorized by the board by administrative regulation.*
- (2) *When there is a change in the United States Department of Transportation curriculum for emergency medical technicians or the board approves an additional skill or procedure by administrative regulation, no person who was not trained under that curriculum or administrative regulation shall perform any activity or procedure in the new curriculum or administrative regulation unless the person has been trained according to the new curriculum or administrative regulation and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the emergency medical technician shall successfully complete the new material or lose his or her certification as an emergency medical technician.*
- (3) *Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing emergency medical services to its citizens nor prevent the employer from exercising any reasonable control over emergency medical technicians providing emergency medical care upon behalf of the licensed entity or other provider.*
- (4) *Nothing in this section shall be construed to permit utilization of a certified emergency medical technician for the purpose of such individual working with primary responsibility and duties limited to hospitals, physician's offices, clinics, or other definitive care facilities, except as an emergency medical technician trainee or a full-time instructor of emergency medical technicians.*

SECTION 31. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *Subject to the provisions of this section, a paramedic may perform any procedure:*
 - (a) *Specified in the most recent curriculum of the United States Department of Transportation training course for paramedics; and*
 - (b) *Any additional procedure specified by the board by administrative regulation.*
- (2) *When there is a change in the United States Department of Transportation curriculum for paramedics, or the board approves an additional skill or procedure by administrative regulation, or approves a protocol differing from the curriculum or administrative regulations, no person who was not trained under that curriculum or administrative regulation shall perform any activity or procedure in the new curriculum,*

administrative regulation, or protocol unless the person has been trained according to the new curriculum, administrative regulation, or protocol and demonstrates competency in the new knowledge or skill. Competency in a new skill shall be demonstrated through a return demonstration to a competent evaluator. If the board adopts the new procedure or skill, the board shall promulgate an administrative regulation specifying the new procedure, training requirements, examination requirements, and a time period during which the paramedic shall successfully complete the material or lose his or her license as a paramedic.

- (3) *A paramedic may draw blood samples from a criminal defendant upon the request of a peace officer and the consent of the defendant, or without the consent of the defendant upon receipt of a court order requiring the procedure, if the paramedic is authorized to do so by his or her employer. The authorization shall be in writing and may be by general written policy of the employer and the service's medical director. The paramedic who drew the blood sample shall deliver the sample to the peace officer or other person specified by the court in a court order and shall testify in court with regard thereto upon service of a proper subpoena.*
- (4) *A paramedic shall be permitted to render services only under the supervision of an emergency medical services medical director.*
- (5) *Any provision of this chapter other than this section relating to the requirement for additional training, requirement for skill examination, or approval of standing orders, protocols, or medical procedures to the contrary notwithstanding, a paramedic may be employed by a hospital to work as a licensed paramedic in the emergency department of the hospital subject to the following conditions:*
 - (a) *The hospital in collaboration with the medical staff shall provide operating procedures and policies under which the paramedic shall operate consistent with the paramedic's scope of practice;*
 - (b) *A paramedic shall provide patient care services under the orders of a physician, physician assistant, advanced registered nurse practitioner, or as delegated by a registered nurse;*
 - (c) *Subject to the provisions relating to the scope of practice of a paramedic, a hospital may require a paramedic to take additional training on any subject or skill which the paramedic may be required to perform in a hospital and demonstrate competency in the skill or subject to a competent evaluator; and*
 - (d) *The paramedic does not violate the provisions of Section 32 of this Act or any other statute or administrative regulation relating to a paramedic.*

No provision of this section shall prevent a paramedic from being employed in any other section of the hospital where the paramedic's job duties do not require certification or licensure by the board and do not otherwise constitute the unlawful practice of medicine.

- (6) *Except as provided in subsection (2) of this section, nothing in this section shall prevent an employer from exercising reasonable fiscal control over the costs of providing medical services to its citizens nor prevent the employer from exercising any reasonable control over paramedics providing care on behalf of the licensed entity.*

SECTION 32. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *No first responder shall perform any act or procedure which exceeds the scope of practice of a first responder as specified in this chapter and in administrative regulations promulgated by the board.*
- (2) *No emergency medical technician shall perform any act or procedure which exceeds the scope of practice of an emergency medical technician as specified in this chapter and in administrative regulations promulgated by the board.*
- (3) *No paramedic shall perform any act or procedure which exceeds the scope of practice of a paramedic as specified in this chapter, administrative regulations promulgated by the board, protocol, standing order, or other document approved by the board.*
- (4) *A first responder, emergency medical technician, or paramedic is presumed to know the standards of practice for his or her level of certification or licensure.*
- (5) *It is the legal duty of a first responder, emergency medical technician, or paramedic to refuse to perform any act or procedure which is beyond his or her scope of practice regardless of whether that act or procedure is ordered by a physician, physician assistant, medical director, advanced registered nurse practitioner, registered nurse, or supervisor.*

- (6) *No employer or organization for which a first responder, emergency medical technician, or paramedic has volunteered shall reprimand, discipline, or dismiss a first responder, emergency medical technician, or paramedic who has refused to perform an act or procedure which the first responder, emergency medical technician, or paramedic knows is in violation of the provisions of this section. Violation of this section by an employer or by an organization for which a first responder has volunteered shall be grounds for a legal action for wrongful discipline or wrongful discharge, as appropriate.*
- (7) *The provisions of this section shall not apply to an order to perform an act or procedure:*
 - (a) *For which a license or certification by the board is not required and which otherwise do not constitute the unlawful practice of medicine; or*
 - (b) *For which no license or certification is required and does not involve medical care or treatment; or*
 - (c) *For which a license or certification issued by an agency other than the board is required and the first responder, emergency medical technician, or paramedic holds such a license or certification.*

SECTION 33. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *Each emergency medical services medical director for an ambulance service, or other emergency medical services provider, shall submit his or her protocols, standing orders, and similar medical control documents to the board for approval prior to placing the document in use.*
- (2) *The medical advisor for the board shall review each document submitted to ascertain if it is in accordance with accepted standards of medical care and in accordance with the provisions of this chapter and administrative regulations promulgated thereunder. If the protocol, standing order, or other medical control document clearly violates the accepted standards of medical care, this chapter, or an administrative regulation, the medical advisor shall notify the emergency medical services medical director of the exact violation and recommend a correction thereof.*
- (3) *Following review of protocol, standing order, and medical control documents and giving the emergency medical services medical director who submitted the documents an opportunity to review the medical advisor's comments, the medical advisor shall submit the documents together with his or her comments to the board for approval or disapproval.*
- (4) *The board shall approve, disapprove, or approve with modifications protocol, standing order, and medical control documents submitted by the emergency medical services medical director at its next regular or special meeting following the submission of the documents.*
- (5) *If a protocol, standing order, or other medical control document is disapproved by the board, the emergency medical services medical director who submitted it may appeal the decision to the Franklin Circuit Court. If the decision of the board is appealed to the Franklin Circuit Court, the board shall bear the burden of proving that the protocol, standing order, or other medical control document violates the accepted standards of medical care, or an administrative regulation.*
- (6) *The board shall, by administrative regulation, specify a schedule for submission and prompt review and decision making with regard to protocols, standing orders, and medical control documents submitted to the board.*

SECTION 34. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *When it appears that a person whom a paramedic who has successfully completed training in determination of death has been called to attend is dead, the paramedic shall, utilizing the protocol specified by the board by administrative regulation, determine whether or not the patient is dead after resuscitation of the patient is attempted by the paramedic or an emergency medical technician who has responded with or after the paramedic, unless the protocol indicates that the patient is not capable of being resuscitated. If, after resuscitation has been attempted on a patient who the protocol deems is capable of being resuscitated, the patient has not been successfully resuscitated according to the protocol, the paramedic may discontinue further resuscitation efforts and proceed to determine whether the patient is dead and whether to declare the patient dead. If it is determined that death has occurred in accordance with the procedures of KRS 446.400 with regard to patients who have not been resuscitated, the paramedic may make the actual determination and pronouncement of death. This section shall not apply to patients who are in a hospital when apparent death occurs.*

- (2) *In the event that a paramedic determines that a person is dead, the paramedic shall make the notifications required by KRS 72.020 and take the protective actions required by that statute.*
- (3) *Any paramedic course taught after July 15, 1998, shall include a course of instruction on the determination of death and preservation of evidence as required by the board by administrative regulation.*
- (4) *Any paramedic from another jurisdiction desiring to become a paramedic in Kentucky shall show evidence of successful completion of a training course in Kentucky meeting the requirements of subsection (3) of this section, and licensure as a paramedic shall be denied if the required evidence is not shown.*
- (5) *The administration of cardiopulmonary resuscitation or other basic life support measures to the apparently dead person prior to the arrival of the paramedic by any person, for the purposes of this section and KRS 446.400, shall not be considered as artificial maintenance of respiration and circulation. The administration of advanced cardiac life support procedures by any person, other than a registered nurse rendering care pursuant to KRS 314.181, prior to the arrival of the paramedic shall preclude the determination of death by the paramedic, and the provisions of KRS 446.400 shall apply. However, nothing in this section shall preclude the supervising physician from directing the paramedic to cease resuscitative efforts under approved agency medical protocols.*
- (6) *The resuscitative efforts of a paramedic under the protocols authorized by this section shall not invoke the provisions of KRS 446.400.*

Section 35. KRS 311.550 is amended to read as follows:

As used in KRS 311.530 to 311.620 and KRS 311.990(4) to (6):

- (1) "Board" means the State Board of Medical Licensure;
- (2) "President" means the president of the State Board of Medical Licensure;
- (3) "Secretary" means the secretary of the State Board of Medical Licensure;
- (4) "Executive director" means the executive director of the State Board of Medical Licensure or any assistant executive directors appointed by the board;
- (5) "General counsel" means the general counsel of the State Board of Medical Licensure or any assistant general counsel appointed by the board;
- (6) "Regular license" means a license to practice medicine or osteopathy at any place in this state;
- (7) "Limited license" means a license to practice medicine or osteopathy in a specific institution or locale to the extent indicated in the license;
- (8) "Temporary permit" means a permit issued to a person who has applied for a regular or limited license, and who appears from verifiable information in the application to the secretary to be qualified and eligible therefor;
- (9) "Emergency permit" means a permit issued to a physician currently licensed in another state, authorizing the physician to practice in this state for the duration of a specific medical emergency, not to exceed thirty (30) days;
- (10) Except as provided in subsection (11) of this section, the "practice of medicine or osteopathy" means the diagnosis, treatment, or correction of any and all human conditions, ailments, diseases, injuries, or infirmities by any and all means, methods, devices, or instrumentalities;
- (11) The "practice of medicine or osteopathy" does not include the practice of Christian Science, the practice of podiatry as defined in KRS 311.380, the practice of a midlevel health care practitioner as defined in KRS 216.900, the practice of dentistry as defined in KRS 313.010, the practice of optometry as defined in KRS 320.210, the practice of chiropractic as defined in subsection (2) of KRS 312.015, the practice as a nurse as defined in KRS 314.011, the practice of physical therapy as defined in KRS 327.010, the performance of duties for which they have been trained by paramedics licensed under KRS ~~Chapter 311A~~~~[311.652 to 311.658]~~, ~~[emergency medical technician]~~ first responders, or emergency medical technicians certified under KRS ~~Chapter 311A~~~~[311.652 to 311.658]~~, the practice of pharmacy by persons licensed and registered under KRS 315.050, the sale of drugs, nostrums, patented or proprietary medicines, trusses, supports, spectacles, eyeglasses, lenses, instruments, apparatus, or mechanisms that are intended, advertised, or represented as being for the treatment, correction, cure, or relief of any human ailment, disease, injury, infirmity, or condition, in regular mercantile establishments, or the practice of midwifery by women. KRS 311.530 to 311.620 shall not

be construed as repealing the authority conferred on the Cabinet for Health Services by KRS Chapter 211 to provide for the instruction, examination, licensing, and registration of all midwives through county health officers;

- (12) "Physician" means a doctor of medicine or a doctor of osteopathy;
- (13) "Grievance" means any allegation in whatever form alleging misconduct by a physician;
- (14) "Charge" means a specific allegation alleging a violation of a specified provision of this chapter;
- (15) "Complaint" means a formal administrative pleading that sets forth charges against a physician and commences a formal disciplinary proceeding;
- (16) As used in KRS 311.595(4), "crimes involving moral turpitude" shall mean those crimes which have dishonesty as a fundamental and necessary element, including, but not limited to, crimes involving theft, embezzlement, false swearing, perjury, fraud, or misrepresentation;
- (17) "Physician assistant" means a person who has graduated from a physician assistant or surgeon assistant program accredited by the American Medical Association's Committee on Allied Health Education and Accreditation or the Commission on Accreditation of Allied Health Education Programs and who has passed the certifying examination administered by the National Commission on Certification of Physician Assistants or who possesses a current physician assistant certificate issued by the board prior to July 15, 1998;
- (18) "Supervising physician" means a physician licensed by the board who supervises physician assistants; and
- (19) "Supervision" means overseeing the activities of, and accepting responsibility for, the medical services rendered by a physician assistant. The constant physical presence of the supervising physician is not required so long as the supervising physician and physician assistant are or can be easily in contact with one another by radio, telephone, or other telecommunication device. Each team of physicians and physician assistants shall ensure that the delegation of medical tasks is appropriate to the physician assistant's level of training and experience; that the identification of and access to the supervising physician is defined; and that a process for evaluation of the physician assistant's performance is established.
- (20) "Telehealth" means the use of interactive audio, video, or other electronic media to deliver health care. It includes the use of electronic media for diagnosis, consultation, treatment, transfer of medical data, and medical education.

SECTION 36. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *Each licensed ambulance provider and medical first response provider as defined in this chapter shall collect and provide to the board run data and information required by the board by this chapter and administrative regulation.*
- (2) *The board shall develop a run report form for the use of each class of ambulance provider and medical first response provider containing the data required in subsection (1) of this section. An ambulance provider or medical first response provider may utilize any run form it chooses in lieu of or in addition to the board developed run report form. However, the data captured on the run report form shall include at least that required by the administrative regulations promulgated pursuant to subsection (1) of this section.*
- (3) *An ambulance provider or medical first response provider shall report the required run report data and information by completing an annual report as established by the board or by transmitting the required data and information to the board in an electronic format. If the board requires the use of a specific electronic format, it shall provide a copy of the file layout requirements, in either written or electronic format, to the licensed ambulance provider or medical first response provider at no charge.*
- (4) *The board may publish a comprehensive annual report reflecting the data collected, injury and illness data, treatment utilized, and other information deemed important by the board. The annual report shall not include patient identifying information or any other information identifying a natural person. A copy of the comprehensive annual report, if issued, shall be forwarded to the Governor and the General Assembly.*
- (5) *Ambulance provider and medical first response provider run report forms and the information transmitted electronically to the board shall be confidential. No person shall make an unauthorized release of information on an ambulance run report form or medical first response run report form. Only the patient or the patient's parent or legal guardian if the patient is a minor, or the patient's legal guardian or person*

with proper power of attorney if the patient is under legal disability as being incompetent or mentally ill, or a court of competent jurisdiction may authorize the release of information on a patient's run report form or the inspection or copying of the run report form. Any authorization for the release of information or for inspection or copying of a run report form shall be in writing.

- (6) *If a medical first response provider or ambulance provider does not use a paper form but collects patient data through electronic means, it shall have the means of providing a written run report that includes all required data elements to the medical care facility. A copy of the medical first response form or a summary of the run data and patient information shall be made available to the ambulance service that transports the patient. A copy of the ambulance run report form shall be made available to any medical care facility to which a patient is transported and shall be included in the patient's medical record by that facility. If a patient is not transported to a medical facility, the copy of the run report form that is to be given to the transporting ambulance provider or medical care facility shall be given to the patient or to the patient's parent or legal guardian. If the ambulance provider, medical facility, patient, or patient's legal guardian refuses delivery of their run report form or is unavailable to receive the form, that copy of the form shall be returned to the medical first response provider or ambulance provider and destroyed.*
- (7) *All ambulance services shall be required to keep adequate reports and records to be maintained at the ambulance base headquarters and to be available for periodic review as deemed necessary by the board. Required records and reports are as follows:*
 - (a) *Employee records, including a resume of each employee's training and experience and evidence of current certification; and*
 - (b) *Health records of all drivers and attendants including records of all illnesses or accidents occurring while on duty.*
- (8) *Data and records generated and kept by the board or its contractors regarding the evaluation of emergency medical care and trauma care in the Commonwealth, including the identities of patients, emergency medical services personnel, ambulance providers, medical first-response providers, and emergency medical facilities, shall be confidential, shall not be subject to disclosure under KRS 61.805 to 61.850 or KRS 61.870 to 61.884, shall not be admissible in court for any purpose, and shall not be subject to discovery. However, nothing in this section shall limit the discoverability or admissibility of patient medical records regularly and ordinarily kept in the course of a patient's treatment that otherwise would be admissible or discoverable.*

Section 37. KRS 281.014 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) (a) The term "city taxicab certificate" or "city limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to the corporate limits of a city of the first or second class or an urban-county area and the city's suburban area, or the corporate limits of any city and its suburban area located in a county which contains a city of the first or second class or an urban-county area, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of such transportation;
- (b) The term "county taxicab certificate" or "county limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to a specific county which does not contain a city of the first or second class and is not an urban-county area, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of the transportation;
- (c) A "taxicab" means a motor vehicle operated under one (1) or more taxicab certificates, and is a vehicle designed or constructed to transport not more than fifteen (15) passengers exclusive of the driver;
- (d) A "limousine" means a luxury motor vehicle passenger car which has either a standard or an extended wheelbase. The vehicle shall have additional rear seating capacity, area, and comforts, but shall be designed or constructed to transport not more than fifteen (15) passengers plus the driver;
- (e) The term "taxicab license" means a license plate issued to a taxicab authorized to operate under a taxicab certificate;

- (f) The term "limousine license" means a license plate issued to a limousine authorized to operate under a limousine certificate;
- (2) (a) An "airport shuttle certificate" means a certificate granting authority only for the operation of motor vehicles exclusively transporting passengers or baggage for hire over regular routes between points within a city or its suburban area and an airport;
- (b) An "airport shuttle vehicle" means a motor vehicle operated under one (1) or more airport shuttle certificates and which is designed or constructed to transport not more than fifteen (15) passengers plus the driver;
- (c) The term "airport shuttle vehicle license" means a license plate issued for a motor vehicle authorizing its operation under one (1) or more airport shuttle certificates;
- (3) The term "U-Drive-It" means any person who leases or rents a motor vehicle for a consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee;
- (4) The term "driveaway" means the transporting and delivering of motor vehicles, except semitrailers, and trailers, whether destined to be used in either a private or for-hire capacity, under their own power or by means of a full mount method, saddle mount method, the tow bar method, or any combination of them over the highways of this state from any point of origin to any point of destination for-hire. The transportation of such vehicles by the full mount method on trailers or semitrailers shall not be included in the term;
- (5) (a) "Disabled persons vehicle" means a motor vehicle especially equipped and used for the transportation of persons with disabilities and which is in compliance with the accessibility specifications of 49 C.F.R. Part 38, but it shall be designed and constructed to transport not more than fifteen (15) passengers plus the driver. It shall not mean an ambulance as defined in *Section 1 of this Act* ~~KRS 311.6524~~. It shall not mean a motor vehicle equipped with a stretcher;
- (b) "Disabled persons carrier" means an irregular route common carrier for hire, transporting the general public who require transportation in disabled persons vehicles;
- (c) "Disabled persons certificate" means a certificate that grants authority only for the operation of a given number of disabled persons vehicles for hire, the principal operation of which is confined to a specific county;
- (6) "Human service transportation delivery" means the provision of transportation services to any person that is an eligible recipient in one (1) of the following state programs:
 - (a) Nonemergency medical transportation under KRS Chapter 205;
 - (b) Mental health, mental retardation, or comprehensive care under KRS Chapter 202A, 202B, 210, or 645;
 - (c) Kentucky Works Program under KRS Chapter 194 or 205;
 - (d) Aging services under KRS Chapter 205, 209, 216, or 273;
 - (e) Vocational rehabilitation under KRS 151B or 157; or
 - (f) Blind industries or rehabilitation under KRS Chapter 151B or 163;
- (7) "Delivery area" means one (1) or more regions established by the cabinet in administrative regulations promulgated under KRS Chapter 13A for the purpose of providing human service transportation delivery in that region;
- (8) "Broker" means a person selected by the cabinet through a request for proposal process to coordinate human service transportation delivery within a specific delivery area. A broker may also provide transportation services within the specific delivery area for which the broker is under contract with the cabinet;
- (9) "Subcontractor" means a person who has signed a contract with a broker to provide human service transportation delivery within a specific delivery area and who meets human service transportation delivery requirements, including proper operating authority; and
- (10) "CTAC" means the Coordinated Transportation Advisory Committee created under KRS 281.870.

Section 38. KRS 281.605 is amended to read as follows:

The provisions of this chapter shall not apply, except as to safety regulations, to:

- (1) Motor vehicles used as school buses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities;
- (2) Except as provided in paragraph (e) of this subsection, motor vehicles, regardless of ownership, used exclusively:
 - (a) For the transportation of agricultural and dairy products, including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry, and eggs, while owned by the producer of the products, including landlord where the relation of landlord and tenant or landlord and cropper is involved, from the farm to a market, warehouse, dairy, or mill, or from one (1) market, warehouse, dairy, or mill to another market, warehouse, dairy, or mill;
 - (b) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essential to farm operation, from market or shipping terminal to farm;
 - (c) For both the purposes described in paragraphs (a) and (b) of this subsection;
 - (d) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return; or
 - (e) Motor vehicles used for the transportation of fly ash, in bags, sacks, or other containers, the aggregate weight of which does not exceed ten thousand (10,000) pounds; or bottom ash, waste ash, sludge, and pozatec which is being removed from the premises of a power generator facility for the purpose of disposal;
- (3) Motor vehicles used exclusively as church buses and while operated in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities;
- (4) Motor vehicles used exclusively for the transportation of property belonging to a nonprofit cooperative association or its members where the vehicle is owned or leased exclusively by the association;
- (5) Motor vehicles owned in whole or in part by any person and used by such person to transport commodities of which such person is the bona fide owner, lessee, consignee, or bailee; provided, however, that such transportation is for the purpose of sale, lease, rent, or bailment, and is an incidental adjunct to an established private business owned and operated by such person within the scope and in furtherance of any primary commercial enterprise of such person other than the business of transportation of property for hire;
- (6) Motor vehicles used in pick-up or delivery service within a city or within a city and its commercial area for a carrier by rail;
- (7) Motor vehicles used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tippie where the railhead or tippie is located at a point not more than fifty (50) air miles from the point at which the coal is mined;
- (8) Motor vehicles used as ambulances in transporting wounded, injured, or sick animals or as ambulances as defined in *Section 1 of this Act* ~~[KRS 311.6521]~~;
- (9) Motor vehicles used by transit authorities as created and defined in KRS Chapter 96A except as required by KRS 96A.170. Vehicles operated under the authority and direct responsibility of such transit authorities, through contractual agreement, shall be included within this exemption, without regard to the legal ownership of the vehicles, but only for such times as they are operated under the authority and responsibility of the transit authority;
- (10) Motor vehicles having a seating capacity of fifteen (15) or fewer passengers and while transporting persons between their places of residence, on the one hand, and, on the other, their places of employment, provided the driver himself is on his way to or from his place of employment, and further provided that any person who operates or controls the operation of vehicles hereunder of which said person is the owner or lessee, and any spouse of said person and any partnership or corporation with said person or his spouse having an interest therein doing such, shall be eligible to so operate an aggregate number of not more than one (1) vehicle on other than a nonprofit basis;

- (11) Motor vehicles used to transport cash letters, data processing material, instruments, or documents, regardless of the ownership of any of said cash letters, data processing material, instruments, or documents;
- (12) Motor vehicles operated by integrated intermodal small package carriers who provide intermodal-air-and-ground-transportation. For the purposes of this section, "integrated intermodal small package carrier" shall mean an air carrier holding a certificate of public convenience and necessity or qualifying as an indirect air carrier that undertakes, by itself or through a company affiliated through common ownership, to provide intermodal-air-and-ground-transportation, and "intermodal-air-and-ground-transportation" shall mean transportation involving the carriage of articles weighing not more than one hundred fifty (150) pounds by aircraft or other forms of transportation, including by motor vehicle, wholly within the Commonwealth of Kentucky. The incidental or occasional use of aircraft in transporting packages or articles shall not constitute an integrated intermodal operation within the meaning of this section; or
- (13) Motor vehicles operated pursuant to a grant of funds in furtherance of and governed by 49 U.S.C. secs. 5310 or 5311, including all amendments, and whose operators have jurisdictions and services approved annually by the Transportation Cabinet in accordance with 49 C.F.R. Title VI.

Section 39. KRS 311.666 is amended to read as follows:

As used in KRS 311.665 to 311.669, unless the context requires otherwise:

- (1) "Automated external defibrillator" or "AED" means an external defibrillator capable of cardiac rhythm analysis which will charge and, with or without further operator action, deliver a shock after electronically detecting and assessing ventricular fibrillation or rapid ventricular tachycardia. These devices are known as fully or semiautomatic defibrillators;
- (2) "Cardiopulmonary resuscitation" or "CPR" means a basic emergency procedure for life support, consisting of artificial respiration and manual external cardiac massage; and
- (3) "Emergency medical services system" means the same as in *Section 1 of this Act* ~~[KRS 311.6521]~~.

Section 40. KRS 311.669 is amended to read as follows:

- (1) The provisions of KRS 311.665 to 311.669 shall not apply to the use of an AED by:
 - (a) Physicians, podiatrists, or osteopaths licensed under KRS Chapter 311 or chiropractors licensed under KRS Chapter 312;
 - (b) Physician assistants as defined in KRS 311.550;
 - (c) Registered nurses, practical nurses, or advanced registered nurse practitioners licensed under KRS Chapter 314;
 - (d) Dentists licensed under KRS Chapter 313; or
 - (e) Paramedics *licensed or first responders* ~~[certified under KRS 311.654]~~, or emergency medical technicians *certified*, under KRS *Chapter 311A* ~~[211.964]~~.
- (2) Nothing in this section shall preclude the licensing boards referred to in subsection (1) of this section from requiring continuing education or training on the use of an AED.

Section 41. KRS 314.181 is amended to read as follows:

- (1) A registered nurse who is employed by an ambulance service shall complete training in determination of death and preservation of evidence as required by the board through the promulgation of administrative regulations in accordance with KRS Chapter 13A.
- (2) A registered nurse who is employed by an ambulance service shall determine whether or not a patient served by the ambulance service is dead. The registered nurse shall utilize the protocol specified by the board by administrative regulations. The registered nurse shall, when responding to a patient, first attempt resuscitation, unless the protocol indicates that the patient is not capable of being resuscitated.
- (3) If it is determined that death has occurred in accordance with the procedures of KRS 446.400(1) concerning patients whose circulation and respiration are not being artificially maintained, the registered nurse who is employed by an ambulance service may make the actual determination and pronouncement of death.

- (4) When the determination and pronouncement of death of a patient whose circulation and respiration are not being artificially maintained, as required under KRS 446.400(1), occurs in a hospital or nursing facility, that declaration may be made by a registered nurse, in addition to any other person permitted by law to determine and pronounce death. The nurse shall notify the patient's attending physician of the death in accordance with the hospital's or facility's policy.
- (5) In the event that a registered nurse who is employed by an ambulance service determines that a person is dead, the registered nurse shall make the notifications required by KRS 72.020 and take the protective actions required by that statute.
- (6) The administration of cardiopulmonary resuscitation or other basic life support measures to the apparently dead person, prior to the arrival of the registered nurse who is employed by an ambulance service, by any person shall not be considered as artificial maintenance of respiration and circulation for the purposes of this section and KRS 446.400. The administration of advanced cardiac life support procedures by any person, other than a paramedic rendering care pursuant to **Section 33 of this Act** ~~KRS 311.660~~, prior to the arrival of the registered nurse shall preclude the determination of death by the registered nurse, and the provisions of KRS 446.400 shall apply. Nothing in this section shall preclude the supervising physician from directing the registered nurse who is employed by an ambulance service to cease resuscitative efforts under approved agency medical protocols.
- (7) The resuscitative efforts of a nurse under protocols authorized by this section shall not invoke the provisions of KRS 446.400.

Section 42. KRS 311.990 is amended to read as follows:

- (1) Any person who violates KRS 311.250 shall be guilty of a violation.
- (2) Any college or professor thereof violating the provisions of KRS 311.300 to 311.350 shall be civilly liable on his bond for a sum not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each violation, which may be recovered by an action in the name of the Commonwealth.
- (3) Any person who presents to the county clerk for the purpose of registration any license which has been fraudulently obtained, or obtains any license under KRS 311.380 to 311.510 by false or fraudulent statement or representation, or practices podiatry under a false or assumed name or falsely impersonates another practitioner or former practitioner of a like or different name, or aids and abets any person in the practice of podiatry within the state without conforming to the requirements of KRS 311.380 to 311.510, or otherwise violates or neglects to comply with any of the provisions of KRS 311.380 to 311.510, shall be guilty of a Class A misdemeanor. Each case of practicing podiatry in violation of the provisions of KRS 311.380 to 311.510 shall be considered a separate offense.
- (4) Each first violation of KRS 311.560 is a Class A misdemeanor. Each subsequent violation of KRS 311.560 shall constitute a Class D felony.
- (5) Each violation of KRS 311.590 shall constitute a Class D felony. Conviction under this subsection of a holder of a license or permit shall result automatically in permanent revocation of such license or permit.
- (6) Conviction of willfully resisting, preventing, impeding, obstructing, threatening, or interfering with the board or any of its members, or of any officer, agent, inspector, or investigator of the board or the Cabinet for Health Services, in the administration of any of the provisions of KRS 311.550 to 311.620 shall be a Class A misdemeanor.
- (7) Each violation of subsection (1) of KRS 311.375 shall, for the first offense, be a Class B misdemeanor, and, for each subsequent offense shall be a Class A misdemeanor.
- (8) Each violation of subsection (2) of KRS 311.375 shall, for the first offense, be a violation, and, for each subsequent offense, be a Class B misdemeanor.
- (9) Each day of violation of either subsection of KRS 311.375 shall constitute a separate offense.
- (10) (a) Any person who intentionally or knowingly performs an abortion contrary to the requirements of KRS 311.723(1) shall be guilty of a Class D felony; and
 - (b) Any person who intentionally, knowingly, or recklessly violates the requirements of KRS 311.723(2) shall be guilty of a Class A misdemeanor.

- (11) (a) 1. Any physician who performs a partial-birth abortion in violation of KRS 311.765 shall be guilty of a Class D felony. However, a physician shall not be guilty of the criminal offense if the partial-birth abortion was necessary to save the life of the mother whose life was endangered by a physical disorder, illness, or injury.
- 2. A physician may seek a hearing before the State Board of Medical Licensure on whether the physician's conduct was necessary to save the life of the mother whose life was endangered by a physical disorder, illness, or injury. The board's findings, decided by majority vote of a quorum, shall be admissible at the trial of the physician. The board shall promulgate administrative regulations to carry out the provisions of this subparagraph.
- 3. Upon a motion of the physician, the court shall delay the beginning of the trial for not more than thirty (30) days to permit the hearing, referred to in subparagraph 2. of this paragraph, to occur.
- (b) Any person other than a physician who performs a partial-birth abortion shall not be prosecuted under this subsection but shall be prosecuted under provisions of law which prohibit any person other than a physician from performing any abortion.
- (c) No penalty shall be assessed against the woman upon whom the partial-birth abortion is performed or attempted to be performed.
- (12) Any person who intentionally performs an abortion with knowledge that, or with reckless disregard as to whether, the person upon whom the abortion is to be performed is an unemancipated minor, and who intentionally or knowingly fails to conform to any requirement of KRS 311.732 is guilty of a Class A misdemeanor.
- (13) Any person who negligently releases information or documents which are confidential under KRS 311.732 is guilty of a Class B misdemeanor.
- (14) Any person who performs an abortion upon a married woman either with knowledge or in reckless disregard of whether KRS 311.735 applies to her and who intentionally, knowingly, or recklessly fails to conform to the requirements of KRS 311.735 shall be guilty of a Class D felony.
- (15) Any person convicted of violating KRS 311.750 shall be guilty of a Class B felony.
- (16) Any person who violates KRS 311.760(2) shall be guilty of a Class D felony.
- (17) Any person who violates KRS 311.770 or 311.780 shall be guilty of a Class D felony.
- (18) A person convicted of violating KRS 311.780 shall be guilty of a Class C felony.
- (19) Any person who violates KRS 311.810 shall be guilty of a Class A misdemeanor.
- (20) Any professional medical association or society, licensed physician, or hospital or hospital medical staff who shall have violated the provisions of KRS 311.606 shall be guilty of a Class B misdemeanor.
- ~~(21) Any person who falsely represents that he or she is a paramedic, emergency medical technician first responder, or medical technician shall be guilty of a Class A misdemeanor.~~
- ~~(22)~~ Any administrator, officer, or employee of a publicly owned hospital or publicly owned health care facility who performs or permits the performance of abortions in violation of KRS 311.800(1) shall be guilty of a Class A misdemeanor.
- ~~(22)~~~~(23)~~ Any person who violates KRS 311.914 shall be guilty of a violation.
- ~~(23)~~~~(24)~~ Any person who violates the provisions of KRS 311.820 shall be guilty of a Class A misdemeanor.
- ~~(24)~~~~(25)~~ (a) Any person who fails to test organs, skin, or other human tissue which is to be transplanted, or violates the confidentiality provisions required by KRS 311.281, shall be guilty of a Class A misdemeanor;
- (b) Any person who has human immunodeficiency virus infection, who knows he is infected with human immunodeficiency virus, and who has been informed that he may communicate the infection by donating organs, skin, or other human tissue who donates organs, skin, or other human tissue shall be guilty of a Class D felony.

- (25)~~(26)~~ Any person who sells or makes a charge for any transplantable organ shall be guilty of a Class D felony.
- (26)~~(27)~~ Any person who offers remuneration for any transplantable organ for use in transplantation into himself shall be fined not less than five thousand dollars (\$5,000) nor more than fifty thousand dollars (\$50,000).
- (27)~~(28)~~ Any person brokering the sale or transfer of any transplantable organ shall be guilty of a Class C felony.
- (28)~~(29)~~ Any person charging a fee associated with the transplantation of a transplantable organ in excess of the direct and indirect costs of procuring, distributing, or transplanting the transplantable organ shall be fined not less than fifty thousand dollars (\$50,000) nor more than five hundred thousand dollars (\$500,000).
- (29)~~(30)~~ Any hospital performing transplantable organ transplants which knowingly fails to report the possible sale, purchase, or brokering of a transplantable organ shall be fined not less than ten thousand dollars (\$10,000) or more than fifty thousand dollars (\$50,000).

SECTION 43. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *Any emergency medical technician or paramedic may administer epinephrine to any person whom the EMT or paramedic has been called to attend if the EMT or paramedic makes an assessment that the person is exhibiting symptoms consistent with an anaphylactic reaction. The EMT or paramedic shall follow the medical protocol established by the medical director of the employing licensed ambulance service in determining the appropriate dose or doses of epinephrine and the routes for administration.*
- (2) *Every ambulance provider in the Commonwealth shall:*
 - (a) *Maintain an adequate supply of epinephrine and disposable sterile needles and syringes on every ambulance that it operates; and*
 - (b) *Establish medical protocols to be used by EMT providers and paramedics in determining symptoms of an anaphylactic reaction, the appropriate dose or doses of epinephrine, and the routes for administration.*

SECTION 44. A NEW SECTION OF KRS CHAPTER 311A IS CREATED TO READ AS FOLLOWS:

- (1) *The provisions of Section 9 of this Act relating to the certification and licensure of a felon as a first responder, emergency medical technician, or paramedic to the contrary notwithstanding, the board may issue a limited certification as a first responder or emergency medical technician or a limited license as a paramedic to a convicted felon who is currently serving a sentence for a felony and is in a facility operated by or under contract to the Department of Corrections.*
- (2) *A felon with a limited certification or license shall be limited to performing his or her services only upon other inmates, visitors, or staff of an institution operated by or under contract to the Department of Corrections.*
- (3) *Upon release by expiration of sentence, probation, shock probation, parole, or other form of early release or upon the escape of the inmate from confinement the license or certification shall automatically terminate. If the inmate has escaped from confinement he or she shall never be issued a future limited certification or license.*
- (4) *All other provisions of this chapter relating to first responders, emergency medical technicians, paramedics, and their employment and supervision shall apply to convicted felons with a limited license or certification.*
- (5) *An inmate who violates the provisions of this section shall be guilty of a Class D felony.*

Section 45. KRS 311.653 is repealed, reenacted as a new section of KRS Chapter 311A, and amended to read as follows:

The **Kentucky Board of Emergency Medical Services**~~[Board of Medical Licensure]~~ shall, by regulation, require an applicant for **licensure**~~[certification]~~ as a paramedic to have completed a **board or** Cabinet for Health Services-approved educational course on the transmission, control, treatment and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome with an emphasis on appropriate behavior and attitude change. **The board shall require continuing education that updates this training at least one (1) time every ten (10) years that is consistent with and as required for other health care providers under KRS 214.610.**

Section 46. KRS 311.6531 is repealed, reenacted as a new section of KRS Chapter 311A, and amended to read as follows:

As a condition of being issued a certificate *or license* as an emergency medical technician *or first responder*, the applicant shall have completed a Kentucky Board of Emergency Medical Services approved educational course on the transmission, control, treatment, and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome with an emphasis on appropriate behavior and attitude change. ***The board shall require continuing education that updates this training at least one (1) time every ten (10) years that is consistent with and as required for other health care providers under KRS 214.610.***

Section 47. KRS 214.610 is amended to read as follows:

- (1) (a) The Cabinet for Health Services or the licensing board or certifying entity, subject to the board's or entity's discretion, shall approve appropriate educational courses on the transmission, control, treatment, and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome, that may address appropriate behavior and attitude change, to be completed as specified in the respective chapters by each person licensed or certified under KRS Chapters 311, ***311A***, 312, 313, 314, 315, 320, 327, 333, and 335 ~~and emergency medical technicians certified pursuant to KRS Chapter 311~~. Each licensing board or certifying entity shall have the authority to determine whether it shall approve courses or use courses approved by the cabinet. Completion of the courses shall be required at the time of initial licensure or certification in the Commonwealth, as required under KRS 214.615 and 214.620, and shall not be required under this section or any other section more frequently than one (1) time every ten (10) years thereafter, unless the licensing board or certifying entity specifically requires more frequent completion under administrative regulations promulgated in accordance with KRS Chapter 13A.
- (b) The Department for Public Health shall publish on its Web site the current informational resources for the development of the educational courses or programs. To the extent possible, the educational courses or programs under this subsection shall:
 1. Include changes in Kentucky law affecting HIV testing and reporting; confidentiality and privacy of HIV-related data, information, and reports; and advances in treatment protocols, intervention protocols, coordination of services, and other information deemed important by the Department for Public Health and the Centers for Disease Control and Prevention (CDC);
 2. Inform all professions involved with or affected by the birthing process about the importance of HIV testing of pregnant women and the probability of preventing perinatal transmission of HIV with appropriate treatment; and
 3. Update all health care professionals identified under paragraph (a) of this subsection requesting information about the potential involvement of their occupation in the treatment or prevention of blood-borne pathogens with the latest CDC guidelines on occupational exposure to HIV and other blood-borne pathogens.
- (2) Each licensee or certificate holder shall submit confirmation on a form provided by the cabinet of having completed the course by July 1, 1991, except persons licensed under KRS Chapters 314 and 327 for whom the completion date shall be July 1, 1992.

Section 48. KRS 214.615 is amended to read as follows:

- (1) The licensing board or certifying entity shall require as a condition of granting a license or certificate under ***KRS Chapter 311A and as the chapters*** ~~specified in KRS 311.450, 311.601, 312.175, 313.080, 313.305, 314.073, 315.065, 320.280, 327.050, 333.190, 335.080, 335.090, 335.100, and 335.150~~ that an applicant making initial application for licensure or certification complete an educational course approved by the cabinet or the licensing board or certifying entity on the transmission, control, treatment, and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome. An applicant who has not taken a course at the time of licensure or certification shall upon an affidavit showing good cause be allowed six (6) months to complete this requirement.
- (2) The licensing board or certifying entity may promulgate administrative regulations to carry out the provisions of this section.

Section 49. KRS 214.620 is amended to read as follows:

- (1) The boards of the professions in ***KRS Chapter 311A and*** KRS 311.450, 311.571, 311.601, 312.085, 312.175, 313.040, 313.080, 313.290, 313.305, 314.041, 314.042, 314.051, 314.073, 315.050, 315.065, 320.250, 320.280, 327.050, 333.100, 333.190, 335.080, 335.090, 335.100, and 335.150, and the Cabinet for Health

Services shall begin planning for the implementation of those sections listed above which require, as a part of initial licensure *or certification*, applicants for certain specified professions to complete an educational course on the transmission, control, treatment, and prevention of human immunodeficiency virus and acquired immunodeficiency syndrome. The planning shall include collecting information from the facilities and programs which educate and train the licensed professionals affected by the licensure requirements of those sections listed above and shall also include developing administrative regulations for the implementation of the licensure requirements.

- (2) The Cabinet for Health Services shall develop, if requested by a licensing board or certifying entity, instructional material on the human immunodeficiency virus, including information related to methods of transmission, education, and infection control. The materials developed under this section shall be provided to persons licensed under KRS Chapters 317 and 317A. Costs of production and distribution of the instructional materials shall be wholly assumed from the fees assessed by the licensing boards which regulate the professionals who are provided with educational materials under this section. To expeditiously and economically develop, produce, and distribute the instructional material required under this section, the Cabinet for Health Services shall consult with the professional associations of professions to determine whether suitable instructional materials already exist that may be lawfully reproduced or reprinted.
- (3) The Cabinet for Human Resources shall require that, by July 1, 1992, all employees of health facilities defined in KRS 216B.015 shall have completed an educational course on the transmission, control, treatment, and prevention of the human immunodeficiency virus and acquired immunodeficiency syndrome with an emphasis on appropriate behavior and attitude change except for those employees who shall have completed such a course as required for their professional licensure or upon evidence that the employee received such a course from another health facility where the employee was previously employed.
- (4) Information on the human immunodeficiency virus infection shall be presented to any person who receives treatment at any hospital, however named, skilled-nursing facilities, primary-care centers, rural health clinics, outpatient clinics, ambulatory-care facilities, ambulatory surgical centers, and emergency-care centers licensed pursuant to KRS Chapter 216B. The information shall include, but not be limited to, methods of transmission and prevention and appropriate behavior and attitude change.
- (5) Notwithstanding any provision of law to the contrary, the licensing board or certifying entity of any profession required to complete the course described in subsection (1) or (2) of this section shall have the discretion to develop and approve its own instructional course to be required for the profession under the jurisdiction of the respective licensing board or certifying entity.

Section 50. The following KRS sections are repealed:

- 216B.410 Reports and records of licensed ambulance providers and medical first response providers -- Annual report by cabinet -- Exemptions from disclosure requirements.
- 311.652 Current valid license required -- Violation of law or regulation.
- 311.6521 Definitions for KRS 311.652 to 311.658.
- 311.6522 Current valid certification as emergency medical technician required -- Violation of law or administrative regulations.
- 311.6523 Kentucky Board of Emergency Medical Services -- Members -- Duties.
- 311.6524 Board to promulgate administrative regulations to carry out the functions of KRS 311.652 to 311.658.
- 311.6525 Legislative declaration of purpose of KRS 311.6526.
- 311.6526 Emergency Medical Services for Children Program.
- 311.654 Administrative regulations.
- 311.6541 Administrative regulations -- Certification and recertification procedures for emergency medical technicians and others.
- 311.656 Fees and charges.
- 311.6561 Fees and charges.
- 311.6563 Matching fund program to assist local units of government to purchase ambulances and equipment and provide for and educate trained emergency medical services personnel.

- 311.6577 Investigation and discipline of entities licensed by the board, paramedics, emergency medical technician first responders, and emergency medical technicians -- Sanctions -- Appeals.
- 311.6579 Certification and utilization of emergency medical technicians and first responders restricted.
- 311.658 Services permitted -- Supervision.
- 311.660 Paramedic's resuscitation protocol -- Determination of death -- Training -- Procedures not deemed artificial maintenance of respiration and circulation.

Approved April 5, 2002

CHAPTER 212

(HB 593)

AN ACT relating to high school athletics.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) *The agency designated by the Kentucky Board of Education to manage interscholastic athletics shall appoint a committee by September 1, 2002, to study the current format and scheduling of the state girls and boys high school basketball tournaments and consider the pros and cons of the scheduling, taking into consideration the physical and mental demands on the players, the impact on the school instructional calendar, the availability of facilities, and other related factors as determined by the committee.*
- (2) *The committee shall consist of the following representatives, one (1) of whom shall be male, and one (1) of whom shall be female, except in paragraphs (f) and (i):*
 - (a) *Two (2) coaches, who may be active or former coaches;*
 - (b) *Two (2) current superintendents of school districts that have high school athletic programs;*
 - (c) *Two (2) current high school principals;*
 - (d) *Two (2) former players, who participated in at least one (1) state tournament;*
 - (e) *Two (2) athletic directors, active or former;*
 - (f) *Two (2) former members of the board of control of the high school athletic association designated by the state board to govern interscholastic athletics;*
 - (g) *Two (2) active referees;*
 - (h) *Two (2) citizen members; and*
 - (i) *Two (2) members of the General Assembly, one (1) appointed by the Senate President and one (1) appointed by the Speaker of the House.*
- (3) *Representation appointed to the committee pursuant to subsections (2)(f) and (2)(i) of this section may be based on gender equity if female candidates are available.*
- (4) *The committee shall meet as needed during the 2002-2003 school year and make recommendations to the board of control of the athletics association prior to the scheduling of the high school tournaments for the 2003-2004 school year. The report shall also be presented to the Interim Joint Committee on Education.*

Approved April 5, 2002

CHAPTER 213

(HB 621)

AN ACT relating to school assessment and accountability.

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

Section 1. KRS 158.6453 is amended to read as follows:

- (1) The Kentucky Board of Education shall be responsible for creating and implementing a statewide assessment program to be known as the Commonwealth Accountability Testing System to ensure school accountability for student achievement of the goals set forth in KRS 158.645 and 158.6451. The board shall seek the advice of the Office of Education Accountability; the School Curriculum, Assessment, and Accountability Council; and the National Technical Advisory Panel on Assessment and Accountability in the development of the program. The statewide assessment program shall not include measurement of a student's ability to become a self-sufficient individual or to become a responsible member of a family, work group, or community.
- (2) The assessment program shall include the following components:
 - (a) A customized or commercially available norm-referenced test that measures, to the extent possible, the core content for assessment. The test shall provide valid and reliable results for individual students;
 - (b) Open-response or multiple-choice items, or both, to assess student skills in reading, mathematics, science, social studies, the arts, the humanities, and practical living and vocational studies; and an on-demand assessment of student writing. These assessments shall measure, to the extent possible, the core content for assessment;
 - (c) Writing portfolios consisting of samples of student work. After receiving the advice of the Writing Advisory Committee, the Kentucky Board of Education shall, by September 1 following April 14, 1998, file a notice of intent to promulgate an administrative regulation which reduces the teacher and student time involved in preparing a writing portfolio. Time reduction strategies included in the administrative regulation may include, but are not limited to, limiting the time spent on a single portfolio entry, limiting the number of revisions, or collecting entries at different grade levels;
 - (d) Performance assessment events for schools that have students enrolled in performing arts organizations sponsoring sanctioned events with an established protocol for adjudication; and
 - (e) A technically sound longitudinal comparison of the assessment results for the same students.
- (3) Kentucky teachers shall have a significant role in the design of the assessments. The assessments shall be designed to:
 - (a) Measure grade appropriate core academic content, basic skills, and higher-order thinking skills and their application. The assessment shall measure the core content for assessment used by the Department of Education during the 1997-98 school year. Any revisions to the core content for assessment shall be developed through a public process involving parents; educators at the elementary, secondary, and postsecondary education levels; professional education advocacy groups and organizations; and business and civic leaders and shall be distributed to all public schools;
 - (b) Provide valid and reliable scores for schools. If scores are reported for students individually, they shall be valid and reliable; and
 - (c) Minimize the time spent by teachers and students on assessment.
- (4) Results from the state assessment under this section shall be reported to the school districts and schools no later than ***one hundred fifty (150) days following the first day the assessment can be administered*** ~~September 15 of the following school year~~.
- (5) The Department of Education shall gather information to establish the validity of the assessment and accountability program. It shall develop a biennial plan for validation studies that shall include, but not be limited to, the consistency of student results across multiple measures, the congruence of school scores with documented improvements in instructional practice and the school learning environment, and the potential for all scores to yield fair, consistent, and accurate student performance level and school accountability decisions. Validation activities shall take place in a timely manner and shall include a review of the accuracy of scores assigned to students and schools, as well as of the testing materials. The plan shall be submitted to the Commission by July 1 of the first year of each biennium. A summary of the findings shall be submitted to the Legislative Research Commission by September 1 of the second year of the biennium.
- (6) In addition to statewide testing for the purpose of determining school success, the board shall have the responsibility of assisting local school districts and schools in developing and using continuous assessment strategies needed to assure student progress. The continuous assessment shall provide diagnostic information to improve instruction to meet the needs of individual students.

- (7) The Kentucky Board of Education, after the Department of Education has received advice from the Office of Education Accountability; the School Curriculum, Assessment, and Accountability Council; and the National Technical Advisory Panel on Assessment and Accountability, shall promulgate an administrative regulation under KRS Chapter 13A to establish the components of a school report card that clearly communicates with parents and the public about school performance. The school report card shall be sent to the parents of the students of the districts, and a summary of the results for the district shall be published in the newspaper with the largest circulation in the county. It shall include, but not be limited to, the following components reported by race, gender, and disability when appropriate:
- (a) Student academic achievement, including the results from each of the assessments administered under this section;
 - (b) Nonacademic achievement, including the school's attendance, retention, dropout rates, and student transition to adult life; and
 - (c) School learning environment, including measures of parental involvement.

Approved April 5, 2002

CHAPTER 214

(HB 464)

AN ACT relating to health departments.

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

Section 1. KRS 212.632 is amended to read as follows:

- (1) The board shall be composed of **thirteen (13)**~~nine (9)~~ members, one (1) of whom shall be an ex officio member and the mayor of the urban-county government, one (1) of whom shall be an ex officio member and a member of the urban-county government legislative body and appointed by the mayor, and **eleven (11)**~~seven (7)~~ of whom shall be appointed by the mayor with the approval of the urban-county government legislative body. Of the **eleven (11)**~~seven (7)~~ appointed members, three (3) shall be licensed and practicing physicians, one (1) a licensed and practicing dentist, one (1) a licensed and practicing registered nurse, and **six (6)**~~two (2)~~ members at large. Appointment of the physician, dentist, and nurse shall be made from a list of three (3) nominees submitted by any of the respective county professional societies for which a vacancy exists. All appointed members shall reside in the county of the board to which they are appointed and shall be eligible for reappointment.
- ~~(2) Of the original appointments to fill the seven (7) appointed positions on the board, the mayor shall, within thirty (30) days from July 1, 1977, appoint three (3) members for a term expiring June 30, 1978, and four (4) members for a term expiring June 30, 1979. All seven (7) original appointees shall be appointive members serving on the city-county board of health on July 1, 1977.~~
- ~~(3) At the expiration of any term of office of the seven (7) original appointees, the successor to each such member shall be appointed in the manner prescribed under the provisions of subsection (1) of this section for a term of office of two (2) years and until the successor is appointed and qualified.~~
- ~~(3) All vacancies occurring on the board by reason of death, resignation, disqualification, removal, or otherwise, shall be filled for the unexpired term in the manner prescribed under the provisions of subsection (1) of this section.~~

Section 2. KRS 212.633 is amended to read as follows:

- (1) The board shall elect from among its members a chairman who shall serve for a one (1) year term and be eligible for reelection.~~The chairman of the city-county board of health on July 1, 1977, shall serve the remainder of his term or for a period of one (1) year.~~ A quorum for all meetings of the board shall consist of a majority of the members of the board, except that for the selection or dismissal of the commissioner,~~the adoption of the annual budget and the adoption or amendment of regulations~~ a quorum shall consist of not fewer than **ten (10)**~~seven (7)~~ of the **thirteen (13)**~~nine (9)~~ members of the board. All official action by the board shall be by a vote of a majority of all board members present.

- (2) The board for administrative purposes may create ~~any[such]~~ committees and offices as it deems necessary ~~and~~ adopt any and all necessary and appropriate rules and regulations for the conduct of its business and for carrying out the provisions of KRS 212.626 to 212.639, and shall keep a record of its resolutions, transactions, findings, and determinations, which record shall be a public record. The board shall hold at least one (1) regular meeting in each month and ~~any[such]~~ other meetings upon call of the chairman of the board as may be necessary.

Section 3. KRS 212.740 is amended to read as follows:

Moneys derived in the manner provided by KRS 212.720 to 212.755 may be expended for the construction, alteration, or modification of a public health center or other suitable housing facility for the county or city-county health department *or urban-county department of health*.

Section 4. KRS 212.750 is amended to read as follows:

- (1) It is the intent of this section and KRS 212.755, inter alia, to create a public health taxing district via operation of law in every county of the Commonwealth that has not heretofore created same except in counties containing cities of the first class.
- (2) In all counties where a county or city-county health department *or urban-county department of health* has been established, except in counties containing a city of the first class, and a public health taxing district has not been established pursuant to the provisions of KRS 212.720 to 212.740, a public health taxing district is hereby declared to be created upon June 13, 1968, *or upon the creation of an urban-county department of health*. The members of the county~~[-]~~ or city-county board of health *or urban-county department of health* shall, by virtue of their office, constitute and be the governing body of the public health taxing district and shall perform the duties attendant thereto in addition to their duties as members of the county~~[-]~~ or city-county board of health *or urban-county department of health*. The officers of the county or city-county board of health *or urban-county department of health* shall be the officers of the public health taxing district.
- (3) Nothing in this section and KRS 212.755 shall in any way abridge the rights of two (2) or more counties from establishing a district health department.

Section 5. KRS 212.755 is amended to read as follows:

- (1) If, after the establishment of the public health taxing district as provided for in this section and KRS 212.750, the tax-levying authorities of the district, in the opinion of the county or city-county board of health *or urban-county department of health*, do not appropriate an amount sufficient to meet the public health needs of the county or the city-county health department *or urban-county department of health* or do not appropriate an amount sufficient to meet the standards prescribed by the Cabinet for Health Services for local health departments, the county or city-county board of health *or urban-county department of health*, acting as the governing body of the taxing district shall, with the approval of the Cabinet for Health Services, request the fiscal court *or urban-county government* to impose by resolution a special ad valorem public health tax in an amount that it deems sufficient, but not in excess of ten cents (\$0.10) per one hundred dollars (\$100) of full value assessed valuation. The fiscal court *or urban-county government* may, upon receipt of a duly certified copy of the resolution, include in the next county ad valorem tax levy the special public health tax imposed by the county or city-county board of health *or urban-county department of health*, which shall be in addition to all other county ad valorem taxes. If levied by the fiscal court *or urban-county government*, the special public health tax shall be collected in the same manner as are other county ad valorem taxes and turned over to the county or city-county board of health *or urban-county department of health* to be used solely for the maintenance and operation of the county, city-county, or district health department *or urban-county department of health* and as provided in KRS 212.740.
- (2) Public health taxing districts organized pursuant to the provisions of KRS 212.720 to 212.740 or organized pursuant to this section and KRS 212.750 shall not be subject to the provisions of the compensating tax rate as defined by KRS 132.010 nor to Chapter 2, 1965 First Extraordinary Session of the General Assembly; provided, however, that no public health taxing district shall impose a rate higher than ten cents (\$0.10) per one hundred dollars (\$100) of full value assessed valuation.

Section 6. The following KRS section is repealed:

212.634 Citizens' advisory council -- Membership -- Duties.

CHAPTER 215**(HB 625)**

AN ACT relating to worker's compensation.

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

Section 1. KRS 342.122 is amended to read as follows:

- (1)
 - (a) For calendar year 1997 and for each calendar year thereafter, for the purpose of funding and prefunding the liabilities of the special fund, financing the administration and operation of the Kentucky Workers' Compensation Funding Commission, and financing the expenditures for all programs in the Labor Cabinet, except the Division of Employment Standards, Apprenticeship and Training and the Office of Labor-Management Relations and Mediation, as reflected in the enacted budget of the Commonwealth and enacted by the General Assembly, the funding commission shall impose a special fund assessment rate of nine percent (9%) upon the amount of workers' compensation premiums received on and after January 1, 1997, through December 31, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every group of self-insurers operating under the provisions of KRS 342.350(4), and against the premium, as defined in KRS 342.0011, of every employer carrying his or her own risk.
 - (b) The funding commission shall, for calendar year 1998 and thereafter, establish for the special fund an assessment rate to be assessed against all premium received during that calendar year which, when added to the coal severance tax appropriated to the special fund in accordance with paragraph (c) of this section, shall produce enough revenue to amortize on a level basis the unfunded liability of the special fund as of September 1 preceding January 1 of each year, for the period remaining until December 31, 2018. The interest rate to be used in this calculation shall reflect the funding commission's investment experience to date and the current investment policies of the commission. This assessment shall be imposed upon the amount of workers' compensation premiums received by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every group of self-insurers operating under the provisions of KRS 342.350(4), and against the premium, as defined in KRS 342.0011, of every employer carrying his own risk.
 - (c) In addition to the assessment imposed in paragraph (a) or (b) of this subsection, and notwithstanding and prior to the transfer of funds to the Local Government Economic Assistance Program under KRS 42.450 to 42.495, the Kentucky Revenue Cabinet shall credit nineteen million dollars (\$19,000,000) in coal severance tax revenues levied under KRS 143.020 to the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission each year beginning with fiscal year 1998 and all fiscal years thereafter. The annual transfer of nineteen million dollars (\$19,000,000) shall occur in four (4) equal quarterly payments. These transfers shall occur not later than the last day of each quarter of each calendar year and shall consist of four (4) equal payments of four million, seven hundred fifty thousand dollars (\$4,750,000).
 - (d) All assessments imposed by this section shall be paid to the Kentucky Workers' Compensation Funding Commission and shall be credited to the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission.
 - (e) The assessments imposed in this chapter shall be in lieu of all other assessments or taxes on workers' compensation premiums.
- (2) These assessments shall be paid quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received. Receipt shall be considered timely through actual physical receipt or by postmark of the United States Postal Service. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments.
- (3) The assessments imposed by this section may be collected by the insurance carrier from his insured. However, the insurance carrier shall not collect from the employer any amount exceeding the assessments imposed pursuant to this section. If the insurance carrier collects the assessment from an insured, the assessment shall be collected at the same time and in the same proportion as the premium is collected. The assessment for an insurance policy or other evidence of coverage providing a deductible may be collected in accordance with this

chapter on a premium amount that equates to the premium that would have applied without the deductible. Each statement from an insurance carrier presented to an insured reflecting premium and assessment amounts shall clearly identify and distinguish the amount to be paid for premium and the amount to be paid for assessments. No insurance carrier shall collect from an insured an amount in excess of the assessment percentages imposed by this chapter. The assessment for an insurance policy or other evidence of coverage providing a deductible may be collected in accordance with this chapter on a premium amount that equates to the premium that would have applied without the deductible. The percentages imposed by this chapter for an insurance policy issued by an insurance company shall be those percentages in effect on the annual effective date of the policy, regardless of the date that the premium is actually received by the insurance company.

- (4) A group self-insurance association may elect to report its premiums and to have its assessments computed in the same manner as insurance companies. This election may not be rescinded for at least ten (10) years, nor may this election be made a second time for at least another ten (10) years, ***except that the board of directors of the funding commission may, at its discretion, waive the ten (10) year ban on a case-by-case basis after formal petition has been made to the funding commission by a group self-insurance association.***
- (5) The funding commission, as part of the collection and auditing of the special fund assessments required by this section, shall annually require each insurance carrier and each group self-insurer to provide a list of employers which it has insured or which are members and the amount collected from each employer. Additionally, the funding commission shall require each entity paying a special fund assessment to report the SIC code for each employer and the amount of premium collected from each SIC code. An insurance carrier or group self-insurer may require its insureds or members to furnish the SIC code for each of their employees. However, the failure of any employer to furnish said codes shall not relieve the insurance carrier or group self-insurer from the obligation to furnish same to the funding commission. The Department for Employment Services, Cabinet for Workforce Development is hereby directed to make available the SIC codes assigned in its records to specific employers to aid in the reporting and recording of the special fund assessment data.
- (6) Each self-insured employer, group self-insurer, or insurance carrier shall provide any information and submit any reports the Revenue Cabinet or the funding commission may require to effectuate the provisions of this section. In addition, the funding commission may enter reciprocal agreements with other governmental agencies for the exchange of information necessary to effectuate the provisions of this section.
- (7) The special fund shall be required to maintain a central claim registry of all claims to which it is named a party, giving each such claim a unique claim number and thereafter recording the status of each claim on a current basis. The registry shall be established by January 26, 1988, for all claims on which payments were made since July 1, 1986, or which were pending adjudication since July 1, 1986, by audit of all claim files in the possession of the special fund.
- (8) The fund heretofore designated as the subsequent claim fund is abolished, and there is substituted therefor the special fund as set out by this section, and all moneys and properties owned by the subsequent claim fund are transferred to the special fund.
- (9) Notwithstanding any other provisions of this section or this chapter to the contrary, the total amount of funds collected pursuant to the assessment rates adopted by the funding commission shall not be limited to the provisions of this section.
- (10) All assessment rates imposed for periods prior to January 1, 1997, under KRS 342.122 shall forever remain applicable to premiums received on policies with effective dates prior to January 1, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth, by every group of self-insurers operating under the provision of KRS 342.350(4), and against the premium, as defined in KRS 342.0011, of every employer carrying his own risk.

Approved April 5, 2002

CHAPTER 216

(HB 688)

AN ACT relating to contract formation.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 372 IS CREATED TO READ AS FOLLOWS:

- (1) Any term which is defined in the Uniform Commercial Code, KRS Chapter 355, shall have that same meaning in this section, unless the context otherwise requires.
- (2) Any person soliciting business in this Commonwealth who intends to make an offer for contract formation by sending through the mail, as part of the solicitation, what appears to be a check or other item payable to the recipient where the indorsement and subsequent negotiation of the item by the recipient is intended by any party to the item, or agent or assignee thereof, to form an acceptance of the contract shall make the following disclosure in upper case twelve (12) point bold face type immediately adjacent to the designated place of indorsement: **"BY SIGNING AND DELIVERING THIS DOCUMENT YOU AGREE TO PAY FOR FUTURE SERVICES ARISING OUT OF THIS CONTRACT."**
- (3) A purported offer described in subsection (2) of this section that does not contain the required disclosure, to the extent a subsequent indorsement and negotiation of the item would otherwise constitute an acceptance, shall not be a valid offer for contract formation in this Commonwealth.
- (4) If a purported offer which meets the requirements in subsection (2) relates to a free membership period, trial period, or some other similar acceptance incentive that is prescribed by a time limit and which purports to form a contract without a cancellation, rescission, revocation, or other form of termination by the recipient prior to the end of such a period, then the offeror shall send notice to the recipient at least two (2) weeks prior to the end of that time period of the recipient's purported obligation to cancel, rescind, revoke, or otherwise terminate the recipient's purported acceptance before a purported contract is formed. The notice shall be readily apparent on any communication from the offeror and it shall be in upper case twelve (12) point bold face type and in the following form: **"YOU MUST ACT NOW TO AVOID FUTURE CHARGES."** Any time period described under this subsection that is part of a purported offer described in subsection (2) of this section and that is less than two (2) weeks shall not be a valid offer for contract formation in this Commonwealth.
- (5) If a purported offer described in subsection (2) of this section does not contain the required disclosure, or is not followed by the required notice, then any goods or services delivered to the recipient pursuant to the purported offer shall not operate to form a contract by or between the offeror and the recipient. Any such offer or purported contract as a result thereof is void as against the public policy of the Commonwealth.
- (6) An attempt by an offeror, or an agent or assignee thereof, to enforce a purported contract or to bind a recipient to a purported acceptance arising out of a purported offer that does not comply with this section shall be a violation of the Consumer Protection Act, KRS 367.170 to 367.300. Remedies available for a violation of KRS 367.170 to 367.300 shall be in addition to any remedies available at common law or under this section.
- (7) The Attorney General, Commonwealth's attorneys, and county attorneys shall have concurrent jurisdiction to enforce the provisions of this section in a court of the county where the purported offer was received.
- (8) Any waiver by the recipient of jurisdiction for actions arising out of a purported offer under this section shall be void. Any depository bank or holder in due course of an item which does not meet the requirements of subsection (2) of this section or, as the case may be subsection (4) of this section, shall be held harmless by the offeror of the item, or an agent or assignee thereof.
- (9) Nothing contained in this section shall apply to licensed lenders that are regulated by the Commonwealth of Kentucky, or to a bank regulated by the federal government or any agency thereof.

Approved April 5, 2002

CHAPTER 217

(HB 745)

AN ACT relating to oil and gas.

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

Section 1. KRS 353.640 is amended to read as follows:

- (1) The operator shall provide a list to the department of all persons reasonably known to own an oil or gas interest in any tract, or portion thereof, proposed to be pooled in an application to the department for a pooling order.

A pooling order shall be made only after the department provides notice to all persons reasonably known to own an oil or gas interest in any tract, or a portion thereof, proposed to be pooled after a hearing has been held. In the event of the filing of an application for a pooling order under KRS 353.630(2) where unknown owners or nonlocatable owners exist, the operator shall cause to be published, at least twenty (20) days prior to the hearing on the application for the pooling order, one (1) notice in the newspaper of the largest circulation in each county in which any tract, or portion thereof, proposed to be pooled is located. The notice shall:

- (a) State that an application for a pooling order is being filed with the Division of Oil and Gas in the department;
 - (b) Describe any tract, or portion thereof, proposed to be pooled;
 - (c) In the case of an unknown owner, identify the name of the last known owner;
 - (d) In the case of a nonlocatable owner, identify the owner and the owner's last known address; and
 - (e) State that any party claiming an interest in any tract, or portion thereof, proposed to be pooled should contact ***the operator at the published address and provide a copy of the notification to*** the director of the Division of Oil and Gas in the department within twenty (20) days of the date of publication.
- (2) A pooling order shall authorize the drilling, deepening, or reopening, and the operation of a well for the production of oil or gas on the tracts or portions thereof pooled; shall designate the operator to drill and operate the well; shall prescribe the time and manner in which all owners of operating interests in the pooled tracts or portions thereof may elect to participate therein; shall provide that all reasonable costs and expenses of drilling, deepening, or reopening, and the completing, operating, plugging, and abandoning the well shall be borne, and all production from the well shall be shared by all owners of operating interests in proportion to the net mineral acres in the pooled tracts owned or under lease to each owner; and shall make provision for the payment of the reasonable actual cost thereof, including a reasonable charge for supervision, by all those who elect to participate therein.
- (3) ***A pooling order shall establish a procedure for the owner of an operating interest who does not decide to become a participating operator to elect to either:***
- (a) ***Surrender, by means of sale or lease, the interest to a participating operator on a reasonable basis and for a reasonable consideration, which if not agreed upon shall be determined by the director; or***
 - (b) ***Share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to his or her share equal two hundred percent (200%) of the share of the costs allocable to his or her interest.***
- (4) ***An oil or gas owner whose identity and location remain unknown at the conclusion of a hearing concerning the entry of a pooling order for which public notice was given and whose interest is pooled pursuant to KRS 353.630(3) shall be deemed to have elected to lease the interest to the oil or gas operator, exclusive of one-eighth (1/8) of the production attributable to the unleased interest, and shall not be entitled to make the election established in subsection (3) of this section.***
- (5) ***Except as provided in this subsection, an oil or gas owner who does not make an election under the pooling order within thirty (30) days of the entry of the order shall be deemed to have leased the oil or gas interest to the oil or gas well operator in the manner established in subsection (4) of this section. If the holder of an operating interest has obtained the interest by lease or other agreement granting the right to conduct operations to anyone other than the holder of the oil and gas estate, and if the owner of the operating interest does not make an election under the pooling order, the holder of the operating interest shall be deemed to have elected to share in the operation of the well as a nonparticipating operator on a carried basis after the proceeds allocable to his or her share equal two hundred percent (200%) of the share of the costs allocable to his or her interest.***
- (6) ***A person whose interest is subject to an oil or gas lease or other agreement which grants to another the right to operate or conduct operations shall not own an operating interest for the purposes of subsection (3) of this section.***~~Upon request a pooling order shall provide one (1) or more just and equitable alternatives whereby, an owner of an operating interest, who does not elect to participate in the risk and cost of the drilling, deepening, or reopening of a well:~~
- ~~(a) May elect to surrender his interest or a portion thereof to the participating owners on a reasonable basis and for a reasonable consideration which, if not agreed upon, shall be determined by the director; or~~

~~(b) May elect to participate in the drilling, deepening, or reopening of the well on a limited or carried basis upon terms and conditions determined by the director to be just and reasonable.~~

- (7)(4) A certified copy of any pooling order entered under KRS 353.500 to 353.720 shall be entitled to be recorded in the office of the county clerk of the county or counties in which all or any portion of the pooled tract is located, and the record of the order, from the time of lodging the order for record, shall be notice of the order to all persons.

Approved April 5, 2002

CHAPTER 218

(HB 628)

AN ACT relating to Commonwealth's attorneys and declaring an emergency.

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

Section 1. (1) The Honorable C. Clay Hundley, Jr., of Monroe County, Kentucky, elected to serve as Commonwealth's attorney for the Twenty-ninth Judicial Circuit, shall be, for the remainder of the term for which he was elected, Commonwealth's attorney for the Fortieth Judicial Circuit.

(2) The Honorable Larry E. Rogers, of Wayne County, Kentucky, elected to serve as Commonwealth's attorney for the Fortieth Judicial Circuit, shall be, for the remainder of the term for which he was elected, Commonwealth's attorney for the Fifty-seventh Judicial Circuit.

(3) A vacancy shall exist in the office of Commonwealth's attorney for the Twenty-ninth Judicial Circuit, until it is filled by gubernatorial appointment or election, whichever occurs first.

Section 2. Whereas KRS 23A.020, as amended by 2001 Ky. Acts ch. 72, sec. 1, changes the composition of the Twenty-ninth and Fortieth Judicial Circuits and creates the Fifty-seventh Judicial Circuit, an emergency is declared to exist, and this Act takes effect April 1, 2002. If this Act is passed and approved by the Governor or otherwise becomes a law after April 1, 2002, its provisions are retroactive to April 1, 2002.

Approved April 5, 2002

CHAPTER 219

(HB 184)

AN ACT relating to the Department of Corrections.

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

Section 1. KRS 196.160 is amended to read as follows:

- (1) The commissioner shall appoint a warden, a receiver, and other necessary employees for each of the state penal and correctional institutions. The compensation of these officers and employees may include maintenance. The commissioner may require these officers and employees to wear uniforms and to adopt, amend, or rescind administrative regulations governing dress and grooming standards of these uniformed officers and employees.
- (2) The department shall make the contributions required by KRS 61.592 for participation in the hazardous duty retirement program by its employees in those positions in state correctional institutions and the Kentucky Correctional Psychiatric Center with duties that regularly and routinely require face-to-face contact with inmates.
- (3) *For those employees included in subsection (2) of this section and those whose primary workplace is a state correctional institution or the Kentucky Correctional Psychiatric Center, the department shall institute a career retention program, including salary improvements earned through extended time in qualifying public service. Salary improvements shall be effected by increasing the base salary of each employee in the career retention program by a set monthly amount after the employee's completion of the first two (2), four (4), six (6), eight (8), and ten (10) years of employment served after, and not prior to, July 1, 2002. The amount of the base salary increase to be awarded an employee after the employee's completion of a*

qualifying amount of public service under this subsection shall be as set out in the executive branch budget for each biennium following the 2002-2004 biennium in an amount calculated to recruit and retain qualified correctional personnel. Salary increases required by this subsection shall be in addition to any other increase authorized by law.

Approved April 5, 2002

CHAPTER 220

(HJR 5)

A JOINT RESOLUTION naming the "Frank Ramsey, Jr. Drive" in Hopkins County.

WHEREAS, Frank Ramsey was born on July 13, 1931, in Corydon, Kentucky; and

WHEREAS, Frank Ramsey was a basketball standout from a very early age, earning All-State honors for Madisonville High School in both 1948 and 1949; and

WHEREAS, Frank Ramsey continued his basketball career at the University of Kentucky under the tutelage of legendary coach Adolph Rupp; and

WHEREAS, Frank Ramsey had an immediate impact on the Wildcats, leading Kentucky to the 1951 NCAA Championship in his first collegiate season; and

WHEREAS, Frank Ramsey continued his stellar play throughout his college career, earning All-SEC honors in 1951, 1952, and 1954, and All-American accolades in 1952 and 1954; and

WHEREAS, Frank Ramsey's 1,344 career points, 22nd best in school history, and 1,038 career rebounds, second best in school history, serve as lasting evidence of his excellence on the collegiate hardwood nearly fifty years after the conclusion of his career; and

WHEREAS, Frank Ramsey's record of stellar play and championships continued with the legendary Boston Celtics of the National Basketball Association; and

WHEREAS, Frank Ramsey solidified his place in Celtic history with a 20-foot jump shot in double overtime of the seventh game of the 1957 NBA Championship series which propelled Boston to its first world title; and

WHEREAS, Frank Ramsey's career with the Celtics spanned nine seasons and seven NBA Championships, including six in succession from 1959 through 1964; and

WHEREAS, Frank Ramsey, although talented enough to start for most professional clubs, popularized the role of "sixth man" with the Celtics, providing a spark off the bench throughout his career; and

WHEREAS, Frank Ramsey's NBA career scoring average of 13.4 points per game is testament to a sustained level of excellent play; and

WHEREAS, Frank Ramsey bears the unique distinction of have his jersey number 30 retired by the University of Kentucky and his number 23 retired by the Boston Celtics, two of the greatest teams in basketball history honoring the same man; and

WHEREAS, Frank Ramsey, the "Kentucky Colonel" retired to his Kentucky home in 1964 to pursue business and banking interests, and also coached the Kentucky Colonels of the American Basketball Association for one year, leading the team to the playoffs in 1970; and

WHEREAS, Frank Ramsey's life and career in the sport of basketball were commemorated for the ages when, on May 3, 1982, he was enshrined into the Naismith Memorial Basketball Hall of Fame;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet is directed to rename United States Route 41 from Kentucky Route 70 (McLaughlin Avenue) extending south to the city limits of Madisonville the "Frank Ramsey, Jr. Drive."

Section 2. The Transportation Cabinet shall erect signs identifying the "Frank Ramsey, Jr. Drive" within thirty days of the effective date of this Resolution at each end of the route specified in Section 1 of this Resolution, and at appropriate intervals along the route.

Approved April 5, 2002

CHAPTER 221

(HJR 4)

A JOINT RESOLUTION naming "The Lee Trover Todd Highway."

WHEREAS, Lee Trover Todd was born in Earlington, Kentucky, a small community of approximately 1,800 nestled in south central Hopkins County; and

WHEREAS, Lee Trover Todd was a gifted student who received his Bachelor of Science degree in electrical engineering from the University of Kentucky in 1968, and his Masters and Doctorate degrees in electrical engineering from the Massachusetts Institute of Technology (MIT) in 1970 and 1973 respectively; and

WHEREAS, a brilliant engineer, Dr. Todd received six patents in the area of high-resolution display technology during his years as a graduate student at MIT; and

WHEREAS, beginning in 1974, Dr. Todd served for nine years as a professor and researcher in the electrical engineering department at the University of Kentucky (UK); and

WHEREAS, during his tenure at UK, Dr. Todd won several teaching awards including the UK Alumni Association Great Teacher Award, and he was an active member of the University Senate, the President's Advisory Committee, as well as acting as chairman of the College of Engineering Dean Search Committee; and

WHEREAS, in 1981 Dr. Todd founded Projectron, Inc., a company that manufactured projection picture tubes that are used in approximately 90% of commercial flight simulators and numerous military simulators; and

WHEREAS, after Projectron was purchased by Hughes Aircraft Company in 1990, Dr. Todd was instrumental in convincing the company to move several of its operations from California and New York to UK's Coldstream Research Campus in Lexington; and

WHEREAS, in 1976 Dr. Todd incorporated DataBeam Corporation, which has become the world's leading provider of real-time collaboration and real-time distant learning software and development platforms; and

WHEREAS, DataBeam Corporation was acquired by IBM in 1998 and now reports to Lotus Development Company which is a subsidiary of IBM; and

WHEREAS, Dr. Todd was recently promoted to the position of Senior Vice President of Lotus Development where he is responsible for the Messaging and Collaboration Business Unit; and

WHEREAS, Dr. Todd co-founded the Kentucky Science and Technology Corporation which is a not-for-profit organization devoted to increasing university research capacity, developing science and technology education programs in grades K-12, and encouraging an entrepreneurial economy in Kentucky; and

WHEREAS, Dr. Todd has worked tirelessly to bring millions of dollars in research and development funding to the Commonwealth through his position as Co-Chair of the PRISM project which was the major math and science initiative of KERA, as well as co-authoring the proposal that resulted in Kentucky being selected as an EPSCOR (Experimental Program to Stimulate Competitive Research) state; and

WHEREAS, in addition to being active in the business community, Dr. Todd took time from his hectic schedule to be a member of the Committee for Reform of the Cabinet for Economic Development; and

WHEREAS, Dr. Todd has remained active in the world of education by serving as a gubernatorial appointee to the Governor's Council on Science and Technology, the Technology and Workforce Committee under a Quality and Efficiency Task Force, as well as currently serving on the Council on Postsecondary Education as chair of the Distant Learning Advisory Committee; and

WHEREAS, in 1997, Dr. Todd was inducted into UK's Engineering Hall of Distinction; and

WHEREAS, Dr. Todd is the loving husband of Patricia Brantley Todd and the devoted father of a son, Troy, and a daughter, Kathryn; and

WHEREAS, on January 23, 2001, Earlington's native son, Dr. Lee Trover Todd, was named president-elect of the University of Kentucky by a unanimous vote of the Board of Trustees with his official term as UK's Eleventh President beginning on July 1, 2001;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The members of this body, both collectively and individually, do hereby proclaim Dr. Lee Trover Todd to be an outstanding citizen and exemplary representative of the Commonwealth.

Section 2. The Transportation Cabinet shall, within thirty (30) days of the effective date of this Resolution, erect signs on United States Route 41 in Hopkins County at the northern and southern limits of the City of Earlington that read "The Lee Trover Todd Highway."

Approved April 5, 2002

CHAPTER 222

(HJR 188)

A JOINT RESOLUTION urging local school districts, postsecondary education institutions, the Kentucky Department of Education, and other education entities to promote the formation of Future Educators Clubs.

WHEREAS, Kentucky is facing critical teacher shortages; and

WHEREAS, it is essential that quality teaching be made available to all Kentucky students; and

WHEREAS, it is in Kentucky's best interest that the best and brightest students be recruited into the field of teaching; and

WHEREAS, Future Educators Clubs, sponsored by Phi Delta Kappa, help middle and high school students explore careers in education, provide service opportunities to students, and offer schools and communities a chance to "grow their own teachers"; and

WHEREAS, Future Educators Clubs serve to elevate the role of teachers and provide new opportunities for communication about education and its place in the community; and

WHEREAS, Future Educators Clubs help teachers examine and explain their role in students' lives; and

WHEREAS, Future Educators Clubs can create a positive image of teaching for students, parents, and other citizens; and

WHEREAS, Future Educators Clubs currently do not exist widespread across Kentucky;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly urges the Kentucky Department of Education to utilize a portion of existing funds designated for teacher recruitment to provide planning grants to local school districts to organize local Future Educators Clubs.

Section 2. The General Assembly requests that the Kentucky Department of Education initiate discussions and planning activities with public and private postsecondary education institutions, local school districts, and other education entities and professionally related organizations to develop a coordination plan for the development of Future Educators Clubs. The purpose of the coordination plan is to produce the following result:

(a) Identification of a lead agency or lead agencies to coordinate the development of Future Educators Clubs or other appropriate design for coordination;

(b) Assistance to local teachers to establish local Future Educators Clubs;

(c) An annual statewide conference for members of Future Educators Clubs;

(d) Access to resource materials and training to aid in the development of local Future Educators Clubs;

- (e) Coordination and leadership for local districts that request assistance;
- (f) Access to scholarships for students who choose teaching as a career path; and
- (g) Other outcomes as determined by the group.

Approved April 5, 2002

CHAPTER 223

(HCR 66)

A CONCURRENT RESOLUTION confirming the appointment of Vickie Yates Brown to the Kentucky Agricultural Development Board.

WHEREAS, KRS 248.707 requires the Governor to appoint members to the Agricultural Development Board subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, on June 15, 2001, by Executive Order 2001-736, the Governor appointed Vickie Yates Brown to the Agricultural Development Board for a term expiring July 6, 2002; and

WHEREAS, Vickie Yates Brown has been appointed as meeting the requirements of KRS 248.707, being an attorney with farm experience and familiarity with agricultural policy and who otherwise meets the requirements of KRS 11.160;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. Consent is given to the appointment of Vickie Yates Brown to the Agricultural Development Board for a term to expire on July 6, 2002.

Section 2. The Clerk of the House of Representatives shall forward a copy of this Resolution and notification of its adoption to Vickie Yates Brown, 3922 Massie Avenue, Unit #10, Louisville, Kentucky 40207 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 5, 2002

CHAPTER 224

(HCR 63)

A CONCURRENT RESOLUTION confirming the reappointment of Dr. Penny M. Miller to the Kentucky Long-Term Policy Research Center Board.

WHEREAS, KRS 7B.030 requires the Governor to appoint six at-large members of the Kentucky Long-Term Policy Research Center Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, by Executive Order 2001-497, dated April 24, 2001, and letter dated April 24, 2001, the Governor reappointed Dr. Penny M. Miller and submitted her appointment for legislative confirmation; and

WHEREAS, the House of Representatives and the Senate find that Dr. Penny M. Miller meets the age and residency requirements of KRS 7B.030 and has demonstrated an interest in the well-being and development of the Commonwealth, as required by that statute;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate do confirm the reappointment of Dr. Penny M. Miller to the Kentucky Long-Term Policy Research Center Board for a term expiring October 6, 2004.

Section 2. The Clerk of the House of Representatives shall send a copy of this Resolution, and notification of its adoption, to Dr. Penny M. Miller, 1001 Maple Ridge, Lexington, Kentucky 40509, and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 5, 2002

CHAPTER 225

(HCR 64)

A CONCURRENT RESOLUTION confirming the reappointment of Samuel E. Moore to the Kentucky Agricultural Development Board.

WHEREAS, KRS 248.707 requires the Governor to appoint members to the Agricultural Development Board subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, KRS 248.707(7) allows the reappointment of board members; and

WHEREAS, on August 27, 2001, by Executive Order 2000-1095, the Governor reappointed Samuel E. Moore to the Agricultural Development Board for a term expiring July 6, 2005; and

WHEREAS, Samuel E. Moore meets the requirements of KRS 248.707, being a representative of the Kentucky Farm Bureau and who otherwise meets the requirements of KRS 11.160;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. Consent is given to the reappointment of Samuel E. Moore to the Agricultural Development Board for a term to expire on July 6, 2005.

Section 2. The Clerk of the House of Representatives shall forward a copy of this resolution and notification of its adoption to Samuel E. Moore, 1070 Mooretown Road, Morgantown, Kentucky 42261 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 5, 2002

CHAPTER 226

(HCR 58)

A CONCURRENT RESOLUTION confirming the appointment of Walter A. Baker to the Council on Postsecondary Education.

WHEREAS, KRS 164.011 requires the Governor to appoint the thirteen (13) citizen members of the Council on Postsecondary Education, subject to confirmation by the Senate and House of Representatives; and

WHEREAS, pursuant to KRS 164.011, the Governor has appointed Mr. Walter A. Baker as a citizen member of the Council on Postsecondary Education for a term expiring December 31, 2007; and

WHEREAS, the Senate and House of Representatives find that Mr. Baker meets the requirements of KRS 164.011, being a resident and qualified voter of Kentucky, not holding an official relationship to any institution of higher education in Kentucky, and not engaging in any occupation or business inconsistent with his duties as a member of the Council on Postsecondary Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 164.011, do confirm the appointment of Mr. Walter A. Baker to the Council on Postsecondary Education for a term expiring December 31, 2007.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and written notification of its adoption, to Mr. Walter A. Baker, 917 South Green Street, Glasgow, Kentucky 42141, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 5, 2002

CHAPTER 227

(HCR 59)

A CONCURRENT RESOLUTION confirming the appointment of Barton D. Darrell to the Council on Postsecondary Education.

WHEREAS, KRS 164.011 requires the Governor to appoint the thirteen citizen members of the Council on Postsecondary Education, subject to the confirmation by the Senate and House of Representatives; and

WHEREAS, pursuant to KRS 164.011, the Governor has appointed Mr. Barton D. Darrell as a citizen member of the Council on Postsecondary Education to fulfill the unexpired term of Philip I. Huddleston, ending December 31, 2003; and

WHEREAS, the Senate and House of Representatives find that Mr. Barton D. Darrell meets the requirements of KRS 164.053 and 164.011, being a resident and qualified voter of Kentucky, not holding an official relationship to any institution of postsecondary education in Kentucky, and not engaging in any occupation or business inconsistent with his duties as a member of the Council on Postsecondary Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the Senate and House of Representatives, pursuant to KRS 164.011, do confirm the appointment of Mr. Barton D. Darrell to the Council on Postsecondary Education for a term expiring on December 31, 2003.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and any written notification of its adoption, to Mr. Barton D. Darrell, 1717 Sherwood Drive, Bowling Green, Kentucky 42103 and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 5, 2002

CHAPTER 228

(HCR 62)

A CONCURRENT RESOLUTION confirming the appointment of Sheila Crist Kruzner to the Kentucky Long-Term Policy Research Center Board.

WHEREAS, KRS 7B.030 requires the Governor to appoint six at-large members of the Kentucky Long-Term Policy Research Center Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, by Executive Order 2001-497, dated April 24, 2001, and letter dated April 24, 2001, the Governor appointed Sheila Crist Kruzner, replacing Linda Waggener, Columbia, whose term has expired, and submitted her appointment for legislative confirmation; and

WHEREAS, the House of Representatives and the Senate find that Sheila Crist Kruzner meets the age and residency requirements of KRS 7B.030 and has demonstrated an interest in the well-being and development of the Commonwealth, as required by that statute;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate do confirm the appointment of Sheila Crist Kruzner to the Kentucky Long-Term Policy Research Center Board for a term expiring October 6, 2004.

Section 2. The Clerk of the House of Representatives shall send a copy of this Resolution, and notification of its adoption, to Ms. Sheila Crist Kruzner, 10904 Rosebriar Drive, Union, Kentucky 41091 and to Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky 40601.

Approved April 5, 2002

CHAPTER 229

(HB 618)

AN ACT relating to vehicle emission testing.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 77 IS CREATED TO READ AS FOLLOWS:

- (1) *If on the date of the approval of a consolidated local government, the county containing the adopted consolidated local government is in attainment of the air quality standards established by the Federal Environmental Protection Agency for ozone, carbon monoxide, and nitrogen dioxide, the air pollution control district board in that county shall take the necessary actions to eliminate any vehicle emissions testing program operated in the county by November 1, 2003. The air pollution control district board shall not enter into or renew any contracts with any vendors for the operation of a vehicle emissions testing program which would extend beyond this date.*
- (2) *If a consolidated local government should be notified at a later date of the county's nonattainment of the air quality standards established by the Federal Environmental Protection Agency for ozone, carbon monoxide, and nitrogen dioxide, notwithstanding the provisions of KRS 77.115, 224.20-130 or 224.20-760 to the contrary, the consolidated local government shall determine the need for the reestablishment, administration, operation, and the role, if any, of an air pollution control district if a vehicle emissions testing program is recreated by the consolidated local government in accordance with KRS 224.20-710 to 224.20-765. Nothing in KRS Chapters 77 and 224 shall preclude a consolidated local government from utilizing other methods and procedures for reaching attainment of the air quality standards established by the Federal Environmental Protection Agency for ozone, carbon monoxide, and nitrogen dioxide.*

Approved April 5, 2002

CHAPTER 230

(HB 525)

AN ACT relating to development of science, technology, and business.

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

Section 1. KRS 68.180 is amended to read as follows:

- (1) The fiscal court of each county having a population of three hundred thousand (300,000) or more may by order or resolution impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. License fees on such business, trade, occupation, or profession for revenue purposes, except those of the common schools, shall be imposed at a percentage rate or rates not to exceed one and one-fourth percent (1.25%) of (a) salaries, wages, commissions, and other compensation earned by persons within the county for work done and services performed or rendered in the county, and (b) the net profits of businesses, trades, professions, or occupations from activities conducted in the county. License fees imposed for regulatory purposes shall not be subject to such limitations as to form and amount. No public service company that pays an ad valorem tax shall be required to pay a license tax, and no license tax shall be imposed upon or collected from any bank, trust company, combined bank and trust company, combined trust, banking and title business in this state, any savings and loan association, whether state or federally chartered, or upon income received by members of the Kentucky National Guard for active duty training, unit training assemblies, and annual field training, or upon income received by precinct workers for election training or work at election booths in state, county, and local

primary, regular, or special elections, *or upon any profits, earnings, or distributions of an investment fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any profits, earnings, or distributions would not be taxable to an individual investor*, or in other cases where the county is prohibited by law from imposing a license tax.

- (2) The provisions and limitations of subsection (1) shall not apply to the license fees authorized by KRS 160.482 to 160.488.

Section 2. KRS 68.197 is amended to read as follows:

- (1) The fiscal court of each county having a population of thirty thousand (30,000) or more may by ordinance impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. License fees on such business, trade, occupation, or profession for revenue purposes, except those of the common schools, may be imposed at a percentage rate not to exceed one percent (1%) of:
 - (a) Salaries, wages, commissions, and other compensation earned by persons within the county for work done and services performed or rendered in the county;
 - (b) The net profits of self-employed individuals, partnerships, professional associations, or joint ventures resulting from trades, professions, occupations, businesses, or activities conducted in the county; and
 - (c) The net profits of corporations resulting from trades, professions, occupations, businesses, or activities conducted in the county.

In order to reduce administrative costs and minimize paperwork for employers, employees, and businesses, the fiscal court may provide:

1. For an annual fixed amount license fee which a person may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on salaries, wages, commissions, and other compensation earned within the county for work done and services performed or rendered in the county; and
2. For an annual fixed amount license fee which an individual, partnership, professional association, joint venture, or corporation may elect to pay in lieu of reporting and paying the percentage rate as provided in this subsection on net profits of businesses, trades, professions, or occupations from activities conducted in the county.

Licenses imposed for regulatory purposes are not subject to such limitations as to form and amount. No public service company that pays an ad valorem tax is required to pay a license tax, and no license tax shall be imposed upon or collected from any insurance company except as provided in KRS 91A.080, bank, trust company, combined bank and trust company, combined trust, banking, and title business in this state, or any savings and loan association whether state or federally chartered, or in other cases where the county is prohibited by law from imposing a license tax.

- (2) No license fee shall be imposed or collected on income received by members of the Kentucky National Guard for active duty training, unit training assemblies, and annual field training, or on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections, *or upon any profits, earnings, or distributions of an investment fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any profits, earnings, or distributions would not be taxable to an individual investor*.
- (3) Persons who pay a county license fee pursuant to this section and who also pay a license fee to a city contained in the county may, upon agreement between the county and the city, credit their city license fee against their county license fee.
- (4) The provisions of subsection (3) of this section notwithstanding, effective with license fees imposed under the provisions of subsection (1) of this section on or after July 15, 1986, persons who pay a county license fee and a license fee to a city contained in the county shall be allowed to credit their city license fee against their county license fee.
- (5) On July 14, 2000, the provisions of subsection (4) of this section notwithstanding, city license fees not credited against county license fees enacted under this section or KRS 67.083 as of January 1, 2000, shall not be credited against county license fees. However, this exception shall not apply to county license fees enacted for

the first time, or increased, on or after January 1, 2000. This provision shall expire July 15, 2002, unless otherwise extended by the General Assembly.

- (6) A county that enacted an occupational license fee under the authority of KRS 67.083 shall not be required to reduce its occupational tax rate when it is determined that the population of the county exceeds thirty thousand (30,000).

Section 3. KRS 91.200 is amended to read as follows:

- (1) The board of aldermen of every city of the first class, in addition to levying ad valorem taxes, may by ordinance impose license fees on franchises, provide for licensing any business, trade, occupation, or profession and the using, holding, or exhibiting of any animal, article, or other thing. License fees on a business, trade, occupation, or profession for revenue purposes may be imposed at a percentage rate not to exceed those hereinafter set forth on (a) salaries, wages, commissions and other compensations earned by every person within the city for work done and services performed or rendered in the city (all of such being hereinafter collectively referred to as "wages"), and (b) the net profits of all businesses, professions, or occupations from activities conducted in the city (hereinafter collectively referred to as "net profits"). Licenses imposed for regulatory purposes shall not be subject to such limitations as to form and amount. No company that pays an ad valorem tax and a franchise tax is required to pay a license tax and no license tax shall be imposed upon or collected from any bank, trust company, combined bank and trust company or combined trust, banking and title business in this state, any savings and loan association whether state or federally chartered, or upon income received by members of the Kentucky national guard for active duty training, unit training assemblies, and annual field training, or on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections, ***or upon any profits, earnings, or distributions of an investment fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any profits, earnings, or distributions would not be taxable to an individual investor***, or in any other case where the city is prohibited by statute from imposing a license tax.
- (2) The rate fixed on both "wages" and "net profits" shall be one and one-fourth percent (1.25%).
- (3) License fees or taxes shall be collected by the commissioners of the sinking fund. The proceeds from the taxes shall be paid to the secretary and treasurer of the sinking fund until income from all sources of the sinking fund is sufficient to pay the cost of administration and the interest charges for the current fiscal year of the sinking fund in addition to a sum sufficient to amortize the outstanding principal indebtedness of the city on a yearly basis in accordance with regularly used amortization tables.
- (4) Revenue remaining after meeting the foregoing requirements shall be transferred to the city. Such revenues shall be credited to the general fund of the city as received and may be expended for general purposes or for capital improvements.
- (5) The term "capital improvements" as used in this section is limited to additions or improvements of a substantial and permanent nature and services rendered in connection therewith, and includes but is not limited to:
- (a) The purchase of rights of way for highways, expressways, and the widening of existing streets;
 - (b) The purchase of lands for park, recreational, and other governmental facilities and for public off-street parking facilities;
 - (c) The purchase, construction, reconstruction, renovation, or remodeling of municipal buildings, and facilities;
 - (d) The replacement of machinery, wires, pipes, structural members or fixtures, and other essential portions of municipal buildings;
 - (e) The initial equipment of any newly acquired facility wherein any essential governmental function of the municipality may be located or carried on;
 - (f) The purchase and installation of traffic control devices and fire alarm equipment;
 - (g) The reconstruction and resurfacing, but not routine maintenance, of streets and other public ways;
 - (h) The acquisition of motorized equipment purchased as additions to, but not replacements for, existing equipment; and
 - (i) Engineering and other costs incurred by the city in connection with the construction of public improvements financed under a special assessment plan.

- (6) Ad valorem taxes for the benefit of the sinking fund shall not be levied unless the income of the sinking fund is otherwise insufficient to meet such requirements.
- (7) Licenses shall be issued and enforced on terms and conditions as prescribed by ordinance.

Section 4. KRS 92.281 is amended to read as follows:

- (1) Cities of all classes are authorized to levy and collect any and all taxes provided for in Section 181 of the Constitution of the Commonwealth of Kentucky, and to use the revenue therefrom for such purposes as may be provided by the legislative body of the city.
- (2) Nothing in this section shall be construed to repeal, amend, or affect in any way the provisions of KRS 243.070.
- (3) This section shall not in any wise repeal, amend, affect, or apply to any existing statute exempting property from local taxation or fixing a special rate on proper classification or imposing a state tax which is declared to be in lieu of all local taxation, nor shall it be construed to authorize a city to require any company that pays both an ad valorem tax and a franchise tax to pay a license tax.
- (4) This section shall also be subject to the provisions of KRS 91.200 in cities of the first class having a sinking fund and commissioners of a sinking fund.
- (5) License fees on businesses, trades, occupations, or professions may not be imposed by a city of the sixth class at a percentage rate on salaries, wages, commissions, or other compensation earned by persons for work done or services performed within said city of the sixth class nor the net profits of businesses, professions, or occupations from activities conducted in said city of the sixth class.
- (6) License fees or occupational taxes may not be imposed against or collected on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections.
- (7) *License fees or occupational taxes may not be imposed against or collected on any profits, earnings, or distributions of an investment fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any profits, earnings, or distributions would not be taxable to an individual investor.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section:*
 - (a) *"Construction of research facilities" means constructing, remodeling, and equipping facilities in this state or expanding existing facilities in this state for qualified research and includes only tangible, depreciable property, and does not include any amounts paid or incurred for replacement property; and*
 - (b) *"Qualified research" means qualified research as defined in Section 41 of the Internal Revenue Code.*
- (2) *A nonrefundable credit in the amount determined in subsection (3) of this section is permitted against the tax assessed in KRS 141.020 or 141.040 for the construction of research facilities. Any unused credit may be carried forward ten (10) years.*
- (3) *The credit allowed in subsection (2) of this section shall equal five percent (5%) of the qualified costs of construction of research facilities.*

Section 6. KRS 141.068 is amended to read as follows:

- (1) As used in this section, unless the context requires otherwise:
 - (a) "Authority" means the Kentucky Economic Development Finance Authority as created pursuant to KRS 154.20-010;
 - (b) "Investor" has the same meaning as set forth in *Section 17 of this Act*~~[KRS 154.20-253]~~;
 - (c) "Investment fund" has the same meaning as set forth in *Section 17 of this Act*~~[KRS 154.20-253]~~;
 - (d) "Investment fund manager" has the same meaning as set forth in *Section 17 of this Act*~~[KRS 154.20-253]~~; and

- (e) "Tax credit" means the credits provided for in **Section 20 of this Act**~~[KRS 154.20-263]~~.
- (2) (a) An investor which is an individual or a corporation shall be entitled to the credit certified by the authority under **Section 20 of this Act**~~[KRS 154.20-259(6)]~~ against the income tax due computed as provided by KRS 141.020 or 141.040, respectively.
- (b) The amount of the certified tax credit that may be claimed in any tax year of the investor shall be determined in accordance with the provisions of **Section 20 of this Act**~~[KRS 154.20-263]~~.
- (3) (a) In the case of an investor that is an S-corporation, partnership, limited partnership, limited liability company, or limited liability partnership, the amount of the tax credit certified by the authority under **Section 20 of this Act**~~[KRS 154.20-259(6)]~~ shall be apportioned among the shareholders, partners, or members thereof, as applicable, at the same ratio as the shareholders', partners', or members' distributive shares of income are determined for the tax year during which the amount of the credit is certified by the authority.
- (b) The amount of the tax credit apportioned to each shareholder, partner, or member that may be claimed in any tax year of the shareholder, partner, or member shall be determined in accordance with the provisions of **Section 20 of this Act**~~[KRS 154.20-263]~~.
- (4) (a) In the case of an investor that is a trust, the amount of the tax credit certified by the authority under **Section 20 of this Act**~~[KRS 154.20-259(6)]~~ shall be apportioned to the trust and the beneficiaries on the basis of the income of the trust allocable to each for the tax year during which the tax credit is certified by the authority.
- (b) The amount of tax credit apportioned to each trust or beneficiary that may be claimed in any tax year of the trust or beneficiary shall be determined in accordance with the provisions of **Section 20 of this Act**~~[KRS 154.20-263]~~.
- (5) The Revenue Cabinet shall promulgate administrative regulations under KRS Chapter 13A adopting forms and procedures for the reporting and administration of credits authorized by **Section 20 of this Act**~~[KRS 154.20-263]~~.

Section 7. KRS 141.0205 is amended to read as follows:

If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax imposed by KRS 141.020 or 141.040, the priority of application and use of the credits shall be determined as follows:

- (1) The nonrefundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:
 - (a) The individual credits permitted by KRS 141.020(3);
 - (b) The economic development credits computed under KRS 141.347, 141.400, 141.403, 141.407, and 154.12-2088;
 - (c) The health insurance credit permitted by KRS 141.062;
 - (d) The tax paid to other states credit permitted by KRS 141.070;
 - (e) The credit for hiring the unemployed permitted by KRS 141.065;
 - (f) The recycling or composting equipment credit permitted by KRS 141.390;
 - (g) The tax credit for cash contributions in investment funds permitted by KRS 154.20-263 **in effect prior to the effective date of this Act and the credit permitted by Section 20 of this Act**;
 - (h) The low income credit permitted by KRS 141.066;
 - (i) The household and dependent care credit permitted by KRS 141.067;~~[and]~~
 - (j) The coal incentive credit permitted under KRS 141.0405; **and**
 - (k) **The research facilities credit permitted under Section 5 of this Act.**
- (2) After the application of the nonrefundable credits in subsection (1) of this section, the refundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:
 - (a) The individual withholding tax credit permitted by KRS 141.350; and

- (b) The individual estimated tax payment credit permitted by KRS 141.305.
- (3) The nonrefundable credits against the tax imposed by KRS 141.040 shall be taken in the following order:
 - (a) The economic development credits computed under KRS 141.347, 141.400, 141.403, 141.407, and 154.12-2088;
 - (b) The health insurance credit permitted by KRS 141.062;
 - (c) The unemployment credit permitted by KRS 141.065;
 - (d) The recycling or composting equipment credit permitted by KRS 141.390;
 - (e) The coal conversion credit permitted by KRS 141.041;
 - (f) The enterprise zone credit permitted by KRS 154.45-090;
 - (g) The tax credit for cash contributions to investment funds permitted by KRS 154.20-263 *in effect prior to the effective date of this Act and the credit permitted by Section 20 of this Act*; ~~and~~
 - (h) The coal incentive credit permitted under KRS 141.0405; *and*
 - (i) *The research facilities credit permitted under Section 5 of this Act.*
- (4) After the application of the nonrefundable credits in subsection (3) of this section, the refundable corporation estimated tax payment credit permitted by KRS 141.044 shall be allowed as a credit against the tax imposed by KRS 141.040.

Section 8. KRS 141.206 is amended to read as follows:

- (1) Every partnership or S corporation owning property or engaging in business in Kentucky, shall, on or before the fifteenth day of the fourth month following the close of its annual accounting period, file a copy of its federal partnership return or S corporation return with the form prescribed and furnished by the cabinet.
- (2) Partnerships and S corporations shall determine taxable income in the same manner as in the case of an individual under KRS 141.010(9) to (11) and the adjustment required under Sections 703(a) and 1363(b) of the Internal Revenue Code. Computation of taxable income under this section and the computation of the partners or shareholders distributive share shall be computed as nearly as practicable identical with those required for federal income tax purposes except to the extent required by differences between this chapter and the federal income tax law and regulations.
- (3) Individuals or corporations carrying on a business as a partnership or S corporation shall be liable for income tax only in their individual or corporate capacities, and no income tax shall be assessed upon the income of any partnership or S corporation except as prescribed in KRS 141.040(5).
 - (a) Resident and nonresident individuals who are partners or S corporation shareholders must report and pay tax on the distributive share of net income, gain, loss, deduction, or credit, as determined in subsection (2) of this section, except as provided in subsections (4) and (5) of this section. Partnerships and S corporations may be required to withhold Kentucky income tax on the distributive share under administrative regulations issued by the cabinet.
 - (b) Corporations which are partners must include their distributive share of net income, gain, loss, deduction or credit, as determined under subsection (2) of this section, except as provided in subsections (4) and (5) of this section.
- (4) Resident and nonresident individuals and corporations which are partners in a partnership or shareholders in an S corporation carrying on business only in Kentucky are taxable on all items of income gain, loss, deduction or credit determined under subsection (2) of this section and reported as their distributive share from the partnership or S corporation.
- (5) Nonresident individuals and corporations which are partners in a partnership or shareholders in an S corporation which does business within and without Kentucky are taxable on their proportionate share of the distributive income passed through the partnership or S corporation attributable to business done in Kentucky.

- (a) Business done in Kentucky is determined by the ratio of gross receipts from sales to purchasers or customers in Kentucky or services performed in Kentucky to the total gross receipts from sales or service everywhere.
- (6) Resident partners, S corporation shareholders and corporations which are partners in a multistate partnership or shareholders in a multistate S corporation are taxable on one hundred percent (100%) of the distributive share of income, gains, losses, deductions or credits.
- (7) Resident individuals who are partners in a partnership or shareholders in an S corporation which does not carry on business in Kentucky are subject to tax under KRS 141.020 on federal net income, gain, deduction, loss or credit passed through the partnership or S corporation.
- (8) S corporation for purpose of this section means a corporation which has elected for federal tax purposes to be taxed as an S corporation. An election for federal tax purposes is a binding election for Kentucky tax purposes.
- (9) *Nonresident individuals shall not be taxable on investment income distributed by a qualified investment partnership. For purposes of this subsection a "qualified investment partnership" means a partnership formed to hold only investments that produce income that would not be taxable to the nonresident individual if held or owned individually.*

SECTION 9. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

As used in Sections 9 to 12 of this Act, unless the context indicates otherwise:

- (1) *"Affiliate" means an ICC identified as the headquarters for program activity in a region or subregion;*
- (2) *"Commissioner" means the commissioner of the Office for the New Economy established in KRS 154.12-278;*
- (3) *"ICC" means the Kentucky Innovation and Commercialization Center;*
- (4) *"Region" means a geographic area of Kentucky designated as having a unique innovation strategic plan by the Office for the New Economy; and*
- (5) *"Satellite" means an office of an affiliate in a region.*

SECTION 10. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

- (1) *There is established the Kentucky Innovation and Commercialization Center Program within the Office for the New Economy. The goal of the ICC program is to create products, new companies, and value-added jobs in communities throughout the Commonwealth. Strategies to achieve this goal include:*
 - (a) *Increasing quality deal flow of technology-based firms in Kentucky;*
 - (b) *Increasing understanding of start-up process and investment practices; and*
 - (c) *Providing value-added services to the start-up and investment community.*
- (2) *The duties of the ICC program shall include but not be limited to:*
 - (a) *Identifying and linking entrepreneurs, faculty, scientists, venture capitalists, and other key individuals from the business sector, universities, community and technical colleges, local leaders, and government for the creation and expansion of knowledge-based companies;*
 - (b) *Establishing a uniform protocol for assembling and communicating project concepts and opportunities;*
 - (c) *Supporting high-quality projects through the concept and development phases including services such as market research, prototype development, business plan and strategies development, grant and contract capabilities, and capital and management resource identification; and*
 - (d) *Identifying, in the area of technology development, potential partners, strategic opportunities, training and educational needs, and issues that inhibit the growth of technology sectors and business clusters in the state.*

SECTION 11. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky Innovation and Commercialization Centers are private-public partnerships, operating as a cohesive statewide infrastructure to support the implementation of key Kentucky Innovation Act initiatives.*
- (2) *The organization of the ICCs shall include a central statewide headquarters, six (6) affiliate centers, and a number of satellite offices.*
 - (a) *The central headquarters has primary responsibility for the following:*
 1. *Managing and administering the ICC Program;*
 2. *Establishing uniform program application, protocol, and operating guidelines when appropriate;*
 3. *Supporting the protocol by creating and funding centralized services to be distributed throughout the network; and*
 4. *Identifying those issues, opportunities, and challenges that have statewide implications.*
 - (b) *The regional affiliates are responsible for fulfilling the duties as set forth in Section 10 of this Act relating to the implementation of the region's innovation strategic plan and supporting the implementation of the Kentucky Innovation Act initiatives in the region or subregion;*
 - (c) *The satellites are responsible for generating technology business development in their assigned geographic area, acting as a bridge between individuals and businesses needing critical early state concept and development work and the affiliate centers that can provide this support.*

The affiliates and satellites provide a valuable assurance for equal access to the Kentucky Innovation Act initiatives and funding, and provide an opportunity for full participation in rural and remote, as well as metropolitan, areas of the state.

- (3) *The commissioner shall have all the powers and authority, not explicitly prohibited by statute, necessary and convenient to carry out and effectuate the purposes of Sections 9 to 12 of this Act.*
- (4) *The commissioner may, in effectuating the provisions of Sections 9 to 12 of this Act, contract with a science and technology organization as defined in Section 29 of this Act to administer and manage the ICC Program.*

SECTION 12. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding any other funding available for the implementation and operations of the ICC Program, a concept phase funding pool shall be created to assist individuals and businesses in the earliest stages of project feasibility and concept development.*
- (2) *The amount of the funds available for any one (1) project or project concept from the concept phase funding pool shall not exceed twenty-five thousand dollars (\$25,000).*
- (3) *The individual or business shall match any award for each project or project concept receiving funds from the concept phase pool.*

SECTION 13. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

The Kentucky Science and Technology Corporation shall administer and manage the Kentucky Science and Engineering Foundation as a means to increase Kentucky's capacity to become a leader state in competitive research by attracting more research funding from all sources to the Commonwealth. The Kentucky Science and Engineering Foundation shall be modeled in part on the National Science Foundation and shall make its own investments in peer-reviewed science and engineering research, to accelerate the rate of research and development funds and work to increase the amount of federal and private sector funds for this work in Kentucky.

Section 14. KRS 154.12-224 is amended to read as follows:

- (1) There is created in the Cabinet for Economic Development the Department of Financial Incentives. The department shall be headed by a commissioner appointed by the Governor pursuant to KRS 12.040. The department shall coordinate all financial assistance, tax credit, and related programs available for business and industry.

- (2) The department shall include the following divisions, each of which shall be headed by a director appointed by the secretary pursuant to KRS 12.050:
 - (a) The Grant Programs Division, which shall supervise and manage the Economic Development Bond Program, as set forth in KRS 154.12-100, and the Local Government Economic Development Program, as set forth in KRS 42.4588;
 - (b) The Direct Loan Programs Division, which shall supervise and manage the Direct Loan Program of the Kentucky Economic Development Finance Authority, as set forth in 307 KAR 1:020, and the Small Business Loans Branch;
 - (c) The Tax Incentive Programs Division, which shall supervise and manage the Kentucky Industrial Development Act Program, as set forth in KRS 154.28-010 et seq., the Kentucky Jobs Development Act Program, as set forth in KRS 154.24-010 et seq., the Kentucky Industrial Revitalization Act Program, as set forth in KRS 154.26-010 et seq., the Kentucky Rural Economic Development Act Program, as set forth in KRS 154.22-010 et seq., and the Kentucky Enterprise Zone Program, as set forth in KRS 154.45-001 et seq., which shall be attached to the division for administrative purposes; and
 - (d) The Program Servicing Division, which shall perform auditing, monitoring, and compliance functions for the Grant Programs Division, the Direct Loan Programs Division, and the Tax Incentive Programs Division within the Department of Financial Incentives.
- (3) The department shall also include the following entities:
 - (a) The Kentucky investment fund, established by KRS 154.20-250 to 154.20-284, which shall be attached to the department for administrative purposes and staff support; and
 - (b) The Bluegrass State Skills Corporation, established by KRS 154.12-204 to 154.12-208, which shall be attached to the department.

Section 15. KRS 154.12-274 is amended to read as follows:

- (1) As used in this section, "cluster" shall have the same meaning as in KRS 164.6011.
- (2) It is the intention of the General Assembly to recognize that a strong manufacturing base for the economy of the Commonwealth requires not only modernization of the production process but also an increase in the number of products developed, so that through the creation of new product lines, additional value-added products, and new manufacturing methods the economy will grow and quality job opportunities will increase. The Cabinet for Economic Development shall support this intention through its authority in KRS 154.12-050{~~and through its strategic technology capacity initiative in KRS 154.12-270~~}.
- (3) The Cabinet for Economic Development shall enter into contracts or agreements with the Kentucky **Manufacturing Assistance Center**{~~Technology Service, Inc.~~}, a nonprofit organization with the mission to assist Kentucky small and medium-size manufacturers to become more competitive in the global marketplace. The contracts or agreements shall require the Kentucky **Manufacturing Assistance Center**{~~Technology Service, Inc.~~}, to undertake the following activities:
 - (a) Negotiate contractual agreements with existing manufacturers to deliver modernization services that are likely to lead to the creation of new product lines, additional value-added products, and new manufacturing methods;
 - (b) Deliver engineering, technical, and business improvement services in Kentucky manufacturing facilities, through the network of Kentucky Technology Service locations in the state, that lead to the development of new product lines, additional value-added products, and new manufacturing methods;
 - (c) Coordinate services for and support the activities of Kentucky manufacturers that need additional projects, activities, and expertise beyond those available through the Kentucky **Manufacturing Assistance Center**{~~Technology Service, Inc.~~};
 - (d) Promote, along with other economic development entities, the development of supplier chains, the linkages among suppliers, and the growth of clusters within the Commonwealth; and
 - (e) Provide to the Cabinet for Economic Development and Kentucky Innovation Commission a report of the advances made in the manufacturing modernization projects initiated.

Section 16. KRS 154.12-278 is amended to read as follows:

- (1) As used in this section, "cluster" and "knowledge-based" shall have the same meaning as in KRS 164.6011.
- (2) There is established the Office~~[of the Commissioner]~~ for the New Economy in the Cabinet for Economic Development. Notwithstanding KRS 154.10-050, the Governor shall nominate the commissioner *of the Office for the New Economy*, who shall be approved by the Kentucky Economic Development Partnership.
- (3) The duties of the Office~~[of the Commissioner]~~ for the New Economy shall include but not be limited to:
 - (a) ***Implement the Kentucky Innovation and Commercialization Center Program as set forth in Sections 9 to 12 of this Act***~~[Undertake a strategic technology capacity initiative under KRS 154.12-270];~~
 - (b) ***Monitor the return on investments and effectiveness of the Kentucky Innovation Act initiatives as set forth in the Strategic Plan for the New Economy as approved by the Kentucky Innovation Commission, January 7, 2002, or as revised, and report annually prior to November 1 to the Kentucky Innovation Commission, the Governor, and the General Assembly***~~[Develop a knowledge-based economy strategy to be presented to the Kentucky Economic Development Partnership and the Kentucky Innovation Commission in KRS 154.12-270];~~
 - (c) Oversee the modernization initiative in KRS 154.12-274;
 - (d) Assist the cabinet in the recruitment of research and development companies;
 - (e) Assist the cabinet in the attraction of high-technology research and development centers;
 - (f) Support growth and creation of knowledge-based, innovative companies;
 - (g) Build ***the infrastructure for the new economy businesses*** and promote networks of technology-driven clusters and research intensive industries;
 - (h) Administer the high-tech construction pool and the high-tech investment pool;~~[and]~~
 - (i) Recommend projects to the Kentucky Economic Development Finance Authority for funding through the high-tech construction pool and high-tech investment pool; ***and***
 - (j) ***Review and approve the annual plan which details the annual allocation of funds from the Science and Technology Funding Program, prior to the Council on Postsecondary Education executing a contract with the science and technology organization to administer science and technology funding programs. As used in this paragraph, the Science and Technology Funding Program means the Kentucky Rural Innovation Program, the Kentucky Research and Development Voucher Program, the Kentucky Commercialization Program, The Regional Technology Corporations/Innovation and Commercialization Center Satellites, and the Experimental Program to Stimulate Competitive Research/Kentucky Science and Engineering Foundation.***
- (4) The high-tech construction pool shall be used for projects with a special emphasis on the creation of high-technology jobs and knowledge-based companies. The commissioner, in administering the high-tech construction pool, shall recommend distribution of funds and projects to the Kentucky Economic Development Finance Authority for its approval. The commissioner shall recommend any designated amount of pool funds to be set aside for any match requirements. Any funds used for matching purposes may include public and private funds.
- (5) The high-tech investment pool shall be used to build and promote~~[networks to]~~ technology-driven industries and research-intensive industries, as well as their related suppliers, with the goal of creating clusters of innovation-driven industries in Kentucky. The commissioner, in administering the high-tech investment pool, shall be authorized to recommend funds to be used to support loans and grants, or to secure an equity ***or related*** position~~[in industrial networks]~~.
- (6) The Kentucky Economic Development Finance Authority shall assure in their approval of funding of projects that the highest priority is given to knowledge-based companies in fulfillment of the purposes and intentions of the purposes of this section.

SECTION 17. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

As used in KRS 154.20-250 to 154.20-284, unless the context clearly requires otherwise:

- (1) *"Affiliate" means any person or entity who directly or indirectly, through one (1) or more intermediaries, controls or is controlled by or is under common control with another person or entity;*
- (2) *"Agreement" means an investment fund agreement entered into pursuant to subsection (5) of Section 18 of this Act by the authority and an investment fund manager on behalf of the investment fund, the investment fund manager, and any investor in the investment fund;*
- (3) *"Amended application" means a document submitted by an investment fund manager, in a form acceptable to the authority and on behalf of an investment fund, for the purpose of increasing the aggregate amount of available tax credits;*
- (4) *"Applicant" means any person or entity who has not received approval from the authority as an investment fund manager, but who has submitted or will submit an application to the authority for approval as an investment fund manager;*
- (5) *"Authority" means the Kentucky Economic Development Finance Authority or its designee;*
- (6) *"Cash contribution" means an investment of money by an investor in an investment fund under the terms of KRS 154.20-250 to 154.20-284;*
- (7) *"Committed cash contribution" means a legally binding agreement by an investor to make a cash contribution in an amount set forth in a written agreement between an investor and an investment fund;*
- (8) *"Commonwealth" means the Commonwealth of Kentucky;*
- (9) *"Credit" means a nonrefundable credit for investors against state tax liability allocated and granted by the authority pursuant to Section 20 of this Act for qualified investments made by approved investment funds;*
- (10) *"Entity" means any corporation, limited liability company, business development corporation, partnership, limited partnership, registered limited liability partnership, sole proprietorship, association, joint stock company, receivership, trust, professional service organization, or other legal entity through which business is conducted;*
- (11) *"Financial institution" means "financial institution" as defined in KRS 136.500(10) and includes savings and loan associations, savings banks, and similar institutions subject to the taxes imposed by KRS 136.290, 136.300, or 136.310;*
- (12) *"Insurance company" means any insurance company subject to the taxes imposed by KRS 136.320, 136.330, or 304.3-270;*
- (13) *"Investment fund" means any entity that is organized by an investment fund manager in compliance with applicable state and federal securities laws and regulations, and is approved by the authority to make qualified investments pursuant to Section 19 of this Act;*
- (14) *"Investment fund manager" means any person or entity that has been approved by the authority to manage one (1) or more investment funds authorized under the provisions of KRS 154.20-250 to 154.20-284 and is in compliance with all applicable federal and state regulations;*
- (15) *"Investor" means any person or entity, including financial institutions and insurance companies, that is subject to state tax liability and that makes a cash contribution or a committed cash contribution to an investment fund in accordance with the provisions of KRS 154.20-250 to 154.20-284 and has not been convicted of violating any of Kentucky's tax laws within the past ten (10) years;*
- (16) *"Nonprofit entity" means an investor that is exempt from federal income tax under Section 501(c) of the Internal Revenue Code of 1986, as amended;*
- (17) *"Qualified activity" means any industrial, manufacturing, mining, mining reclamation for economic development, commercial, health care, agricultural enterprise, or agribusiness activity. A "qualified activity" does not include any activity principally engaged in by financial institutions, commercial development companies, credit companies, financial or investment advisors, brokerage or financial firms, other investment funds or investment fund managers, charitable and religious institutions, oil and gas exploration companies, insurance companies, residential housing developers, retail establishments, or any activity that the authority determines in its discretion to be against the public interest, against the purposes of KRS 154.20-250 to 154.20-284, or in violation of any law;*
- (18) *"Qualified investment" means an investment of money in a small business by an investment fund, in compliance with applicable state and federal securities laws and regulations, seeking a financial return*

based upon that consideration. In consideration for the qualified investment, the investment fund shall receive an equity interest in the small business, such as a general or limited partnership interest, common or preferred stock with or without voting rights and without regard to seniority position, forms of subordinate or convertible unsecured debt, or both, with warrants, rights, or other means of equity conversion attached; and

- (19) *"Small business" means any entity which at the time a qualified investment is made by an investment fund:*
- (a) *1. Has a net worth of five million dollars (\$5,000,000) or less or net income after federal income taxes for each of the two (2) preceding fiscal years of three million dollars (\$3,000,000) or less; or*
 - 2. Is a knowledge-based business, as shall be prescribed by the commissioner of the Office for the New Economy, and has a net worth of ten million dollars (\$10,000,000) or less;*
 - (b) *Is actively and principally engaged in a qualified activity within the Commonwealth, or will be actively and principally engaged in a qualified activity within the Commonwealth after the receipt of a qualified investment by an investment fund;*
 - (c) *Has no more than one hundred (100) employees; and*
 - (d) *Has more than fifty percent (50%) of its assets, operations, and employees located in Kentucky.*

SECTION 18. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

- (1) *The total amount of tax credits available to any single investment fund shall not exceed, in aggregate, eight million dollars (\$8,000,000) for all investors and all taxable years. The total tax credits available for all investors in all investment funds shall not exceed forty million dollars (\$40,000,000).*
- (2) *A person or entity seeking to be approved as an investment fund manager for the operation of one (1) or more investment funds shall make written application to the authority pursuant to Section 19 of this Act, in addition to complying with applicable state and federal securities laws and regulations.*
- (3) *Prior to the granting of any tax credits to investors of an investment fund, the committed cash contributions to an investment fund shall be not less than five hundred thousand dollars (\$500,000).*
- (4) *An investment fund shall have no less than four (4) investors, and no investor or investment fund manager, including their immediate family members, as defined in subsection (7) of Section 29 of this Act, and affiliates may own or have a capital interest in more than forty percent (40%) of the investment fund's capitalization.*
- (5) *Subsequent to approval of the investment fund and the investment fund manager, the authority and the investment fund manager, on behalf of itself and any investors in the investment fund, shall enter into an agreement with respect to the investment fund. The terms and provisions of each agreement shall be determined by negotiations between the authority and the investment fund manager. The effective date of the agreement shall be the date of approval of the investment fund and the investment fund manager by the authority. If an investment fund manager fails to comply with any of the obligations of the agreement, the authority may, at its option, do any one (1) or more of the following:*
 - (a) *Suspend the availability of the credits;*
 - (b) *Pursue any remedy provided under the agreement, including termination of the agreement; or*
 - (c) *Pursue any other remedy at law to which it may be entitled.*
- (6) *Any investor shall be entitled to a tax credit as a result of its investment in an investment fund as provided in Section 20 of this Act.*
- (7) *Total qualified investments made by an investment fund, including initial and subsequent investments made by an investment fund, in any single small business using approved qualified investments, shall not exceed thirty percent (30%) of the committed cash contributions to the investment fund. This restriction shall not apply to investments of money by the investment fund that are not qualified investments.*

- (8) *The provisions of this section shall not prohibit an investment fund from investing in a business that is not a small business, including a business that is located outside of the Commonwealth; however, such investments shall not be eligible for the tax credit set forth in Section 20 of this Act.*

SECTION 19. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

- (1) *The approval of investment funds and investment fund managers shall be made pursuant to an application to the authority submitted by a proposed fund manager on behalf of a proposed investment fund and shall include:*
- (a) *The name, address, and Social Security number or employer identification number, as applicable, of the investment fund manager and the investment fund;*
 - (b) *The applicant's business plan, including the minimum and maximum amount of cash contributions to be solicited for the investment fund, and strategy for operation of the proposed investment fund;*
 - (c) *The amount of credits the investment fund seeks for making qualified investments;*
 - (d) *The applicant fund manager's relevant experience and demonstrated ability to manage the proposed investment fund;*
 - (e) *The location and account number of a bank account that has been established for use by the investment fund;*
 - (f) *The exemption or registration provision that is being relied upon or intended to be relied upon by both the investment fund and the investment fund manager to permit this offering of securities and the activity of the investment fund manager in relation to the offering, in compliance with applicable state and federal securities laws and regulations;*
 - (g) *A representation that the investment fund and the investment fund manager are and shall remain in compliance with applicable state and federal securities regulations; and*
 - (h) *Any additional information the authority deems necessary.*
- (2) *The applicant shall include copies of the following documents as attachments to the application:*
- (a) *The disclosure documents used in connection with the offering and investment in the investment fund;*
 - (b) *The disclosure documents provided to each investor which state that:*
 - 1. *The investor has certain rights, responsibilities, and liabilities pursuant to KRS 154.20-250 to 154.20-284;*
 - 2. *The Commonwealth shall be immune from liability for any losses or damages investors, investment funds, or investment fund managers may incur pursuant to Section 26 of this Act;*
 - 3. *No tax credit shall be available under the provision of KRS 154.20-250 to 154.20-284 until the investment fund and the investment fund manager have complied with applicable state and federal securities laws and regulations and have been approved by the authority, and an agreement has been executed, and the terms of that agreement have been disclosed in writing to each investor; and*
 - 4. *Investors shall lose all rights to any unused credits allocated to an investment fund that does not make a qualified investment within one (1) year of the date of the agreement with the authority or within any one (1) year period thereafter through the end of the term of the agreement.*

An applicant soliciting cash contributions for the initial capitalization of an investment fund, or an investment fund manager soliciting additional cash contributions for an approved investment fund, shall disclose in advance and in writing to each potential investor those items described in this subsection in addition to any other items required by law or by agreement.

- (3) *The authority shall have, in addition to its other powers provided in this chapter and as otherwise provided by law, all powers and authority, not explicitly prohibited by statute, that are necessary or convenient to carry out and effectuate the purposes, objectives, and provisions of KRS 154.20-250 to 154.20-284, including, but not limited to, power to:*

- (a) *Require consultation, advisory, and legal fees and other expenses the authority deems necessary or incident to the preparation, adoption, implementation, modification, or enforcement of the terms of any agreement or other document, or otherwise necessary or incident to any transaction;*
- (b) *Require the investment fund manager to pay these fees and expenses directly to the person providing such consultation, advisory, legal, or other services on behalf of the authority; and*
- (c) *Impose and collect fees and charges in connection with any transaction and provide for reasonable penalties for delinquent payment of fees or charges.*

Any payments made by an investment fund manager pursuant to this subsection may be passed on to the investment fund manager's investment fund.

- (4) *An investment fund's stated purpose shall be primarily to encourage and assist in the creation, development, or expansion of small businesses located in Kentucky.*
- (5) *The criteria considered by the authority for the approval of investment fund managers and the maximum amount of credits allocated to the investors of an investment fund shall include, but not be limited to:*
 - (a) *Compliance by those persons with applicable state and federal securities laws and regulations;*
 - (b) *A review of the application;*
 - (c) *The investment strategy for the investment fund;*
 - (d) *The relevant experience of the applicant fund manager or, if the applicant fund manager is an entity, the applicant's management;*
 - (e) *The applicant's demonstrated ability to manage the investment fund; and*
 - (f) *The amount of credits requested by the investment fund and the total amount of credits which may be granted to investors under Section 20 of this Act.*
- (6) *Following the making of a qualified investment, the investment fund manager shall within sixty (60) days file a disclosure form with the authority detailing the following information:*
 - (a) *The name and address of the small business in which the qualified investment was made;*
 - (b) *The amount of the qualified investment; and*
 - (c) *The name, address, and Social Security number or employer identification number, as may be applicable, of each investor and the amount of credit allocated to each investor by virtue of the investor's proportional ownership interest in the qualified investment.*
- (7) *An investment fund manager and its affiliates may operate no more than three (3) separate investment funds pursuant to separate applications submitted to and approved by the authority, provided the investment fund manager is in compliance with any applicable state and federal securities laws and regulations as evidenced by a written statement to the authority by an investment fund manager to that effect.*
- (8) *An investment fund manager seeking to expand a previously approved investment fund shall submit to the authority an amended application in a form acceptable to the authority.*
- (9) *An investment fund shall lose all unused credits that are available to its investors if the investment fund does not make a qualified investment within one (1) year of the date of the agreement or within any one (1) year period thereafter through the end of the term of the agreement.*
- (10) *The contents of the information form required under subsections (1), (2), and (6) of this section shall be treated by the authority and by the Revenue Cabinet as confidential and shall not be considered public records under KRS 61.870 to 61.884.*
- (11) *The authority, in consultation with the Revenue Cabinet, may establish additional procedures and standards, as it deems necessary for the approval of investment funds and investment fund managers, and for the allocation and granting of investment tax credits by the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A.*

SECTION 20. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

- (1) *An investor shall be entitled to a nonrefundable credit equal to forty percent (40%) of the investor's proportional ownership share of all qualified investments made by its investment fund and verified by the authority. The aggregate tax credit available to any investor shall not exceed forty percent (40%) of the cash contribution made by the investor to its investment fund. The credit may be applied against the income tax imposed by KRS 141.020 or 141.040, the corporation license tax imposed by KRS 136.070, the insurance taxes imposed by KRS 136.320, 136.330, and 304.3-270, and the taxes on financial institutions imposed by KRS 136.300, 136.310, and 136.505.*
- (2) *The tax credit amount that may be claimed by an investor in any tax year shall not exceed fifty percent (50%) of the initial aggregate credit amount approved by the authority for the investment fund which would be proportionally available to the investor. An investor may first claim the credit granted in subsection (1) of this section in the year following the year in which the credit is granted.*
- (3) *If the credit amount that may be claimed in any tax year, as determined under subsections (1) and (2) of this section, exceeds the investor's combined tax liabilities against which the credit may be claimed for that year, the investor may carry the excess tax credit forward until the tax credit is used, but the carry-forward of any excess tax credit shall not increase the fifty percent (50%) limitation established by subsection (2) of this section. Any tax credits not used within fifteen (15) years of the approval by the authority of the aggregate tax credit amount available to the investor shall be lost.*
- (4) *The tax credits allowed by this section shall not apply to any liability an investor may have for interest, penalties, past due taxes, or any other additions to the investor's tax liability. The holder of the tax credit shall assume any and all liabilities and responsibilities of the credit.*
- (5) *The tax credits allowed by this section are not transferable, except that:*
 - (a) *A nonprofit entity may transfer, for some or no consideration, any or all of the credits it receives under this section and any related benefits, rights, responsibilities, and liabilities. Within thirty (30) days of the date of any transfer of credits pursuant to this subsection, the nonprofit entity shall notify the authority and the Revenue Cabinet of:*
 1. *The name, address, and Social Security number or employer identification number, as may be applicable, of the party to which the nonprofit entity transferred its credits;*
 2. *The amount of credits transferred; and*
 3. *Any additional information the authority or the Revenue Cabinet deems necessary.*
 - (b) *If an investor is an entity and is a party to a merger, acquisition, consolidation, dissolution, liquidation, or similar corporate reorganization, the tax credits shall pass through to the investor's successor.*
 - (c) *If an individual investor dies, the tax credits shall pass to the investor's estate or beneficiaries in a manner consistent with the transfer of ownership of the investor's interest in the investment fund.*
- (6) *The tax credit amount that may be claimed by an investor shall reflect only the investor's participation in qualified investments properly reported to the authority by the investment fund manager. No tax credit authorized by this section shall become effective until the Revenue Cabinet receives notification from the authority that includes:*
 - (a) *A statement that a qualified investment has been made that is in compliance with KRS 154.20-250 to 154.20-284 and all applicable regulations; and*
 - (b) *A list of each investor in the investment fund that owns a portion of the small business in which a qualified investment has been made by virtue of an investment in the investment fund, and each investor's amount of credit granted to the investor for each qualified investment.*

The authority shall, within sixty (60) days of approval of credits, notify the Revenue Cabinet of the information required pursuant to this subsection and notify each investor of the amount of credits granted to that investor, and the year the credits may first be claimed.
- (7) *After the date on which investors in an investment fund have cumulatively received an amount of credits equal to the amount of credits allocated to the investment fund by the authority, no investor shall receive additional credits by virtue of its investment in that investment fund unless the investment fund's allocation of credits is increased by the authority pursuant to an amended application.*

- (8) *The maximum amount of credits to be authorized by the authority shall be three million dollars (\$3,000,000) for each of fiscal years 2002-03 and 2003-04.*

SECTION 21. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

- (1) *To receive the credit provided by Section 20 of this Act, an investor shall claim the credit on the investor's annual state tax returns in the manner prescribed by the Revenue Cabinet.*
- (2) *The contents of an investor's filings under subsection (1) of this section shall be treated by the authority and by the Revenue Cabinet as confidential and shall not be considered public records under the Kentucky Open Records Act, KRS 61.870 to 61.884.*

SECTION 22. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

- (1) *An investment fund that violates the provisions of KRS 154.20-250 to 154.20-284 shall pay to the State Treasurer a penalty in an amount equal to the amount of all credits claimed by the investors when these credits are determined to be derived from unqualified investments, plus interest at the rate of two percent (2%) per month, compounded monthly, from the date the credits were taken. If the investment fund fails to pay the penalty and interest in full as required by the Revenue Cabinet, each investor shall be personally liable to the Revenue Cabinet for that investor's share of the unpaid penalty, which shall be determined by the amount of credits received and utilized by the investor and all applicable interest. Any payment of unpaid penalty by an investor shall be included with the investor's state tax return for the period in which the failure or violation occurred. The secretary of the Revenue Cabinet shall give notice in writing to the authority, the investment fund manager, and the investors of any penalties imposed. The secretary of the Revenue Cabinet may abate any imposed penalty upon written request, if the investment fund manager establishes reasonable cause for the failure to make qualified investments in small businesses under the provisions of KRS 154.20-250 to 154.20-284, or to otherwise comply with the provisions of KRS 154.20-250 to 154.20-284. The State Treasurer shall deposit any amounts received pursuant to this section in the Commonwealth's general fund.*
- (2) *The administration of this section shall be the responsibility of the Revenue Cabinet.*

SECTION 23. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

- (1) *Each investment fund manager shall file an annual report with the secretary of the Revenue Cabinet and with the authority, on or before February 15 of each year during which it manages an investment fund. This report shall include information that the authority prescribes from time to time, including, but not limited to, the following:*
- (a) *For each small business in which qualified investments are made by the investment fund during the reporting period, the name and address of the small business, the amount of qualified investments made by the investment fund, the job creation anticipated and achieved by the small business, and new products and technologies being developed by the small business;*
 - (b) *An affidavit prepared by the investment fund manager or, if the investment fund is an entity, by an authorized officer, partner, trustee, member, or manager of the investment fund management firm that states:*
 1. *At the time of each qualified investment, each small business qualifies as a small business under the provisions of KRS 154.20-250 to 154.20-284;*
 2. *The name and address of each investor, and the amount of cash contribution to the investment fund of each investor who is entitled to the credits; and*
 3. *The continued compliance by the investment fund and the investment fund manager with all applicable state and federal securities laws and regulations.*
- (2) *The authority shall provide an annual written status report to the standing Appropriations and Revenue Committee of each house or to the Interim Joint Committee on Appropriations and Revenue, as appropriate, concerning the activities of the Kentucky investment fund for each fiscal year beginning with the fiscal year ended July 30, 2003. On or before November 1 of each year, the authority shall make an*

annual report for the preceding fiscal year to the Governor, the Legislative Research Commission, and the Kentucky Innovation Commission. The annual report shall include, but not be limited to, the following information:

- (a) The total number of investors and the aggregate amount of committed cash contributions to all investment funds, categorized by the types of business entities through which investors conduct business and the geographical distribution of investors, including the area development districts;*
 - (b) The total number and amounts of qualified investments made by each investment fund to qualified small businesses, categorized by type of businesses, amount of investment, job creation anticipated and achieved, geographical distribution, including area development districts, and new products and technologies developed; and*
 - (c) The total amount of credits granted to investors.*
- (3) The contents of the annual reports from investment fund managers to the authority described in subsection (1) of this section shall be treated by the authority as confidential, and shall not be considered a public record under the Kentucky Open Records Act, KRS 61.870 to 61.884.*
 - (4) The authority may charge a fee in connection with the administration and processing of an annual report made by an investment fund manager.*

SECTION 24. A NEW SECTION OF KRS 154.20-250 TO 154.20-284 IS CREATED TO READ AS FOLLOWS:

Any investment fund approved to make qualified investments pursuant to KRS 154.20-250 to 154.20-284 prior to July 1, 2002, unless otherwise approved by the authority, shall continue to operate and be granted credits pursuant to the agreement entered into and the rules, regulations, and procedures adopted by the authority prior to the effective date of this Act.

Section 25. KRS 154.20-277 is amended to read as follows:

- (1) Each investment fund manager shall cause the books and records of the investment fund to be audited on an annual basis by an independent certified public accountant in accordance with generally-accepted accounting principles consistently applied. The audit shall address the financial condition of the investment fund and compliance with the provisions of KRS 141.068 and KRS 154.20-250 to 154.20-284~~including, but not limited to, those provisions requiring that qualified investments be made within certain time limits~~. Each year the audit report shall be completed and certified by the independent certified public accountant and delivered to the~~secretary of the Revenue Cabinet and the~~ authority within ninety (90) days after the end of the investment fund's fiscal year.
- (2) The authority and the Revenue Cabinet, individually or collectively, may examine, under oath, any of the officers, trustees, partners, members, managers, directors, agents, employees, or investors of an investment fund~~or an investment fund manager, or if the investment fund manager is a person, an investment fund manager,~~ regarding the affairs and business of the investment fund. The authority and the Revenue Cabinet, individually or collectively, may issue subpoenas and subpoenas duces tecum and administer oaths. Refusal to obey such a subpoena or subpoena duces tecum may be reported to the Franklin Circuit Court, which shall enforce the subpoena or subpoena duces tecum according to the rules of civil or criminal procedure, as applicable.
- (3) In addition to the audits required by this section, the authority or the Revenue Cabinet may audit one (1) or more investment funds or investment fund managers in any year on a random basis or for cause. The authority or the Revenue Cabinet may also audit, *for cause*, any small business in which an investment fund has made a qualified investment~~or in which an investment fund proposes to make a qualified investment, on a random basis or for cause~~. Nothing in this section shall be construed to prohibit the Revenue Cabinet from conducting any audit relating to the administration or enforcement of the tax laws of the Commonwealth which the Revenue Cabinet determines to be appropriate.
- (4) If any audit conducted pursuant to this section discloses that an investment fund or investment fund manager is not in compliance with the provisions of KRS 141.068 and KRS 154.20-250 to 154.20-284, the authority and the Revenue Cabinet may consult with one another with respect to this noncompliance and the Revenue Cabinet may exercise any of its powers to protect the Commonwealth's interest and to enforce the provisions of KRS 141.068 and KRS 154.20-250 to 154.20-284.

- (5) The authority may give an investment fund manager written notice of any noncompliance with the provisions of KRS 154.20-250 to 154.20-284 and specify a period of time the investment fund manager shall have to cure any noncompliance. Failure to cure any such noncompliance within the period of time specified by the authority may result in further action by the authority pursuant to this section.
- (6) ~~The authority and the Revenue Cabinet may each charge a fee in connection with the administration and review of annual audits of investment funds under this section.~~
- (7) Nothing in this section shall be construed to prohibit the Department of Financial Institutions, Division of Securities, or any other securities regulatory organization or body with jurisdiction over the activity of an investment fund or the investment fund manager from conducting any examination or investigation relating to the securities activities of the investment fund or investment fund manager. If any examination or investigation conducted pursuant to any securities laws or regulations discloses that an investment fund or investment fund manager is not in compliance with any provision of any applicable securities laws or regulations, the appropriate securities regulator may take whatever action it deems appropriate in accordance with such securities laws and regulations to respond to the noncompliance, notwithstanding any action the authority or the Revenue Cabinet may or may not take with respect to the noncompliance.

Section 26. KRS 154.20-279 is amended to read as follows:

The Commonwealth, the authority, or any officer, director, official, employee, or agent of the Commonwealth or the authority shall not be liable to any investor, ~~or to any~~ investment fund, ~~or to any~~ investment fund manager as a result of KRS 154.20-250 to 154.20-284, or any of the activities authorized by KRS 154.20-250 to 154.20-284. This limitation of liability includes, without limitation:

- (1) Losses or damages investors incur in connection with any ***committed or contributed*** cash contributions made to an investment fund or any qualified investments made by an investment fund in small businesses; and
- (2) Any claim, liability, obligation, loss, damage, assessment, judgment, cost, and expense of any kind or character relating to federal or state securities laws, rules, regulations, or orders.

Section 27. KRS 154.20-281 is amended to read as follows:

- (1) An investment fund may be dissolved or liquidated only after notice to ~~and approval of that dissolution or liquidation by~~ the authority in compliance with any applicable state or federal securities laws or regulations. ~~The authority may promulgate administrative regulations in accordance with KRS Chapter 13A to establish procedures for application for approval to dissolve or liquidate an investment fund.~~
- (2) This section shall not prohibit an investment fund from making distributions to investors in compliance with any applicable state or federal securities laws or regulations, if the investment fund is in compliance with the terms of KRS 154.20-250 to 154.20-284 ~~and if these distributions are not made in connection with the dissolution or liquidation of the investment fund or prohibited by KRS 154.20-257(4) or KRS 154.20-271(1).~~

Section 28. KRS 154.20-283 is amended to read as follows:

- (1) No qualified investments shall be made in a small business that is the "alter ego" of the investment fund or the investment fund manager. For purposes of this subsection, a business is an "alter ego" of an investment fund or an investment fund manager if any of the following criteria are satisfied:
 - (a) ***Prior to an investment fund making a qualified investment in the small business***, the small business is owned in whole or in ***an amount greater than twenty percent (20%) of the small business*** ~~part~~ by an investor, officer, director, partner, member, manager, trustee or employee of the investment fund or the investment fund manager; ***or***
 - (b) The small business employs on a full-time or part-time basis an investor, ~~officer, director, partner, member, manager, trustee, or employee of the investment fund or the investment fund manager; or~~
 - (c) ~~An investor, officer, director, partner, member, manager, trustee, or employee of the investment fund or the investment fund manager has a direct or indirect financial interest in the small business, other than by virtue of the qualified investment made by the investment fund to the small business.~~
- (2) ~~An~~ ~~No investor, officer, director, partner, member, manager, trustee, or employee of an investment fund or~~ investment fund manager ***may*** ~~shall~~ occupy any management position in any small business in which that investment fund has made a qualified investment ***for the purpose of*** ~~unless~~:

- (a) **Filling a**~~The person is filling that~~ management position ~~at the direction of the investment fund manager~~ in an effort to remedy problems arising from a lack of profitability of the small business, or from dishonesty of the persons otherwise managing the small business; or
 - (b) **Serving**~~The authority approves the investor, officer, director, partner, member, manager, trustee, or employee of an investment fund or investment fund manager serving~~ in a~~the~~ management position in the small business **in order to add value to the investment fund and the business by his or her experience, skills, or relationships to help a business succeed.**
- (3)~~No investor, officer, director, partner, member, manager, trustee, or employee of an investment fund or investment fund manager shall have a direct or indirect financial interest in any small business in which the investment fund has a qualified investment, except by virtue of the qualified investment made by the investment fund in the small business.~~
- (4)~~No officer, member, or employee of the authority shall have a direct or indirect financial interest in any investment fund or investment fund manager.~~

Section 29. KRS 164.6011 is amended to read as follows:

As used in KRS **164.6011 to 164.6041**~~164.6017 to 164.6043~~, unless the context indicates otherwise:

- (1) "Applied research" means those research activities occurring at universities and in private enterprises that have potential commercial application;
- (2) "Cluster" means a geographically bound concentration of similar, related, or complementary businesses with active channels for business transactions, communications, and dialogue, that share specialized infrastructure, labor markets, and services, and that are faced with common opportunities and threats;
- (3) "Commission" means the Kentucky Innovation Commission;
- (4) "Commonwealth" means the Commonwealth of Kentucky;
- (5) "Council" means the Council on Postsecondary Education;
- (6) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, person, group, or other entity engaged in nonretail commerce, agribusiness, trade, or manufacturing;
- (7) "Immediate family members" means:
 - (a) Spouse and parents-in-law;
 - (b) Parents and grandparents;
 - (c) Children and their spouses; and
 - (d) Siblings and their spouses;
- (8) "Kentucky-based company" means a business with its principal place of business in Kentucky or no less than fifty percent (50%) of its property and payroll located in Kentucky;
- (9) "Knowledge-based" means driven by knowledge, innovation, and speed;
- (10) "Medium-size company" means a business with fifty-one (51) to one hundred fifty (150) employees;
- (11) "Qualified company" means an eligible company that may be **granted**~~awarded~~ a funding voucher **or award** pending certification;
- (12) "Science and technology organization" means an independent, nonprofit or quasi-governmental organization, with a statewide mission, that has a demonstrated history of managing complicated programs in the areas of entrepreneurial innovation, science, and technology advancement;
- (13) "Seed funding" means financing that is provided for early-stage development, refinement, and commercialization of a product, process, or innovation through continuing applied research, advancing the patent process, determining commercial and market potential, or moving research toward development of a prototype; and
- (14) "Small company" means a firm with fifty (50) or fewer employees.

Section 30. KRS 164.6013 is amended to read as follows:

The General Assembly finds that the general welfare and material well-being of the citizens of the Commonwealth depend on immediate action to develop a strong, entrepreneurial economy, characterized by knowledge, innovation, and speed and that it is in the best interest of the Commonwealth to promote research, innovation, and high-technology enterprises that utilize the higher-order skills of an educated workforce. The provisions in KRS 164.6011 to ~~164.6041~~ ~~164.6043~~ and ~~KRS 154.12-270~~, 154.12-274, ~~and~~ 154.12-278, **and Sections 9 to 12 of this Act** shall be liberally construed and applied to advance public purposes.

Section 31. KRS 164.6015 is amended to read as follows:

- (1) There is established the Kentucky Innovation Commission, as an independent advisory commission, consisting of fifteen (15) members as follows:
 - (a) The Governor or designee;
 - (b) The secretary of the Governor's Executive Cabinet or designee;
 - (c) The secretary of the Cabinet for Economic Development or designee;
 - (d) The president of the Council on Postsecondary Education or designee;
 - (e) The state budget director or designee;
 - (f) The Speaker of the House or designee;
 - (g) The President of the Senate or designee; and
 - (h) Eight (8) at-large members appointed by the Governor as follows:
 1. Four (4) members of the private sector possessing extensive experience and expertise relating to managing a high-technology business or engaging in an innovation-driven, knowledge-based enterprise;
 2. One (1) member engaged in the business of venture capital;
 3. One (1) member of the private sector possessing extensive experience and expertise relating to providing or supporting communications infrastructure; and
 4. Two (2) members who are engineers or scientists recognized for their scientific or technological research efforts, or educators with an interest or background in teaching students to become highly skilled workers or entrepreneurs.
- (2) The eight (8) at-large members shall serve terms of four (4) years, except that the original appointments shall be staggered so that two (2) appointments shall expire at two (2) years, three (3) appointments shall expire at three (3) years, and three (3) appointments shall expire at four (4) years from the dates of initial appointment.
- (3) The commission shall meet quarterly and at other times upon call by the chair.
- (4) Eight (8) members shall constitute a quorum for conducting business.
- (5) Members shall receive no compensation except that the at-large members shall be reimbursed for actual and necessary travel expenses for attending meetings and performing other official functions, consistent with state reimbursement policy for state employees.
- (6) Vacancies shall be filled in the same manner as the original appointment.
- (7) The chair and vice chair of the commission shall be appointed by the Governor ~~from the private sector membership~~.
- (8) The commission shall provide ongoing advice, direction, and policy recommendations to the Governor and the General Assembly relating to the status of Kentucky knowledge-driven businesses, research and development initiatives, and related high-skill training and education in the Commonwealth.
- (9) The duties and responsibilities of the commission shall be to:
 - (a) Promote the cooperation of private and public entities that have the purpose and duty of advancing the knowledge-based economy in the Commonwealth through technological innovation and knowledge transfer;

- (b) ***Report on the progress the Commonwealth has made annually toward achieving the goals in Section 30 of this Act through its agreed-upon benchmarks. In the setting of benchmarks the commission shall*** consider performance indicators recommended by public and private experts in and outside of the state in the fields of research and development and economic development, for the purpose of recommending benchmarks. Experts in this state shall include, but not be limited to, representatives from the universities undertaking research and development activities, representatives of the Kentucky Science and Technology Corporation, representatives of targeted technology sectors, representatives of the Cabinet for Economic Development, and representatives of other state agencies having economic development and information technology responsibilities. Outside state experts shall include nationally recognized independent reviewers to assess the competitiveness of technology sectors in this state and the impact of research and development activities on economic development in the Commonwealth. Quantitative and qualitative indicators may include, but are not limited to, the following:
1. Kentucky companies modernizing to become more technologically innovative and globally competitive;
 2. Research and development initiatives undertaken at Kentucky universities with federal, state, or private funds;
 3. Educational attainment in areas that support the workforce needs of information technology and high-growth knowledge industries;
 4. High-technology sectors and companies moving to and operating in the state;
 5. Patents filed for technology or knowledge-based commercial products, processes, or services;
 6. Businesses using electronic commerce and the communications infrastructure access capacity for Kentucky businesses;~~{and}~~
 7. Growth in corporate headquarters, research and development centers, high-income employees, and clustering of related technology industries and suppliers; ***and***
 8. ***Monitoring reports indicating progress made by the Kentucky Innovation Act investments as reported by the Office for the New Economy and the Council on Postsecondary Education;***
- (c) Operate as a common strategic umbrella to advocate for the use of federal, state, local government, and private sector funds to create research and development projects, modernize manufacturing facilities, and promote knowledge-based, technology sectors and companies in the Commonwealth; and
- (d) Report to the Governor and to the General Assembly annually on performance indicators, recommending benchmarks for measuring progress toward the advancement of the knowledge-based economy, technological innovation, and knowledge transfer, and reporting on the programs and initiatives set forth in KRS 164.6019 to ~~164.6041~~ **164.6041**~~164.6043 and KRS 154.12-270~~, 154.12-274, and 154.12-278, ***and Sections 9 to 12 of this Act.***
- (10) The support staff for the commission shall be from the office of the state budget director.

Section 32. KRS 164.6017 is amended to read as follows:

- (1) The Council on Postsecondary Education shall have all the powers and authority, not explicitly prohibited by statute, necessary and convenient to carry out and effectuate the purposes of KRS 164.6019 to ~~164.6041~~ **164.6041**~~164.6043~~, including, but not limited to:
- (a) Entering into contracts or agreements necessary or incidental to the performance of its duties, functions, and responsibilities; and
 - (b) Soliciting, borrowing, accepting, receiving, and expending funds from any public or private source, including, but not limited to, general fund appropriations of the Commonwealth, grants or contributions of money, property, labor, or other things of value to be used to carry out the programs' operations, functions, and responsibilities; ***and***
 - (c) ***Notwithstanding the provisions in paragraph (a) of this subsection, the commissioner of the Office for the New Economy shall approve the contracts issued by the Council on Postsecondary Education regarding the structure of programs and funding levels in those programs administered by a science and technology organization and created in KRS 164.6021, 164.6029, and 164.6037, and Section 13 of this Act.***

- (2) The council may expend money in the funds created in KRS 164.6019, 164.6027, and 164.6035 for reasonable administrative expenses directly incurred in carrying out the requirements of KRS 164.6019 to ~~164.6041~~~~[164.6043]~~. It is the intent of the General Assembly that the funds created in KRS 164.6019, 164.6027, and 164.6035 be used, to the fullest extent possible, to directly fund project costs. ***It is also the intent of the General Assembly that the first priority of expenditures of any excess revenues generated from the funds created in KRS 164.6019, 164.6027, and 164.6035 is to replenish general fund appropriations for those same purposes.***
- (3) The council shall contract with a science and technology organization to administer the programs created in KRS 164.6021, **164.6029**, and 164.6037~~], and may contract with a science and technology organization to administer the programs created in KRS 164.6029 and 164.6043. The council may contract with the Kentucky Science and Technology Corporation to administer these programs]~~. The council shall approve the application criteria, the process for submission of an application, and the structure and type of outside expertise or peer review used in the application review process in the programs created in KRS 164.6021, 164.6029, and 164.6037.
- (4) No member of the council or the science and technology organization or other administering entity, or their employees or outside experts or their immediate family members, shall directly or indirectly financially benefit in any award, contract, or agreement under the programs.
- (5) The council shall submit an annual report ***prior to October 15 to the*** Kentucky Innovation Commission, the Governor, and the General Assembly detailing its work related to the programs created in KRS 164.6021, 164.6029, **and** 164.6037~~], and 164.6043]~~. The annual ***report shall be coordinated with the monitoring report by the Office for the New Economy indicating progress made through investments, and***~~reports]~~ shall include ***but not be limited to*** reporting on the progress made in achieving each program's purposes, qualitative and quantitative information concerning the applications received, projects approved and undertaken, companies served, and funding amounts invested in each project or program, as appropriate, and findings and recommendations to increase each program's effectiveness in achieving its purposes.
- (6) All records related to the administration of the programs created in KRS 164.6021, 164.6029, **and** 164.6037~~], and 164.6043]~~ shall be deemed property of the council and shall be deemed open records and subject to public inspection under KRS 61.870 to 61.884. Any research that involves or is a patent, trade secret, or other legally protectable interest shall be exempt from inspection until such time as the intellectual property rights have been fully protected.

Section 33. KRS 164.6029 is amended to read as follows:

- (1) There is created and established in the Council on Postsecondary Education a Kentucky Rural Innovation Program to provide ~~awards~~~~[vouchers]~~ to rural Kentucky-based, small companies to undertake research, development, and entrepreneurial innovation work in partnership with Kentucky postsecondary institutions, the Small Business Development Center Network in Kentucky, and other entities engaged in research and development work.
- (2) The purpose of the Kentucky Rural Innovation Program is to:
 - (a) Accelerate knowledge transfer and technological innovation that improve economic competitiveness and spur economic growth in rural, Kentucky-based, small companies;
 - (b) Support entrepreneurial activities that have clear potential to lead to commercially successful products, processes, or services within a reasonable period of time;
 - (c) Stimulate growth-oriented enterprises within the Commonwealth;
 - (d) Encourage partnerships and collaborative projects between private enterprises, Kentucky's postsecondary institutions, research organizations, and the Small Business Development Center Network in Kentucky; and
 - (e) Promote research, development, and entrepreneurial activities that are driven by private sector requirements.

Section 34. KRS 164.6031 is amended to read as follows:

- (1) The *science and technology organization*~~[council]~~ shall have the authority to review applications, *grant awards*~~[award—vouchers]~~ to qualifying companies, and certify qualified companies. The *science and technology organization*~~[council]~~ shall develop application criteria and an application process subject to the following limitations. The proposed project shall be likely to:
 - (a) Produce a measurable result and be technically sound;
 - (b) Lead to innovative technology or new knowledge;
 - (c) Lead to commercially successful products, processes, or services within a reasonable period of time; or
 - (d) Show significant potential for stimulating economic growth and a reasonable probability to enhance employment opportunities within rural Kentucky.
- (2) The applicant shall provide to the *science and technology organization*~~[council]~~ an application that shall include, but not be limited to, the following information:
 - (a) Verification that the applicant is an eligible company, a Kentucky-based company, and a small company, and is located in a rural area of the state;
 - (b) Written justification that the project application is consistent with the program purposes;
 - (c) A research, development, and entrepreneurial plan that is sufficient in scope for review;
 - (d) A financial analysis and resource support plan that includes sufficient commitments by the applicant and others, in addition to *a Kentucky Rural Innovation*~~[an]~~ award~~[—voucher]~~, providing a reasonable probability of the success of the project endeavor;
 - (e) Sufficient detail concerning proposed project partners, type and amount of work to be performed by each partner, and expected product or service with estimated costs to be reflected in the negotiated contract or agreement; and
 - (f) A statement of the economic development potential of the project.
- (3) The *science and technology organization*~~[council]~~ shall conduct an independent review with the use of outside experts to evaluate each application. Following the application review, the council shall make a determination of the application and may determine that the applicant is a qualified company as defined in KRS 164.6011.
- (4) Upon a qualified company's presentation of a legal agreement or contract meeting the conditions under subsection (5) of this section the *science and technology organization*~~[council]~~ shall present the qualified company and partnering entities with a certification authorizing *award*~~[voucher]~~ funding.
- (5) Prior to receiving certification authorizing *award*~~[voucher]~~ funding the qualified company shall:
 - (a) Negotiate an agreement and funding contract with one (1) or more of Kentucky's postsecondary institutions, the Small Business Development Center Network for approved project activities specified under KRS 154.01-750(4), or other entity engaged in the research and development work, that is satisfactory to the *science and technology organization*~~[council]~~, to undertake the research and development and entrepreneurial work; and
 - (b) Provide assurance to the *science and technology organization*~~[council]~~ that the collaborating parties have adequately addressed the ownership and disposition of patents, royalties, and all other intellectual property rights, and equity or related position relating to the contract between the qualifying company and a partnering entity.
- (6) The *science and technology organization*~~[council]~~ shall set forth guidelines as to when and how all areas of the state will be notified about the program availability and guidelines for making application to the program. The *science and technology organization*~~[council]~~ shall determine a deadline, from the date *an award*~~[a voucher]~~ is *granted*~~[awarded]~~, that certification shall be made. If certification is not made by that deadline the ~~[voucher]~~ award is made void.
- (7) Prior to certifying a qualified company, the *science and technology organization*~~[council]~~ may negotiate with the qualified company the ownership and disposition of patents, royalties, all other intellectual property rights, and an equity or related position on behalf of the Kentucky rural innovation fund for the sole purpose of reinvesting and sustaining a revolving fund to carry out the provisions of this section and KRS 164.6029 and 164.6033.

- (8) The council ~~shall~~~~may~~, in effectuating the provisions of this section, contract with ~~a~~~~any public agency, private entity, or~~ science and technology organization to administer and manage the Kentucky Rural Innovation Program.

Section 35. KRS 164.6033 is amended to read as follows:

Project funding in the Kentucky Rural Innovation Program shall have the following limitations:

- (1) ~~Voucher~~ Award funds shall be used as seed funding as defined in KRS 164.6011;
- (2) ~~Voucher~~ Award funds may be used for those entrepreneurial training topics specified in KRS Chapter 154.01-750(4), if they meet particular objectives of a qualified company as delineated in the project application; and
- (3) The amount of a ~~voucher~~ fund award to a qualified company shall not exceed ~~fifty~~~~twenty five~~ thousand dollars ~~(\$50,000)~~~~(\$25,000)~~ each year for two (2) years, equal to a maximum of ~~one hundred~~~~fifty~~ thousand dollars ~~(\$100,000)~~~~(\$50,000)~~.

Section 36. KRS 292.320 is amended to read as follows:

- (1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:
 - (a) To employ any device, scheme, or artifice to defraud;
 - (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or
 - (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
- (2) It is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise:
 - (a) To employ any device, scheme, or artifice to defraud the other person; or
 - (b) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.
- (3) It is unlawful for any investment adviser to enter into, extend, or renew any investment advisory contract unless it provides in writing:
 - (a) That the investment adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client ***unless the client is an "accredited investor," as defined by Rule 501 of the Securities Act of 1933;***
 - (b) That no assignment of the contract may be made by the investment adviser without the consent of the other party to the contract; and
 - (c) That the investment adviser, if a partnership, shall notify the other party to the contract of any change in the membership of the partnership within a reasonable time after the change.
- (4) Paragraph (a) of subsection (3) of this section does not prohibit an investment advisory contract which provides for compensation based upon the total value of a fund averaged over a definite period, or as of definite dates or taken as of a definite date. "Assignment", as used in paragraph (b) of subsection (3) of this section includes any direct or indirect transfer or hypothecation of an investment advisory contract by the assignor or of a controlling block of the assignor's outstanding voting securities by a security holder of the assignor; but, if the investment adviser is a partnership, no assignment of an investment advisory contract is considered to result from the death or withdrawal of a minority of the members of the investment adviser having only a minority interest in the business of the investment adviser, or from the admission to the investment adviser of one (1) or more members who, after admission, will be only a minority of the members and will have only a minority interest in the business.

- (5) Subsection (3)(a) of this section shall *also* not apply to a contract with any person or class of persons that the commissioner by rule or regulation or by order upon application determines does not need the protections of subsection (3)(a) of this section. The commissioner may grant a conditional or unconditional exemption based on factors which include the person's or persons' financial sophistication, net worth, knowledge of and experience in financial matters, amount of assets under management, relationship with a registered investment adviser, or other factors as the commissioner determines are consistent with this section.

Section 37. KRS 292.330 is amended to read as follows:

- (1) It is unlawful for any person to transact business in this state as a broker-dealer or agent, unless ~~the person~~ *he* is registered under this chapter. It is unlawful for any broker-dealer or issuer to employ an agent unless the agent is registered. It is unlawful for any investment adviser that is required to be registered under this chapter to employ an investment adviser representative unless the investment adviser representative is registered under this chapter. It is unlawful for any person to transact business in this state as an investment adviser unless:
- (a) ~~The person~~ *he* is so registered under this chapter; ~~or~~
 - (b) ~~The person~~ *he* is registered as a broker-dealer under this chapter; *or*
 - (c) *The person is approved, and remains approved, by the Kentucky Economic Development Finance Authority as an investment fund manager pursuant to Section 19 of this Act.*
- (2) It is unlawful for any covered adviser to transact business in this state unless:
- (a) The person has made a notice filing with the commissioner consisting of a copy of those documents that have been filed by the covered adviser with the United States Securities and Exchange Commission and that the commissioner by rule or order requires to be filed together with consent to service of process and the fee prescribed in subsection (11)(b) of this section;
 - (b) The person is registered as a broker-dealer under this chapter;
 - (c) The person's only clients are investment companies as defined in the Investment Company Act of 1940, or insurance companies; or
 - (d) The person is excluded from the definition of investment adviser under KRS 292.310(10)(a) to (h) and (j).

It is unlawful for an investment adviser representative to be employed by a covered adviser who is required to make a notice filing with the commissioner unless the investment adviser representative is registered under this chapter.

- (3) A broker-dealer, agent, investment adviser, or investment adviser representative may apply for registration by filing with the commissioner or the commissioner's designee an application together with a consent to service of process pursuant to KRS 292.430 and payment of the fee prescribed in subsection (11).
- (a) Registration of a broker-dealer automatically constitutes registration of any agent who is a partner, officer, or director, or a person occupying a similar status or performing similar functions (except any partner, officer, or director or other such person whose registration as an agent is denied, suspended, or revoked under subsection (13)) without the filing of applications for registration as agents or the payment of fees for registration as agents.
 - (b) Except for any partner, officer, director, or other person whose registration as an investment adviser representative is denied, suspended, or revoked under subsection (13) of this section, registration of an investment adviser automatically constitutes registration of any investment adviser representative who is a partner, officer, director, or a person occupying a similar status or performing similar functions, without the filing of applications for registration as investment adviser representatives or the payment of fees for registration, as investment adviser representatives.
 - (c) The registration application shall contain whatever information the commissioner requires concerning such matters as:
 1. The applicant's form and place of organization;
 2. The applicant's proposed method of doing business;
 3. The qualifications and business history of the applicant and in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or

performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser; and in the case of an investment adviser, the qualifications and business history of an employee;

4. Any injunction or administrative order or conviction of a misdemeanor involving a security or any aspect of the securities business and any conviction of a felony; and
 5. The applicant's financial condition and history.
- (4) If no denial order is in effect and no proceeding is pending under subsection (13), registration becomes effective at noon of the thirtieth day after an application is filed, except as otherwise noted in this subsection:
- (a) The commissioner may specify an earlier effective date and ~~he~~ may by order defer the effective date until noon of the thirtieth day after the filing of any amendment.
 - (b) The commissioner may by rule establish a procedure for transfer of an agent or an investment adviser representative whereby registration may become effective prior to the filing of an application; but any registration so transferred shall not be effective for more than thirty (30) days, unless within that thirty (30) days a properly completed application is filed.
 - (c) The thirtieth day effective day is tolled if, before 5 p.m. EST of the thirtieth day, the commissioner notifies the applicant that the application is incomplete or that he intends to deny the application, pending the completion of the application or a hearing and final order on the intent to deny the application or the waiver of a hearing through the failure to request a hearing with fifteen (15) days of receiving notice of the intent to deny the application, as applicable.
- (5) The commissioner may require as a condition of registration that the applicant (and, in the case of a corporation or partnership, the officers, directors, or partners) pass a written examination as evidence of knowledge of the securities business.
- (6) Subject to the limitations of Section 15 of the Securities Exchange Act of 1934 and Section 222 of the Investment Advisers Act of 1940, the commissioner may by rule require the existence and maintenance of a minimum liquid net capital for registered broker-dealers and investment advisers and a minimum ratio between net capital and aggregate indebtedness, or both.
- (7) Subject to the limitations of Section 15 of the Securities Exchange Act of 1934 and Section 222 of the Investment Advisers Act of 1940, the commissioner may by rule require registered broker-dealers, agents, and investment advisers to post surety bonds in an amount up to \$25,000, and may determine their conditions, except under this subsection that no such bond may be required of any registrant whose net capital exceeds \$100,000. An appropriate deposit of cash or securities shall be accepted in lieu of any required surety bond. Every surety bond shall provide for suit thereon by any person who has a cause of action under KRS 292.480, and every such bond shall provide that no suit may be maintained to enforce any liability on the bond unless brought within three (3) years after the later of the sale or other act upon which it is based or the discovery of the sale or act.
- (8) Subject to the limitations of Section 15 of the Securities Exchange Act of 1934, the commissioner may by rule require registered broker-dealers to carry fidelity bonds, covering its agents, general partners, and officers, in such form, covering such risks, and in such amounts (not exceeding \$250,000) as he deems necessary for the protection of the public; and he may by rule require registered broker-dealers to furnish satisfactory evidence that they have such bonds.
- (9) Every registration of a broker-dealer, agent, investment adviser, and investment adviser representative and every notice filing shall be effective until December 31 of the year of registration or notice unless the commissioner by rule extends or lessens the registration or notice period may be renewed as hereinafter provided. The commissioner may by rule increase or reduce the registration fee or notice filing fee set forth in subsection (11) of this section should the registration period or notice period be extended or lessened.
- (a) The registration of an agent is not effective during any period when he is not associated with an issuer or a registered broker-dealer specified in his application or a notice filed with the commissioner or the commissioner's designee. When an agent begins or terminates a connection with an issuer or registered broker-dealer, the agent and the issuer or broker-dealer shall promptly notify the commissioner or the commissioner's designee.

- (b) The registration of an investment adviser representative is not effective during any period when he is not associated with an investment adviser specified in his application or with a covered adviser specified in a notice filed with the commissioner or the commissioner's designee. When an investment adviser representative begins or terminates a connection with an investment adviser, the investment adviser representative and the investment adviser shall promptly notify the commissioner or the commissioner's designee. When an investment adviser representative begins or terminates a connection with a covered adviser, the investment adviser representative shall notify the commissioner or the commissioner's designee.
- (10) Registration of a broker-dealer, agent, investment adviser, or investment adviser representative may be renewed by filing with the commissioner or the commissioner's designee prior to the expiration thereof an application containing the information the commissioner may require to indicate any material change in the information contained in the original application or any renewal application for registration as a broker-dealer, agent, investment adviser, or investment adviser representative filed with the commissioner or the commissioner's designee by the applicant, payment of the prescribed fee and, in the case of a broker-dealer, a financial statement showing the financial condition of such broker-dealer as of a date within ninety (90) days. A notice filing by a covered adviser may be renewed by filing with the commissioner or the commissioner's designee a notice filing consisting of any documents filed with the United States Securities and Exchange Commission as the commissioner may require by rule or order. A registered broker-dealer or investment adviser may file an application for registration of a successor and a covered adviser may file a notice filing for a successor, whether or not the successor is then in existence, for the unexpired portion of the year without payment of any fee.
- (11)
 - (a) The fee for initial or renewal registration shall be one hundred twenty dollars (\$120) for a broker-dealer, one hundred dollars (\$100) for an investment adviser, fifty dollars (\$50) for an agent, fifty dollars (\$50) for an investment adviser representative, and fifty dollars (\$50) for transfer of an agent or investment adviser representative, none of which fees shall be refundable.
 - (b) The fee for notice filings shall be one hundred dollars (\$100) for a covered adviser.
- (12)
 - (a) Every registered broker-dealer, firm employing issuer agents, and investment adviser shall make and keep all accounts, correspondence, memoranda, papers, books, and other records which the commissioner by rule prescribes. All records required shall be preserved for three (3) years unless the commissioner by rule prescribes otherwise for particular types of records. All required records shall be kept within this state or shall, at the request of the commissioner, be made available at any time for examination by him either in the principal office of the registrant or by production of exact copies thereof in this state. If a broker-dealer is registered with the United States Securities and Exchange Commission, the books and records required by this section are limited to those that the Securities Act of 1934 requires the broker-dealer to maintain. If an investment adviser has his principal place of business in another state, the requirements of this section shall be limited to those books and records requirements of that state, provided the adviser is registered in that state and in compliance with its recordkeeping requirements.
 - (b) Every registered broker-dealer and investment adviser shall file such reports as the commissioner by rule prescribes. If a broker-dealer is registered with the United States Securities and Exchange Commission, the reports required by this section are limited to those required under the Securities Act of 1934. If an investment adviser has his principal place of business in another state, the requirements of this section shall be limited to the reporting requirements of that state, provided the adviser is registered in that state and in compliance with its reporting requirements.
 - (c) If the information contained in any document filed with the commissioner or the commissioner's designee is or becomes inaccurate or incomplete in any material respect, the broker-dealer or investment adviser, as applicable, shall promptly file a correcting amendment. In the case of a covered adviser, the adviser shall file only copies of those documents required to be filed with the Securities and Exchange Commission.
 - (d) The commissioner may make periodic examinations, within or without this state, of each broker-dealer, firm employing issuer agents, and investment adviser at such times and in such scope as he determines. These examinations may be made without prior notice to the broker-dealer, firm employing issuer agents, or investment adviser. The expense reasonably attributable to any such examination shall be paid by the broker-dealer, firm employing issuer agents, or investment adviser whose business is examined

but the expense so payable shall not exceed an amount which the commissioner by rule prescribes. For the purpose of avoiding unnecessary duplication of examinations, the commissioner, insofar as he deems it practicable in administering this subsection, may cooperate with securities administrators of other states, the securities and exchange commission, and any national securities exchange or national securities association registered under the Securities Exchange Act of 1934.

- (e) The commissioner may by rule prohibit unreasonable charges, profits, commissions, or other compensation of broker-dealers and investment advisers.
 - (f) The commissioner may prescribe rules for the conduct of business by broker-dealers and investment advisers which he finds appropriate in the public interest and for the protection of investors.
 - (g) The commissioner may enter into an arrangement, agreement, or other working relationship with federal, other state, and self-regulatory authorities whereby documents may be filed and maintained in a central depository system with the National Association of Securities Dealers or other agencies or authorities. It is the intent of this paragraph that the commissioner be provided power to reduce duplication of filings, reduce administrative costs, and establish uniform procedures, forms, and administration with the states and federal authorities. The commissioner may permit initial and renewal registration filings required under this chapter to be filed with the Securities and Exchange Commission, the National Association of Securities Dealers, or other similar authorities. The commissioner may accept uniform securities examinations or other procedures designed to implement a uniform national securities regulatory system or facilitate common practices and procedures among the states.
- (13) (a) The commissioner may by order deny, suspend, or revoke registration of any broker-dealer, agent, investment adviser, or investment adviser representative, or bar or censure any registrant or any officer, director, partner, or person occupying a similar status or performing similar functions for a registrant, from employment with a registered broker-dealer or investment adviser, or restrict or limit a registrant as to any function or activity of the business for which registration is required in the Commonwealth of Kentucky, if he finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer, or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:
- 1. Has filed an application for registration under this section which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;
 - 2. Has willfully violated or willfully failed to comply with any provision of this chapter or a predecessor law or any rule or order under this chapter or a predecessor law;
 - 3. Has been convicted, within the past ten (10) years, of any misdemeanor involving a security or any aspect of the securities business, or any felony, or has pending against him any such criminal charge;
 - 4. Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;
 - 5. Is the subject of an order of the commissioner denying, suspending, or revoking registration as a broker-dealer, agent, investment adviser, or investment adviser representative;
 - 6. Is the subject of any of the following orders that are currently effective and were issued within the last five (5) years:
 - a. An order by the securities agency or administrator of another state or Canadian province or territory, or by the Securities and Exchange Commission, entered after notice and opportunity for hearing, denying, suspending, limiting or revoking the person's license as a broker-dealer, sales representative, or investment adviser, or the substantial equivalent of those terms;
 - b. An order of a self-regulatory organization finding a violation of federal law or a rule of the self-regulatory organization;

- c. A United States Postal Service fraud order;
 - d. A cease and desist or other administrative order entered after notice and opportunity for hearing by the commissioner, the securities agency or administrator of another state, or a Canadian province or territory, the Securities and Exchange Commission, or the Commodity Futures Trading Commission; or
 - e. An order by the Commodity Futures Trading Commission denying, suspending, or revoking registration under the Commodity Exchange Act;
- 7. Has engaged in dishonest or unethical practices in the securities business;
 - 8. Is insolvent, either in the sense that his liabilities exceed his assets or in the sense that he cannot meet his obligations as they mature; but the commissioner may not enter an order against a broker-dealer or investment adviser under this paragraph without a finding of insolvency as to the broker-dealer or investment adviser;
 - 9. Is not qualified on the basis of such factors as training, experience, or knowledge of the securities business, except as provided in paragraph (b) below; or the commissioner may by order, deny, suspend, or revoke any registration if he finds that the order is in the public interest and that the applicant or registrant:
 - a. Has failed reasonably to supervise his agents if he is a broker-dealer or his employees or investment adviser representatives if he is an investment adviser; or
 - b. Has failed to pay the proper filing fee; but the commissioner may enter only a denial order under this clause, and he shall vacate any such order when the deficiency has been corrected.
 - 10. Has violated the law of a foreign jurisdiction governing or regulating any aspect of the business of securities or banking; or within the past five (5) years, has been the subject of an action of a securities regulator or a foreign jurisdiction denying, revoking, or suspending the right to engage in the business of securities as a broker-dealer, agent, investment adviser, or investment adviser representative or is the subject of an action of any securities exchange or self-regulatory organization operating under the authority of the securities regulator of a state, federal, or foreign jurisdiction suspending or expelling the person from membership in the exchange or self-regulatory organization.

The commissioner may not institute a suspension or revocation proceeding on the basis of a fact or transaction known to him when registration became effective unless the proceeding is instituted within the next thirty (30) days; or

- (b) The following provisions govern the application of subparagraph 9. of paragraph (a) of this subsection:
 - 1. The commissioner may not enter an order against a broker-dealer on the basis of the lack of qualification of any person other than the broker-dealer himself if he is an individual or an agent of the broker-dealer;
 - 2. The commissioner may not enter an order against an investment adviser on the basis of the lack of qualification of any person other than the investment adviser himself if he is an individual or any other person who represents the investment adviser in doing any of the acts which make him an investment adviser;
 - 3. The commissioner may not enter an order solely on the basis of lack of experience if the applicant or registrant is qualified by training or knowledge or both;
 - 4. The commissioner shall consider that an agent who will work under the supervision of a registered broker-dealer need not have the same qualifications as a broker-dealer;
 - 5. The commissioner shall consider that an investment adviser is not necessarily qualified solely on the basis of experience as a broker-dealer or agent. When he finds that an applicant for initial or renewal registration as a broker-dealer is not qualified as an investment adviser or an investment adviser representative, he may by order condition the applicant's registration as a broker-dealer upon his not transacting business in this state as an investment adviser or an investment adviser representative;

6. The commissioner may by rule provide for an examination, which may be written or oral or both, to be taken by any class of or all applicants, as well as investment adviser representatives and persons who represent or will represent an investment adviser in doing any of the acts which make him an investment adviser.
- (c) The commissioner may by order summarily postpone an application for registration or suspend a registration pending final determination of any proceeding under this section. A summary suspension of an existing registration shall only be made based upon a finding by the commissioner that such action is in the public interest and that there is substantial evidence of a violation of law that constitutes an immediate danger to the public. KRS 13B.125 shall apply to the entry of a summary suspension of a registration. An appeal of a summary suspension shall address only the necessity of a summary action and shall not constitute an appeal of the merits of the underlying violation of the law. Upon the entry of the order, the commissioner shall promptly notify the applicant or registrant, as well as the employer or prospective employer if the applicant or registrant is an agent, that it has been entered and of the reasons therefor and that within fifteen (15) days after the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing, may modify or vacate the order or extend it until final determination.
- (d) If the commissioner finds that any registrant or applicant for registration is no longer in existence or has ceased to do business as a broker-dealer, agent, investment adviser, or investment adviser representative, or is subject to an adjudication of mental disability or to the control of a conservator or guardian, or cannot be located after reasonable search, the commissioner may by order cancel the registration or application.
- (e) Withdrawal from registration as a broker-dealer, agent, investment adviser, or investment adviser representative becomes effective thirty (30) days after receipt of an application to withdraw or within such shorter period of time as the commissioner may determine, unless a revocation or suspension proceeding is pending when the application is filed or a proceeding to revoke or suspend or to impose conditions upon the withdrawal is instituted within thirty (30) days after the application is filed. If a proceeding is pending or instituted, withdrawal becomes effective at such time and upon such conditions as the commissioner by order determines. If no proceeding is pending or instituted and withdrawal automatically becomes effective, the commissioner may nevertheless institute a revocation or suspension proceeding under subparagraph 2. of paragraph (a) of this subsection within one (1) year after withdrawal became effective and enter a revocation or suspension order as of the last date on which registration was effective. A notice filing may be withdrawn or terminated by providing notice of the withdrawal or termination, as the case may be, to the commissioner; the withdrawal or termination is effective upon receipt by the commissioner of the notice.
- (f) No order may be entered under any part of this section except the first sentence of paragraph (c) of this subsection without appropriate prior notice to the applicant or registrant (as well as the employer or prospective employer if the applicant or registrant is an agent or representative), opportunity for hearing, and written findings of fact and conclusions of law.
- (14) Notwithstanding subsection (1) of this section, any broker-dealer, agent, investment adviser or investment adviser representative, or transaction or class of transactions by such persons, for which the commissioner expressly by rule or order finds that registration is not necessary or appropriate in the public interest or for the protection of investors shall be exempt from registration under this section. The commissioner may require that persons exempted from registration under this provision file such forms and information for notice purposes and be bound by one (1) or several provisions of this section as the commissioner deems necessary and appropriate in the public interest or for the protection of investors and the commissioner may impose filing fees in connection therewith, provided however, that the amount of the fee shall not exceed the fee which would be due in the event the exempt person were required to obtain registration.

Section 38. KRS 292.410 is amended to read as follows:

- (1) Except as expressly provided, KRS 292.330 to 292.390 shall not apply to any of the following transactions:
 - (a) Any isolated nonissuer transaction, whether effected through a broker-dealer or not;

- (b) Any nonissuer distribution of an outstanding security by a registered broker-dealer, if the security has a fixed maturity or a fixed interest or dividend provision and there has been no default during the current fiscal year or within the three (3) preceding fiscal years, or during the existence of the issuer and any predecessors if less than three (3) years, in the payment of principal, interest, or dividends on the security;
- (c) Any nonissuer transaction effected by or through a registered broker-dealer pursuant to an unsolicited order or offer to buy; but the commissioner may by rule require that the customer acknowledge upon a specified form that the sale was unsolicited, and that a signed copy of each such form be preserved by the broker-dealer for a specified period;
- (d) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;
- (e) Any transaction in a bond or other evidence of indebtedness secured by a real or chattel first mortgage or deed of trust, or by an agreement for the sale of real estate or chattels, if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit;
- (f) Any transaction by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;
- (g) Any transaction executed by a bona fide pledgee without any purpose of evading this chapter;
- (h) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity;
- (i) The offer or sale of a security by the issuer of the security if all of the following conditions are met:
 - 1. The issuer does not offer or sell the securities by means of a form of general advertisement or general solicitation. The following shall not constitute general solicitation within the meaning of this section:
 - a. Solicitation of indications of interest in accordance with the terms and conditions as the commissioner may adopt by rule; or
 - b. Offers to sell securities and the dissemination of written offering materials in accordance with the terms of this section at least thirty (30) days after the withdrawal of an application by the issuer to register the same class of securities;
 - 2. The issuer reasonably believes that each purchaser of the securities is acquiring the securities for investment and is aware of any restrictions imposed on transferability and resale of the securities. The basis for reasonable belief may include:
 - a. Obtaining a written representation signed by the purchaser that the purchaser is acquiring the securities for the purchaser's own investment and is aware of any restrictions imposed on the transferability and resale of the securities; and
 - b. Placement of a legend on the certificate or other document that evidences the securities stating that the securities have not been registered under this chapter, and setting forth or referring to the restrictions on transferability and sale of the securities; and
 - 3. The transaction satisfies one (1) of the following conditions:
 - a. Each purchaser has access to all the material facts with respect to the securities by reason of the purchaser's active involvement in the organization or management of the issuer or the purchaser's family relationship with a person actively involved in the organization or management of the issuer;
 - b. There are not more than fifteen (15) purchasers in Kentucky *described in subdivision a. of this subparagraph, plus an unlimited number of purchasers who are "accredited investors"*~~and each Kentucky purchaser is an "accredited investor"~~ as defined by Rule 501 of the Securities Act of 1933 ~~or is a purchaser described in subdivision a. of this subparagraph~~; or

- c. The aggregate offering price of the securities, including securities sold outside of Kentucky, does not exceed **one million**~~five hundred thousand~~ dollars **(\$1,000,000)**~~(\$500,000)~~, the total number of purchasers **who are not accredited investors**, including purchasers outside of Kentucky, does not exceed thirty-five (35), and each purchaser either receives all of the material facts with respect to the decision to invest in the security or is an accredited investor or a purchaser described in subdivision a. of this subparagraph;
- 4. Persons receiving commissions, finders fees, or other remuneration in connection with sales of securities in reliance on this subsection are not relieved of compliance with KRS 292.330~~(6)~~;
- 5. The commissioner may by rule deny the exemption provided in this subsection to a particular class of issuers or may make the exemption available to the issuers upon compliance with additional conditions and requirements, if appropriate in furtherance of the intent of this chapter;
- 6. The commissioner may, by order, increase the maximum number of purchasers or the maximum offering amount provided in paragraph 3.c. of this subsection upon request if the commissioner determines that any such increase is necessary or appropriate in the public interest or for the protection of investors. Any request to increase either or both of the conditions shall be made in writing to the commissioner before any sale in reliance on the requested increase and shall be accompanied by the following:
 - a. A statement of the amount of the increase in the maximum offering amount or in the number of purchasers being requested, and the issuer's reasons for requesting the increase;
 - b. A copy of **any**~~the~~ offering circular or other written materials being distributed to prospective purchasers;
 - c. A copy of the written representation and legend serving as the issuer's basis for reasonable belief of a purchaser's investment intent and awareness of restrictions on the transferability and resale of the security being acquired; and
 - d. A filing fee of two hundred fifty dollars (\$250);
- (j) Any offer or sale of a preorganization certificate or subscription, if:
 - 1. No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective subscriber;
 - 2. The number of subscribers does not exceed twenty-five (25); and
 - 3. No payment is made by any subscriber;
- (k) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than ninety (90) days of their issuance, if no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state;
- (l) Any offer (but not a sale) of a security for which registration statements have been filed under both this chapter and the Securities Act of 1933 if no stop order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under either act;
- (m) The issuance of any stock dividend, whether the corporation distributing the dividend is the issuer of the stock or not, if nothing of value is given by stockholders for the distribution other than the surrender of a right to a cash dividend where the stockholder can elect to take a dividend in cash or stock;
- (n) Any transaction incident to a right of conversion or a statutory or judicially-approved reclassification, recapitalization, reorganization, quasi reorganization, stock split, reverse stock split, merger, consolidation, or sale of assets;
- (o) Any transaction by a person who does not control, and is not controlled by or under common control with, the issuer if:
 - 1. The transaction is at a price reasonably related to the current market price;

2. The security is registered under Section 12 of the Securities Exchange Act of 1934 and the issuer files reports pursuant to Section 13 of that act; and
 3. Copies of such federal registration statements, reports, forms or exhibits as the commissioner may by rule or order require are filed with the commissioner;
- (p) Any transaction by a person who may control, or may be controlled by or under common control with, the issuer if:
1. The transaction is at a price reasonably related to the current market price;
 2. The security is registered under Section 12 of the Securities Exchange Act of 1934 and the issuer files reports pursuant to Section 13 of that act;
 3. Copies of such federal registration statements, forms, reports, or exhibits as the commissioner may by rule or order require are filed with the commissioner; and
 4. Such sales by any such person comply with such rules as the commissioner may prescribe; or
- (q) Any transaction for which the commissioner by rule or order finds that registration is not necessary or appropriate in the public interest or for the protection of investors.
- (2) The commissioner may by order deny or revoke the exemption specified in KRS 292.400(6), (9), or (12) or in this section with respect to a specific security or transaction. No such order may be entered without appropriate prior notice to all interested parties, opportunity for hearing, and written findings of fact and conclusions of law, except that the commissioner may by order summarily deny or revoke any of the specified exemptions pending final determination of any proceeding under this subsection. Upon entry of a summary order, the commissioner shall promptly notify all interested parties that it has been entered and of the reasons therefor and that within fifteen (15) days of the receipt of a written request the matter will be set down for hearing. If no hearing is requested and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice of and opportunity for hearing to all interested persons, may modify or vacate the order to extend it until final determination. No order under this subsection may operate retroactively. No person may be considered to have violated this chapter by reason of any offer or sale effected after the entry of an order under this subsection if he sustains the burden of proof that he did not know, and in the exercise of reasonable care could not have known of the order. In any proceeding under this chapter, the burden of proving an exemption from a definition is upon the person claiming it.

Section 39. KRS 164.6023 is amended to read as follows:

- (1) The science and technology organization shall have the authority to review applications, qualify companies, and certify qualified companies.
- (2) The science and technology organization shall develop application criteria and an application process subject to the following limitations. The proposed research and development project shall be likely to:
 - (a) Produce a measurable result and be technically sound;
 - (b) Lead to innovative technology or new knowledge;
 - (c) Lead to commercially successful products, processes, or services within a reasonable period of time; or
 - (d) Show significant potential for stimulating economic growth and a reasonable probability to enhance employment opportunities within the Commonwealth.
- (3) The applicant shall provide to the science and technology organization an application that shall include, but not be limited to, the following information:
 - (a) Verification that the applicant is an eligible company that meets the definition of a Kentucky-based company and medium-size company or small company;
 - (b) A technical research plan that is sufficient for outside expert review;
 - (c) A detailed financial analysis that includes the commitment of resources by the applicant and others;
 - (d) Sufficient detail concerning proposed project partners, type and amount of work to be performed by each partner, and expected product or service with estimated costs to be reflected in the negotiated contract or agreement; and

- (e) A statement of the economic development potential of the project.
- (4) The science and technology organization shall conduct an independent review with the use of outside experts to evaluate each application. Following the application review, the science and technology organization shall make a determination of the application and may determine that the applicant is a qualified company as defined in KRS 164.6011.
- (5) Upon a qualified company's presentation of a legal agreement or contract meeting the conditions under subsection (6) of this section the science and technology organization shall present ~~the both~~ qualified company, ***the project partner, if any***, and ***the university in the Commonwealth*** with a certification authorizing voucher funding.
- (6) Prior to receiving certification authorizing voucher funding from the science and technology organization, the qualified company shall:
 - (a) Negotiate an agreement and funding contract with a university in the Commonwealth ***and with a project partner, if any***, that is satisfactory to the science and technology organization, to undertake the research and development work; and
 - (b) Provide assurance to the science and technology organization that the university and the qualified company have negotiated the ownership and disposition of patents, royalties, all other intellectual property rights, and equity or related position relating to the contract between the qualifying company and the university.
- (7) Prior to certifying a qualified company, the science and technology organization may negotiate with the qualified company the ownership and disposition of patents, royalties, all other intellectual property rights, and an equity or related position on behalf of the Kentucky research and development voucher fund for the sole purpose of reinvesting and sustaining a revolving fund to carry out the provisions of KRS 164.6021, 164.6023, and 164.6025.
- (8) The science and technology organization, upon approval by the council, shall set forth guidelines as to when and how all areas of the state will be notified about the program's availability and a program schedule, including, but not limited to, the following:
 - (a) A review cycle including:
 - 1. A deadline for submission of applications at least biannually; and
 - 2. A deadline for reviewing applications of no more than one hundred twenty (120) days after the application submission deadline; and
 - (b) A deadline, from the date an applicant is determined to be a qualified company, by which certification shall be made. If certification is not made by that deadline the funding voucher award is made void.

Section 40. KRS 164.6025 is amended to read as follows:

Project funding in the Kentucky Research and Development Voucher Program shall have the following limitations:

- (1) ***At a minimum, fifty-one percent (51%) of any*** voucher award funds from the state fund shall be expended within the university ***in the Commonwealth*** under contract;
- (2) The maximum amount of voucher funds awarded to a qualified company shall not exceed one hundred thousand dollars (\$100,000) each year for two (2) years, equal to a maximum of two hundred thousand dollars (\$200,000); and
- (3) At a minimum, the qualified company shall match the project award by a one-to-one dollar ratio for each year of the project. The science and technology organization has sole discretion to authorize an in-kind contribution in lieu of part of the industry match if the science and technology organization determines that the financial limitations of the qualified company warrants this authorization.

Section 41. The following KRS sections are repealed:

154.12-270 Cabinet to undertake strategic technology capacity initiative and study -- Study results.

154.20-253 Definitions for KRS 154.20-250 to 154.20-284.

- 154.20-257 Approval of investment funds, cash contributions, and investment fund managers -- Tax credits authorized by KRS 154.20-263 -- Agreement between authority and investment fund manager -- Transfer of funds -- Schedule for investment -- Prohibition against awarding of tax credits and approval of investment funds or investment fund managers after specific dates.
- 154.20-259 Information that applicant must disclose to authority in application -- Confidentiality of applications -- Power of authority -- Purpose of investment funds -- Criteria for approval of investment fund managers -- Authority for administrative regulations.
- 154.20-261 Fund manager's business office -- Initial capitalization, qualified investments, and other regulations governing fund -- Written disclosure to investors required -- Limitation of Commonwealth's liability.
- 154.20-263 Investor entitled to nonrefundable tax credit against income tax or corporation license tax -- Authority to carry excess tax credit forward -- Tax credits not transferable and not applicable to interest, penalties, or other additions to investor's tax liability.
- 154.20-267 Limitations on total amount of tax credits -- Order in which authority approves credits to investors.
- 154.20-269 Procedure for obtaining tax credit -- Confidentiality of investor's filings.
- 154.20-271 Disallowance of cash contributions redeemed or withdrawn -- Penalty for failure to invest in small businesses and abatement of penalty -- Personal liability of investors to Revenue Cabinet -- Administration by Revenue Cabinet.
- 154.20-273 Investment fund manager's reports to Revenue Cabinet and to authority, content and time of filing -- Authority's status reports to General Assembly, content and time of filing -- Confidentiality of reports from investment fund managers to the authority -- Fees.
- 164.6043 Council to create nonprofit regional technology corporations -- Organization, powers, and duties of corporations -- Funding.

Approved April 8, 2002

CHAPTER 231

(HB 87)

AN ACT relating to notaries.

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

Section 1. KRS 423.010 is amended to read as follows:

- (1) The Secretary of State may appoint as many notaries public as he *or she* deems necessary, who shall hold office for four (4) years. Any ***resident of the Commonwealth of Kentucky***~~person~~ desiring to be appointed a notary public shall make written application to the Secretary of State. The application shall be approved by the Circuit Judge, circuit clerk, county judge/executive, county clerk, justice of the peace, or a member of the General Assembly of the county of the residence of the applicant ***or in the county in which the applicant's principal place of employment is located. A person who is not a resident of Kentucky but who is employed in Kentucky may become a notary public by making an application to the Secretary of State which has been approved by an officer specified in this section from the county in which the applicant is principally employed in Kentucky.*** No officer shall charge or accept any fee for approving the application. A notary public shall be eighteen (18) years of age, a resident of the county from which he *or she* makes his application ***or be principally employed in the county from which he or she makes his or her application,*** of good moral character, and capable of discharging the duties imposed upon him *or her* by this chapter, and the endorsement of the officer approving the application shall so state. The Secretary of State, in his *or her* certificate of appointment to the applicant, shall designate the limits within which the notary is to act. Before a notary acts, he *or she* shall take an oath before any person authorized to administer an oath as set forth in KRS 62.020 that he *or she* will honestly and diligently discharge the duties of his *or her* office. He *or she* shall in the same court give an obligation with good security for the proper discharge of the duties of his *or her* office. Every certificate of a notary public shall state the date of the expiration of his *or her* commission. The Secretary of State shall give to each notary appointed a certificate of his appointment under the seal of the Commonwealth of Kentucky in lieu of a commission heretofore required to be issued to the notary by the Governor of Kentucky, and receive a fee of ten dollars (\$10) for the certificate.

- (2) A county clerk shall have the powers of a notary public in the exercise of the official functions of the office of clerk within his *or her* county, and the official actions of the county clerk shall not require the witness or signature of a notary appointed pursuant to subsection (1) of this section.

Approved April 8, 2002

CHAPTER 232

(HB 142)

AN ACT relating to the parole of prisoners.

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

Section 1. KRS 439.340 is amended to read as follows:

- (1) The board may release on parole persons confined in any adult state penal or correctional institution of Kentucky or sentenced felons incarcerated in county jails eligible for parole. All paroles shall issue upon order of the board duly adopted. As soon as practicable after his admission to an adult state penal or correctional institution or county jail if he is a sentenced felon, and at such intervals thereafter as it may determine, the Department of Corrections shall obtain all pertinent information regarding each prisoner, except those not eligible for parole. The information shall include his criminal record, his conduct, employment, and attitude in prison, and the reports of physical and mental examinations that have been made. The Department of Corrections shall furnish the circumstances of his offense and his previous social history to the institution and the board. The Department of Corrections shall prepare a report on any information it obtains. It shall be the duty of the Department of Corrections to supplement this report with any material the board may request and submit the report to the board.
- (2) Before granting the parole of any prisoner, the board shall consider the pertinent information regarding the prisoner and shall have him appear before it for interview and hearing. The board in its discretion may hold interviews and hearings for prisoners convicted of Class D felonies. The board in its discretion may request the parole board of another state confining prisoners pursuant to KRS 196.610 to interview eligible prisoners and make a parole recommendation to the board. A parole shall be ordered only for the best interest of society and not as an award of clemency, and it shall not be considered a reduction of sentence or pardon. A prisoner shall be placed on parole only when arrangements have been made for his proper employment or for his maintenance and care, and when the board believes he is able and willing to fulfill the obligations of a law abiding citizen.
- (3) The board shall adopt administrative regulations with respect to the eligibility of prisoners for parole, the conduct of parole and parole revocation hearings, or conditions to be imposed upon parolees. Regulations governing the eligibility of prisoners for parole shall be in accordance with professionally accepted ideas of correction and reform and may utilize in part objective, performance-based criteria; however, nothing herein contained shall preclude the board from utilizing its present regulations in conjunction with other factors involved that would relate to the inmate's needs and the safety of the public.
- (4) The board shall insure that sentenced felons confined in county jails are considered for parole within thirty (30) days of their parole eligibility date and the Department of Corrections shall provide the necessary assistance and information to the board in order for it to conduct timely parole reviews.
- (5) In addition to or in conjunction with each hearing conducted under subsection (2) of this section for any prisoner convicted of a Class A, B, or C felony and prior to the granting of a parole to any such prisoner, the parole board shall conduct a hearing of which the following persons shall receive not less than forty-five (45) nor more than ninety (90) days' notice: the Commonwealth's attorney who shall notify the sheriff of every county and the chief of police of every city and county in which the prisoner committed any Class A, B, or C felony for which he is imprisoned, and all identified victims of the crimes or the next of kin of any victim who is deceased. Notice to the Commonwealth's attorney shall be by mail to his business office. Notices received by chiefs of police and sheriffs shall be posted in a conspicuous location where police employed by the department may see it. Notices shall be posted in a manner and at a time that will allow officers to make comment thereon to the Parole Board. Notice to victims or their next of kin shall be made, for prisoners incarcerated prior to July 15, 1986, by mail to the Commonwealth's attorney who shall forward the notice promptly to the victims or their next of kin at their last known address. For prisoners incarcerated on or after

July 15, 1986, notice to the victims or their next of kin shall be by mail from the Parole Board to their last known address as provided by the Commonwealth's attorney to the Parole Board at the time of incarceration of the prisoner. ***Notice to the victim or the next of kin of subsequent considerations for parole after the initial consideration shall not be sent if the victim or the next of kin gives notice to the board that he or she no longer wants to receive such notices.*** The notice shall include the time, date, and place of the hearing provided for in this subsection, and the name and address of a person to write if the recipient of the notice desires to attend the hearing or to submit written comments.

- (6) Persons receiving notice as provided for in subsection (5) of this section may submit comments, in person or in writing, to the board upon all issues relating to the parole of the prisoner. The board shall read and consider all comments prior to making its parole decision, if they are received by the board not less than seven (7) days before the date for the hearing. The board shall retain all comments in the prisoner's permanent Parole Board file, and shall consider them in conjunction with any subsequent parole decisions affecting the prisoner. In addition to officers listed in subsection (5) of this section, the crime victims or the next of kin of any victim who is deceased or who is disabled and cannot attend the hearing or the parent or legal guardian of any victim who is a minor may attend the hearing provided for in subsection (5) of this section and present oral and written comments upon all issues relating to the parole of the prisoner, if they have advised the board, in writing received by the board not less than seven (7) days prior to the date set for the hearing, of their intention to attend the hearing. The board shall receive and consider all comments, shall make a record of them which it shall retain in the prisoner's permanent Parole Board file, and shall consider them in conjunction with any subsequent parole decision affecting the prisoner. Persons appearing before the Parole Board pursuant to this subsection may elect to make their presentations outside of the presence of the prisoner.
- (7) Victims of Class D felonies may submit comments in person or in writing to the board upon all issues relating to the parole of a prisoner.
- (8) Any hearing provided for in subsections (5), (6), and (7) of this section shall be open to the public unless the persons having a right to appear before the board as specified in those subsections request closure of hearing for reasons of personal safety, in which event the hearing shall be closed. The time, date, and location of closed hearings shall not be disclosed to the public.
- (9) Except as specifically set forth in this section, nothing in this section shall be deemed to expand or abridge any existing rights of persons to contact and communicate with the Parole Board or any of its members, agents, or employees.
- (10) The unintentional failure by the Parole Board, sheriff, chief of police, or any of its members, agents, or employees or by a Commonwealth's attorney or any of his agents or employees to comply with any of the provisions of subsections (5), (6), and (8) of this section shall not affect the validity of any parole decision or give rise to any right or cause of action by the crime victim, the prisoner, or any other person.
- (11) No eligible sexual offender within the meaning of KRS 197.400 to 197.440 shall be granted parole unless he has successfully completed the Sexual Offender Treatment Program.
- (12) Any prisoner who is granted parole after completion of the Sexual Offender Treatment Program shall be required, as a condition of his parole, to participate in regular treatment in a mental health program approved or operated by the Department of Corrections.
- (13) When an order for parole is issued, it shall recite the conditions thereof.

Approved April 8, 2002

CHAPTER 233

(HB 218)

AN ACT relating to sheriffs expenses.

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

Section 1. KRS 64.140 is amended to read as follows:

- (1) Any sheriff may be entitled to receive an advancement to defray necessary official expenses and to apply to the payment of the salaries of ***the sheriff or the sheriff's [himself and his]*** deputies and assistants. The secretary of the Finance and Administration Cabinet shall, on the first day of each calendar month, determine the necessary

amount that may be advanced to the sheriff, which amount shall not exceed one-twelfth (1/12) of the total fees collected by the sheriff for the preceding year and may be for a less amount, and in no event shall it exceed ~~sixty thousand (\$60,000)~~ ~~thirty thousand~~ dollars ~~(\$30,000)~~ per month. When approved by the secretary of the Finance and Administration Cabinet, a warrant shall be drawn on the State Treasury in favor of the sheriff for such advancement. At the end of each calendar year the sum of such advancements shall be deducted from the part of the total of fees and commissions paid into the State Treasury by the sheriff, pursuant to Section 106 of the Constitution of Kentucky, that is available for use for the payment of the salaries of the sheriff, ~~the sheriff's~~ ~~his~~ deputies and assistants, and ~~his~~ necessary office expenses.

- (2) If the office of sheriff becomes vacant, the sums advanced under this section shall be charged against that part of the fees and the commissions of the office of the sheriff that have been, or shall be, paid into the State Treasury during the calendar year in which the advancements were made, and that is available for payment of the salaries of the sheriff, ~~the sheriff's~~ ~~his~~ deputies and assistants, and necessary expenses of ~~the~~ ~~his~~ office.
- (3) If the total of fees and commissions paid into the State Treasury by the sheriff for any calendar year is insufficient to match the amount of advancements made to ~~the sheriff, his or her sureties and the sheriff in his or her official capacity~~ ~~him, he and his sureties~~ shall be liable to the state for any excess of advancements over the total of fees and commissions paid into the State Treasury.
- (4) *If a sheriff makes a request for funds from the State Treasury to defray necessary official expenses, the sheriff shall not be required to submit a detailed statement of his or her personal assets and liabilities as a condition of the application process.*

Approved April 8, 2002

CHAPTER 234

(HB 243)

AN ACT relating to revenue and taxation.

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

Section 1. KRS 132.820 is amended to read as follows:

- (1) The cabinet shall value and assess unmined coal, oil, and gas reserves, and any other mineral or energy resources which are owned, leased, or otherwise controlled separately from the surface real property at no more than fair market value in place, considering all relevant circumstances. Unmined coal, oil, and gas reserves and other mineral or energy resources shall in all cases be valued and assessed by the Revenue Cabinet as a distinct interest in real property, separate and apart from the surface real estate *unless*:
 - (a) *The unmined coal, oil and gas reserves, and other mineral or energy resources are owned in their entirety by the surface owner;*
 - (b) *The surface owner is neither engaged in the severance, extraction, processing, or leasing of mineral or other energy resources nor is he an affiliate of a person who engages in those activities; and*
 - (c) *The surface is being used by the surface owner primarily for the purpose of raising for sale agricultural crops, including planted and managed timberland, or livestock or poultry.*

For purposes of this section, "affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another individual, partnership, committee, association, corporation, or any other organization or group of persons.

- (2) Each owner or lessee of property assessed under subsection (1) of this section shall annually, between January 1 and April 15, file a return with the cabinet in a form as the cabinet may prescribe. Other individuals or corporations having knowledge of the property defined in subsection (1) of this section gained through contracting, extracting, or similar means may also be required by the cabinet to file a return.
- (3) Any property subject to assessment by the cabinet under subsection (1) of this section which has not been listed for taxation, for any year in which it is taxable, by April 15 of that year shall be omitted property.
- (4) After the valuation of unmined minerals or other energy sources has been finally fixed by the cabinet, the cabinet shall certify to the county clerk of each county the amount liable for county, city, or district taxation.

The report shall be filed by the county clerk in his office, and shall be certified by the county clerk to the proper collecting officer of the county, city, or taxing district for collection.

- (5) The notification, protest, and appeal of assessments under subsection (1) of this section shall be made pursuant to the provisions of KRS Chapter 131.
- (6) No appeal shall delay the collection or payment of taxes based upon the assessment in controversy. The taxpayer shall pay all state, county, and district taxes due on the valuation which the taxpayer claims as the true value as stated in the protest filed under KRS 131.110. When the valuation is finally determined upon appeal, the taxpayer shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6), from the date the tax would have become due if no appeal had been taken. The provisions of KRS 134.390 shall apply to the tax bill.
- (7) The collection of tax bills generated from the assessments made under subsection (1) of this section shall be made pursuant to the provisions of KRS Chapter 134.

Section 2. KRS 141.050 is amended to read as follows:

- (1) Except to the extent required by differences between this chapter and its application and the federal income tax law and its application, the administrative and judicial interpretations of the federal income tax law, computations of gross income and deductions therefrom, accounting methods, and accounting procedures, for purposes of this chapter shall be as nearly as practicable identical with those required for federal income tax purposes. ***Changes to federal income tax law made after the Internal Revenue Code reference date contained in KRS 141.010(3) shall not apply for purposes of this chapter unless adopted by the General Assembly.***
- (2) Every person subject to the provisions of this chapter shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations as the cabinet from time to time may prescribe. Whenever the cabinet judges it necessary, it may require such person, by notice served upon him, to make a return, render under oath such statements, or keep such records, as the cabinet deems sufficient to show whether or not such person is liable for tax, and the extent of such liability.
- (3) The secretary or his authorized agent or representative, for the purpose of ascertaining the correctness of any return or for the purposes of making an estimate of the taxable income of any taxpayers, may require the attendance of the taxpayer or of any other person having knowledge in the premises.
- (4) The cabinet shall prescribe the forms and reports necessary to the proper administration of any and all provisions of this chapter, and shall promulgate such rules and regulations necessary to effectively carry out the provisions of this chapter.

Section 3. The amendments contained in Section 1 of this Act shall apply to tax assessments made on or after January 1, 2003.

Approved April 8, 2002

CHAPTER 235

(HB 292)

AN ACT relating to Education Assessment and Accountability Review Subcommittee and declaring an emergency.

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

Section 1. KRS 158.647 is amended to read as follows:

- (1) A permanent subcommittee of the Legislative Research Commission to be known as the Education Assessment and Accountability Review Subcommittee is hereby created. The subcommittee shall be composed of eight (8) members, ***including four (4) members from each chamber***~~no more than five (5) of whom shall be members of the same political party~~. The Legislative Research Commission shall appoint, from the membership of the General Assembly, the members of the subcommittee for terms of two (2) years, and the members~~so~~ appointed ***from each chamber*** shall elect one (1) ***member from their chamber***~~of their number~~ to serve as ***co-chair***~~chair~~. ***The co-chairs shall have joint responsibilities for subcommittee meeting agendas and presiding at subcommittee meetings. At least one (1) member appointed from each chamber shall be a***

member of the minority party in that chamber. A majority of the membership shall constitute a quorum and all actions authorizing a study, dropping a study, or adopting a final report on any subject under study shall require the affirmative vote of a majority of the full subcommittee membership. All other actions of the subcommittee may be undertaken by a simple majority. Any vacancy that may occur in the membership of the subcommittee shall be filled by the Legislative Research Commission at its next regularly scheduled meeting after the occurrence of the vacancy.

- (2) The subcommittee shall review administrative regulations and advise the Kentucky Board of Education concerning the implementation of the state system of assessment and accountability, established in KRS 158.6453, 158.6455, and 158.782.
- (3) The subcommittee shall advise and monitor the Office of Education Accountability in the performance of its duties according to the provisions of KRS 7.410.
- (4) The subcommittee ~~may~~*shall* meet *monthly* at a time and place as the ~~co-chairs~~*chair* may determine. The members of the subcommittee shall be compensated for attending meetings as provided in KRS 7.090.
- (5) Any professional, clerical, or other employees required by the subcommittee shall be provided in accordance with the provisions of KRS 7.090.

Section 2. Whereas the subcommittee typically meets soon after the end of a regular session and prior to the end of the ninety days required for most bills to become law, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon it otherwise becoming law.

Approved April 8, 2002

CHAPTER 236

(HB 296)

AN ACT relating to student loans.

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

SECTION 1. A NEW SECTION OF KRS 164.740 TO 164.785 IS CREATED TO READ AS FOLLOWS:

- (1) *For purposes of this section, "licensing agency" means an agency, board, or commission created by the state, including the Kentucky Supreme Court, that has the power to issue, renew, revoke, or suspend any occupational or professional certification, license, or registration required to engage in an occupation, profession, or trade.*
- (2) *The Kentucky Higher Education Assistance Authority shall declare that a person is in default if he or she is not meeting the repayment obligation under any financial assistance program in KRS Chapters 164 and 164A administered by the Kentucky Higher Education Assistance Authority.*
- (3) *A licensing agency may require that an applicant certify that he or she is not ineligible for an initial or renewed occupational or professional certification, license, or registration pursuant to subsection (2) of this section.*
- (4) *A licensing agency shall not issue or renew a license of any person who is in default of the repayment obligation under any financial assistance program in KRS Chapters 164 and 164A unless the authority has verified that:*
 - (a) *The borrower in default has entered a satisfactory repayment agreement on the defaulted loan;*
 - (b) *The financial obligation has been waived for cause or discharged by the authority; or*
 - (c) *The financial obligation has been satisfied or paid in full.*
- (5) *The authority shall notify the licensing agencies of the requirements of this section and enter into an agreement with the licensing agencies to establish procedures regarding the exchange of information on persons who have defaulted on repayment obligations, the form and frequency of exchanging information on borrowers in default, and notification to the borrowers in default of the repayment obligation.*

- (6) *A licensing agency or the authority shall notify, in writing, the borrower of a defaulted loan that failure to repay the obligation may result in the denial of the issuance of an initial or renewed license, or the suspension or revocation of a license to practice a profession, occupation, or trade in accordance with the rules and policies established by the licensing agency. The notice shall provide time frames in which the borrower shall respond to the notification and enter into a satisfactory agreement to repay the obligation. If the borrower fails to enter into a satisfactory agreement, the authority may notify the appropriate licensing agency that the license of the borrower in default is not subject to issuance or renewal or may be suspended or revoked in accordance with the administrative regulations of the licensing agency.*
- (7) *The authority shall promptly notify a licensing agency that a formerly reported borrower is no longer in default and has achieved satisfactory repayment status as determined by the authority, repaid the obligation in full, or the authority has taken other action including waiver of the obligation for cause or discharging the borrower of the responsibility for repayment. Upon receiving notice from the authority, the licensing agency may issue an initial or renewed license or reinstate the certificate, license, or registration in accordance with administrative regulations adopted by the licensing agency.*

SECTION 2. A NEW SECTION OF KRS 164.740 TO 164.785 IS CREATED TO READ AS FOLLOWS:

The Kentucky Lottery Corporation and the authority shall develop a system to allow the Kentucky Lottery Corporation to receive on a periodic basis a list of persons declared in default of repayment obligations under financial assistance programs in KRS Chapters 164 and 164A. The Kentucky Lottery Corporation shall withhold from a person's prize winnings the amount of the defaulted loan and shall transfer the amount to the authority to credit the account of the person in default. Any amount remaining after the deduction of the loan amount shall be paid to the person.

Section 3. KRS 154A.060 is amended to read as follows:

- (1) The corporation shall conduct and administer lottery games which will result in maximization of revenues to the Commonwealth of Kentucky while at the same time provide entertainment to its citizens. It shall be the duty of the corporation, its employees, and the members of the board to provide for the effective operation of lottery games which insure the integrity of the lottery and maintain the dignity of the Commonwealth and the general welfare of its citizens. The corporation, in pursuit of the attainment of the objectives and the purposes of this chapter, may:
 - (a) Sue and be sued in its corporate name;
 - (b) Adopt a corporate seal and a symbol;
 - (c) Hold copyrights, trademarks, and service marks, and enforce its rights with respect thereto;
 - (d) Appoint agents upon which process may be served;
 - (e) Enter into written agreements with one (1) or more other states for the operation, marketing, and promotion of a joint lottery or joint lottery games;
 - (f) Acquire real property and make improvements thereon. These acquisitions shall be reported to the Capital Projects and Bond Oversight Committee for its review and determination in accordance with KRS 45.750 to 45.810; and
 - (g) Make, execute, and effectuate any and all agreements or contracts including:
 - 1. Contracts for the purchase of such goods and services as are necessary for the operation and promotion of the state lottery. Proposed purchases of major items of equipment estimated to cost one hundred thousand dollars (\$100,000) or more and proposed purchases of items of equipment where the estimated contract price for all the items of equipment taken together is four hundred thousand dollars (\$400,000) or more shall be reported to the Capital Projects and Bond Oversight Committee for its review and determination in accordance with the provisions of KRS 45.750 to 45.810. A contract shall not be artificially divided to cause an estimated contract price to fall below the four hundred thousand dollar (\$400,000) threshold. Contracts for personal service shall be reviewed in accordance with KRS 45A.690 to 45A.725.
 - 2. Contracts to incur debt in its own name and enter into financing agreements with the Commonwealth, its own agencies, or with a commercial bank, excluding the authority to issue bonds.

(2) The corporation shall:

- (a) Supervise and administer the lottery in accordance with the provisions of this chapter and the administrative regulations adopted by the board;
- (b) Submit monthly and annual reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives containing financial statements which include, but are not limited to, disclosure of gross revenues, expenses, and net proceeds for the period;
- (c) Adopt by administrative regulation a system of continuous internal audits;
- (d) Maintain weekly or more frequent records of lottery transactions, including distribution of tickets to lottery retailers, revenues received, claims for prizes, prizes paid, and all other financial transactions of the corporation;
- (e) Adopt by administrative regulation a code of ethics for officers and employees of the corporation to carry out the standards of conduct established by the provisions of this chapter;
- (f) Include capital projects, as defined in KRS 45.750(1)(f), which exceed the thresholds set forth in KRS 154A.060(1)(g)1. in the budget unit request submitted by the corporation to the Finance and Administration Cabinet pursuant to KRS 48.050. In the budget unit request submitted by the corporation, a contingency item for acquisition of the on-line central system, all related equipment, and any other equipment owned by vendors of the corporation relating to computer-generated lottery games from the corporation's vendors shall be stated separately from all other equipment. Further, if the identification of specific projects requiring the acquisition of equipment in the nature of computer systems, communications equipment and related peripheral devices, and operating system software cannot be ascertained with absolute certainty at the time the corporation is required to submit its budget unit request, the corporation shall be entitled to submit a general request for the equipment without individually identifying specific projects, together with a maximum amount to be allocated for the equipment, in the budget unit request;~~and~~
- (g) The Kentucky Lottery Corporation and the Cabinet for Families and Children shall develop a system to allow the Kentucky Lottery Corporation to receive a list of delinquent child support obligors from the Cabinet for Families and Children on a monthly basis. The Kentucky Lottery Corporation shall withhold delinquent amounts from prizes of winners that appear on the list. This system shall be timely and shall not create an unavoidable delay in the payment of a lottery prize; *and*
- (h) ***The Kentucky Lottery Corporation and the authority shall develop a system to allow the Kentucky Lottery Corporation to receive on a periodic basis a list of persons declared in default of repayment obligations under financial assistance programs in KRS Chapters 164 and 164A. The Kentucky Lottery Corporation shall withhold from a person's prize winnings the amount of the defaulted loan and shall transfer the amount to the authority to credit the account of the person in default. Any amount remaining after the deduction of the loan amount shall be paid to the person.***

Approved April 8, 2002

CHAPTER 237

(HB 302)

AN ACT relating to the Kentucky Board of Respiratory Care.

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

Section 1. KRS 314A.010 is amended to read as follows:

As used in this chapter:

- (1) "Respiratory care" includes "respiratory therapy," "inhalation therapy," or other "cardiopulmonary" terms.
- (2) "Practice of respiratory care" means the procedures employed in the therapy, management, rehabilitation, gathering of assessment information, or other procedures administered to patients with deficiencies or abnormalities which affect their cardiopulmonary system and associated aspects of cardiopulmonary and other system functions. This includes, but is not limited to:

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- (a) Provision of respiratory care procedures to ensure the safety, comfort, personal hygiene, protection of patients, and the performance of disease prevention and restorative measures;
 - (b) The administration of pharmacologic and therapeutic agents related to the cardiopulmonary care necessary for treatment, disease prevention, or rehabilitation regimes prescribed by a physician; and
 - (c) Observation of signs and symptoms of cardiopulmonary illness, reactions to treatment, general physical condition; determination of whether such signs, symptoms, reactions, behavior, or general appearance exhibit abnormal characteristics; and performance of standard procedures according to observed abnormalities, or reporting them to the physician in charge or other caretakers; initiating standard or emergency procedures.
- (3) "Respiratory care practitioner" means a person who holds a mandatory certificate approved by the board. The term "respiratory care practitioner" includes the following:
- (a) A "registered respiratory therapist" means an individual who has successfully completed a training program accredited by the American Medical Association's Commission on Accreditation of Allied Health Education or its equivalent in collaboration with the Committee on Accreditation for Respiratory Care or its equivalent, and who has successfully completed the registry examination for advanced respiratory therapists administered by the National Board ~~for~~ Respiratory Care, Incorporated or its equivalent;
 - (b) A "***certified respiratory***" ~~[An "entry level"]~~ therapist" means an individual who has successfully completed a training program accredited by the American Medical Association's Commission on Accreditation of Allied Health Education or its equivalent in collaboration with the Committee on Accreditation for Respiratory Care or its equivalent, and who has successfully completed the entry level certification examination for respiratory ~~therapists~~ ~~[care technicians]~~ administered by the National Board for Respiratory Care, Incorporated or its equivalent;
 - (c) A "graduate respiratory care practitioner" means an individual who has graduated from an approved educational program and *is* eligible to sit for the entry level certification examination that will be administered by the National Board for Respiratory Care, Incorporated or its equivalent;
 - (d) A "student respiratory care practitioner" means:
 - 1. An individual enrolled in an education and training program, accredited by the American Medical Association's Commission on Accreditation of Allied Health Education or its equivalent and the Committee on Accreditation for Respiratory Care or its equivalent, for respiratory care practitioners and whose sponsoring educational institution assumes responsibility for the supervision of and the services rendered by the student respiratory care practitioner while the student is functioning in a clinical training capacity; or
 - 2. An individual enrolled in an education and training program, accredited by the American Medical Association's Commission on Accreditation of Allied Health Education or its equivalent and the Committee on Accreditation for Respiratory Care or its equivalent, and who is also employed for compensation to provide respiratory care services as outlined in KRS 314A.112.
- (4) "Board" means the Kentucky Board of Respiratory Care.
- (5) "Accredited program" means a training program accredited by the American Medical Association's Commission on Accreditation of Allied Health or its equivalent in collaboration with the Committee on Accreditation for Respiratory Care or its equivalent which qualifies the graduate to sit for the registry examination or the entry level examination administered by the National Board for Respiratory Care or its equivalent.
- (6) "Mandatory certification" means the board's official authorization to practice respiratory care for the time specified by the mandatory certification.
- (7) "Continuing education" means educational activities primarily designed to keep respiratory care practitioners informed of developments in the respiratory care field or any special areas of practice engaged in by such persons.
- (8) "Documented competency" means adherence to guidelines established by health facilities, medical staff, or accreditation agencies. These guidelines shall be in accordance with national standards of practice deemed appropriate by the ~~American Association~~ ~~[National Board]~~ for Respiratory Care or its equivalent.

- (9) "Medical director" means a licensed physician who is knowledgeable in the diagnosis, treatment, and assessment of respiratory problems and whose responsibilities are established by statutes and regulations governing the operation of facilities licensed under KRS Chapter 216B, as well as statutes and regulations dealing with hospice, home health, and other settings where respiratory care services may be delivered.
- (10) "Direct supervision" means supervision by a holder of a mandatory certificate who shall be on the premises where respiratory care services are provided and who shall be available for immediate consultation.
- (11) "Indirect supervision" means supervision by a holder of a mandatory certificate who shall be available by telephone and who shall have a response time, if needed, of thirty (30) minutes or less.

Section 2. KRS 314A.110 is amended to read as follows:

- (1) To be eligible for mandatory certification as a respiratory care practitioner the applicant shall ***have held***~~hold~~
~~at currently valid~~ registered respiratory therapist (RRT) or certified respiratory therapist (CRT) credential issued by the National Board for Respiratory Care or its equivalent.
- (2) A temporary mandatory certificate may be issued to the graduate respiratory care practitioner for a period not to exceed six (6) months from graduation. The holder of a temporary mandatory certificate who does not successfully pass the National Board for Respiratory Care or its equivalent entry-level certification examination within a six (6) month period shall cease and desist performing any services as a respiratory care practitioner. Failure to comply in this instance shall subject the individual to prosecution for practicing as a respiratory care practitioner without a mandatory certificate.
- (3) In order for student respiratory care practitioners to be employed for compensation to provide respiratory care services, they must apply to the board for a limited mandatory certificate which will permit them to perform respiratory care procedures (for which they have received training) under the direct supervision of a respiratory therapist who holds a mandatory certificate. This limited mandatory certificate excludes the performance of continuous mechanical or physiological ventilatory support, arterial puncture, and blood gas analysis. The limited mandatory certificate may be granted only to individuals actively enrolled in an accredited program and for a period not to exceed three (3) years. This limited mandatory certificate is in no manner required for individuals actively enrolled in an accredited program while performing uncompensated clinical activities required by the program.
- (4) Respiratory care practitioners duly authorized to practice in other states and in good standing and who ***have held a RRT or*** hold the CRT credential or its equivalent may be conferred a mandatory certificate by the board if the requirements for licensure or certification in that state are substantially equal to the requirements of this section.
- (5) Respiratory therapists applying for mandatory certification, ***who received their National Board for Respiratory Care certified respiratory therapist (CRT) or registered respiratory therapist (RRT) credential prior to July 1, 2002***, shall retain their National Board for Respiratory Care (NBRC) designations as certified respiratory therapists (CRT) or registered respiratory therapists (RRT). ***Those respiratory therapists applying for mandatory certification, who receive their CRT or RRT credential from the NBRC after July 1, 2002, shall retain their CRT or RRT credential as long as they have fulfilled the National Board for Respiratory Care's continuing competency program requirements.*** Persons holding a mandatory certification through the limited mechanism of grandfather status ***and those respiratory therapists, receiving their CRT or RRT credential after July 1, 2002, who do not fulfill the National Board for Respiratory Care's continuing competency requirements***, shall solely be designated as respiratory care ~~practitioners~~***practitioner***.
- (6) Mandatory certification of respiratory care practitioners shall be on a biennial basis according to established criteria under KRS 314A.115. Mandatory certificates issued by the board shall expire and shall not be renewed unless the certificate holder submits proof to the board of compliance with KRS 314A.115. On and after the date on which a person's mandatory certificate has expired, the practitioner may apply for reinstatement within five (5) years of the expiration of the mandatory certificate. The applicant shall show compliance with the current continuing education requirement in force at the time of mandatory certificate renewal application. After expiration of a five (5) year period, current standards for mandatory certification shall be met. The board may require individualized conditions for reinstatement.

Section 3. KRS 314A.220 is amended to read as follows:

- (1) The board shall issue a mandatory certificate to all applicants who meet the requirements of this chapter and who pay to the board the initial mandatory certificate fee.
- (2) The amount of fees prescribed in connection with a mandatory certificate as a respiratory care practitioner shall be prescribed by administrative regulation promulgated by the board in accordance with KRS Chapter 13A.
- (3) Each respiratory care mandatory certificate shall expire on January 30 every two (2) years. A thirty (30) day grace period shall be allowed after January 30, during which time mandatory certificates may be renewed on payment of a renewal fee ~~of not more than seventy dollars (\$70)~~ plus a grace period fee, when applicable ~~which combined will not exceed ninety dollars (\$90)~~. No person who applies for renewal, whose mandatory certificate has expired, shall be required to submit to any examination as a condition to renewal, provided such renewal application is made within five (5) years from the date of such expiration. No person shall practice respiratory care in this state unless the individual holds a valid certificate. All mandatory certificates not renewed by March 2 following the date of issuance shall be deemed expired.
- (4) A suspended mandatory certificate is subject to expiration and shall be renewed as provided in this chapter, but such renewal shall not entitle the respiratory care practitioner, while the mandatory certificate remains suspended, and until it is reinstated, to engage in mandatory certification activities, or in any other activity or conduct in violation of the order of judgment by which the mandatory certificate was suspended. A mandatory certificate revoked on disciplinary grounds is subject to expiration as provided in this chapter, but it may not be renewed. If it is reinstated after its expiration, the mandatory certificate holder, as a condition of reinstatement, shall pay a reinstatement fee in an amount equal to the renewal fee in effect on the last preceding regular renewal date before the date on which it is reinstated, plus the delinquency fee, if any, accrued at the time of its revocation.
- (5) A person who fails to renew his or her mandatory certificate within the five (5) years after its expiration may not renew it, and it may not be restored, reissued, or reinstated thereafter, but such persons may apply for and obtain a new mandatory certificate if he meets the requirements of this chapter.

Section 4. KRS 314A.225 is amended to read as follows:

- (1) The board may refuse to issue a ~~mandatory~~ certificate, or may suspend, ***revoke, impose probationary conditions upon, impose an administrative fine, issue a written reprimand or admonishment, or any combination thereof regarding any certificate holder upon proof that the certificate holder has:***
 - (a) ***Committed any crime, act of dishonesty, or corruption. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon conviction of the crime, the judgment and sentence are presumptive evidence at the ensuing disciplinary hearing of the guilt of the certificate holder or applicant. Conviction includes all instances in which a plea of no contest is the basis of conviction;***
 - (b) ***Misrepresented or concealed a material fact in obtaining, renewing or reinstating a certificate;***
 - (c) ***Committed any unfair, false, misleading, or deceptive act or practice;***
 - (d) ***Been incompetent or negligent in the practice of respiratory care;***
 - (e) ***Violated any state statute or administrative regulation governing the practice of respiratory care or any activities undertaken by a respiratory care practitioner;***
 - (f) ***Failed to comply with an order issued by the board or an assurance of voluntary compliance;***
 - (g) ***Violated the code of ethics as set forth in administrative regulations promulgated by the board; or***
 - (h) ***Violated any applicable provision of any federal or state law.***
- (2) ***One (1) year from the date of revocation, any person whose certificate has been revoked may petition the board for reinstatement. The board shall investigate the petition and may reinstate the certificate upon a finding that the individual has complied with any terms prescribed by that board and is again able to competently engage in the practice of respiratory care.***
- (3) ***The board may reconsider, modify, or reverse its probation, suspensions, or other disciplinary actions.***
- (4) ***The surrender of a certificate shall not serve to deprive the board of jurisdiction to proceed with disciplinary action under this chapter.*** ~~or revoke the mandatory certificate of any certificate holder if he has been guilty of~~

~~unprofessional conduct which has endangered or is likely to endanger the health, welfare, or safety of the public. Unprofessional conduct may include:~~

- ~~(a) Obtaining a mandatory certificate by means of fraud, misrepresentation, or concealment of material facts;~~
 - ~~(b) Having been guilty of unprofessional conduct as defined by the administrative regulations promulgated by the board, or having violated the code of ethics promulgated by the board;~~
 - ~~(c) Having violated any lawful order or administrative regulation rendered or promulgated by the board; or~~
 - ~~(d) Having violated any provisions of this chapter.~~
- ~~(2) The board shall deny an application for, or suspend or revoke, or impose probationary conditions upon, a mandatory certificate as ordered by the board in any decision made after a hearing conducted in accordance with KRS Chapter 13B. One (1) year from the date of revocation of a mandatory certificate under this chapter, application may be made to the board for reinstatement. The board shall have discretion to accept or reject an application for reinstatement.~~
- ~~(3) A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge of felony or of any offense involving moral turpitude is deemed to be a conviction within the meaning of this chapter. At the direction of the board and after a hearing conducted in accordance with KRS Chapter 13B, the mandatory certificate shall be suspended or revoked, or issuance of a mandatory certificate shall be declined when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence irrespective of a subsequent order under the provisions of the penal code allowing a person to withdraw his plea of guilty, and to enter a plea of not guilty or setting aside the verdict of guilty, or dismissing the acquisition, information, or indictment.~~
- ~~(4) (a) The chair of the board or the chair's designee may determine that immediate temporary suspension of a certificate, against which disciplinary action or an investigation is pending, is necessary to protect the public. If it appears that this action may be necessary, the chair or the designee shall issue an emergency order suspending the certificate. Upon appeal of an emergency order, an emergency hearing shall be conducted under KRS Chapter 13B.~~
- ~~(b) No board member shall be disqualified from serving on a disciplinary action hearing panel for the reason that the member has previously served on a hearing panel considering temporary suspension of the same certificate.~~
- ~~(c) The board shall expedite the disciplinary process in any action that involves a certificate that has been temporarily suspended.~~
- ~~(d) The order of immediate temporary suspension shall remain in effect until either retracted or superseded by final disciplinary action by the board. If disciplinary action is imposed, the board may order that the temporary suspension continue until the later of the expiration of the time permitted for appeal or the termination of the appellate process.]~~

Approved April 8, 2002

CHAPTER 238

(HB 327)

AN ACT relating to the Office of Women's Physical and Mental Health.

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

Section 1. KRS 194A.095 is amended to read as follows:

- (1)** There is created in the Cabinet for Health Services an Office of Women's Physical and Mental Health for the purpose of:
- ~~(a) [(1)]~~ Serving as a repository for data and information affecting women's physical and mental health issues;

- ~~(b)(2)~~ Analyzing and communicating trends in women's health issues and mental health;
 - ~~(c)(3)~~ Recommending to the Cabinet for Health Services and to any advisory committees created under KRS 216.2923, data elements affecting women's physical and mental health. The office shall advise and direct which data elements should be collected, analyzed, and reported in a timely manner under KRS 216.2920 to 216.2929;
 - ~~(d)(4)~~ Cooperating and collaborating with the Cabinet for Health Services in receiving and disseminating through all forms of media including the internet relevant aggregate data findings under KRS 216.2920 to 216.2929 which affect women; and
 - ~~(e)(5)~~ Planning, developing, and administering a Women's Health Resource Center within the Cabinet for Health Services to focus on targeted preventive care and comprehensive health education.
- (2) ***The office may accept gifts, grants, and bequests in support of its mission and duties specified in subsection (1) of this section. All money received shall be administered by the cabinet, which shall administer these funds through appropriate trust and agency accounts.***

Approved April 8, 2002

CHAPTER 239

(HB 344)

AN ACT relating to special districts.

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

Section 1. KRS 65.065 is amended to read as follows:

- (1) The governing body of each district shall annually prepare a budget and, as appropriate, shall classify budget units in the same fashion as county budgets are classified in accordance with KRS 68.240(2) to (5). The state local finance officer shall prepare standard budget forms for district use and shall furnish them to county clerks for distribution to district officers. No moneys shall be expended from any funds or any sources, except in accordance with the budget which has been filed with the fiscal court to be available for public inspection. No budget of a district shall become effective until filed with the fiscal court of the county in which the district is located for submission to the Department for Local Government. For those districts with multicounty jurisdictions, the district shall file a copy with each of the fiscal courts within the jurisdiction of the district for their review. If the budget is not filed with the fiscal court ***at least thirty (30) days prior to the start of the district fiscal***~~by June 1 of each~~ year, the fiscal court shall immediately notify the county attorney. The county attorney shall then notify the governing board of the special district of the noncompliance and then proceed with any steps necessary to prevent the expenditure of funds by the special district until the district is in compliance.
- (2) The governing body of each district which for the year in question receives from all sources or expends for all purposes less than four hundred thousand dollars (\$400,000) shall annually prepare a financial statement, except that once every four (4) years the district's governing body shall provide for the performance of an audit as provided in subsection (4) of this section.
- (3) The governing body of each district which for the year in question receives from all sources or expends for all purposes four hundred thousand dollars (\$400,000) or more shall provide for the performance of an annual audit as provided in subsection (4) of this section.
- (4) To provide for the performance of an audit, the governing body of a district shall employ an independent certified public accountant or contract with the Auditor of Public Accounts to perform an audit of the funds in the district budget. The audit shall conform to:
 - (a) Generally-accepted governmental auditing standards, which means those standards for audits of governmental organizations, programs, activities, and functions issued by the Comptroller General of the United States; and
 - (b) Additional procedures and reporting requirements as may be required by the Auditor of Public Accounts. A unit of government furnishing funds directly to a district may require additional audits at its own expense. Upon request, the State Auditor of Public Accounts may review the final report and all

related work papers and documents of the independent certified public accountant relating to the audit. If a district is required by law to audit its funds more often than is required by this section, it shall perform those audits and may submit them in lieu of the requirements of this section, if the audits meet the requirements of this subsection.

- (5) The provisions of subsection (2) of this section shall not apply to any district that is required by law to annually submit a financial report to an agency of state government. The districts shall annually submit a copy of their financial report to the county judge/executive and to the state local finance officer and once every four (4) years provide for the performance of an audit as provided in subsection (4) of this section.
- (6) Any resident of the district may bring an action in the Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated the provisions of this section, shall order the district to comply with the provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

Section 2. KRS 65.070 is amended to read as follows:

- (1) ***Within sixty (60) days following the close of the fiscal year, the***~~By the first day of July of each year, before a district budget takes effect and after the uniform financial information report required by KRS 65.900 to 65.920 is submitted to the Department for Local Government, a~~ district shall:
 - (a) File with the county clerk of each county with territory in the district a certification showing any of the following information that has changed since the last filing by the district:
 1. The name of the district;
 2. A map or general description of its service area;
 3. The statutory authority under which it was created; and
 4. The names, addresses, and the date of expiration of the terms of office of the members of its governing body and chief executive officer;
 - (b) Submit for review a copy of the ***summary***~~district budget,~~ financial statement~~if prepared, and audit when performed,~~ with the fiscal court of each county with territory in the district; and
 - (c) Publish, in lieu of the provisions of KRS 424.220, but in compliance with other applicable provisions of KRS Chapter 424, the names and addresses of the members of its governing body and chief executive officer, and either a summary financial statement, which includes the location of supporting documents, or the location of district financial records which may be examined by the public.
- (2) ***The district shall submit for review a copy of the audit with the fiscal court of each county with territory in the district. The submission shall be made within thirty (30) days of the district's receipt of the completed audit.***
- (3) The Department for Local Government shall prepare and furnish to county clerks standard reporting forms which districts may use to comply with the provisions of this section.
- ~~(4)~~~~(3)~~ Any resident of the district may bring an action in the Circuit Court to enforce the provisions of this section. The Circuit Court shall hear the action and, on a finding that the governing body of the district has violated the provisions of this section, shall order the district to comply with its provisions. The Circuit Court, in its discretion, may allow the prevailing party, other than the district, a reasonable attorney's fee and court costs, to be paid from the district's treasury.

Approved April 8, 2002

CHAPTER 240

(HB 389)

AN ACT relating to local board involvement in grain storage.

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

Section 1. The following KRS sections are repealed:

- 251.040 Local boards -- Purpose.
- 251.050 Local boards -- Appointment -- Qualifications.
- 251.060 Term of members -- Filling of vacancies.
- 251.070 Compensation of local board.
- 251.080 Officers of local board.
- 251.090 Bond of secretary-treasurer.
- 251.100 License, name and number of local board.
- 251.110 Refund to owners by local board.
- 251.120 Sealers -- Appointment and powers.
- 251.130 Bond and oath of sealer.
- 251.140 Compensation of sealer.
- 251.150 Functions of sealer.
- 251.160 Application for storage -- Consent to inspection.
- 251.170 Sealing fees -- Payment of expenses.
- 251.180 Fastenings -- Tampering with prohibited.
- 251.190 Sealer to deliver receipts -- Receipts subject to Uniform Commercial Code.
- 251.200 Form of warehouse receipts.
- 251.210 Sealer to issue certificates of reinspection -- Ascertain outstanding receipts and make periodic inspections.
- 251.220 Issuance of fraudulent receipt prohibited.
- 251.230 Sealer to file duplicate receipts with board.
- 251.240 Issuance of duplicate warehouse receipt.
- 251.250 Duplicate to be recorded before negotiation.
- 251.260 County clerk to index duplicate -- Recording is notice.
- 251.270 Assignment of recorded receipt -- Clerk's fee.
- 251.280 Cancellation of warehouse receipt.
- 251.290 Delivery of grain when receipt outstanding prohibited.
- 251.300 Owner not to sell or encumber grain, after receipt issued.
- 251.310 Appeal to state board -- Hearing.
- 251.320 Orders of state board -- Suspension of license of local board.
- 251.330 Costs of hearing.

Section 2. KRS 251.990 is amended to read as follows:

- ~~(1) Any person who violates subsection (2) of KRS 251.180 shall be guilty of a Class A misdemeanor.~~
- ~~(2) Any person who violates KRS 251.220 or 251.290 shall be guilty of a Class A misdemeanor.~~
- ~~(3) Any person who violates KRS 251.240 shall be guilty of a Class D felony.~~
- ~~(4) Any person who violates KRS 251.300 shall be guilty of a Class A misdemeanor.~~
- ~~(5)~~ Any person who violates the provisions of KRS 251.430 to 251.720 shall be guilty of a violation. He shall be guilty of a Class A misdemeanor for each subsequent offense. Each day of operation in violation of the provisions of KRS 251.430 to 251.720 shall constitute a separate offense.

- ~~(2)(6)~~ Any person who operates without a license as required by KRS 251.430 or 251.720 shall be fined not less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000) for each violation, or imprisoned for at least one (1) but not more than five (5) years, or both.
- ~~(3)(7)~~ Any person who intentionally refuses or fails to pay moneys collected for assessment of grain under the Kentucky Grain Insurance Fund Program as set forth in KRS 251.640 shall be subject to a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500), or imprisoned for not more than six (6) months, or both.
- ~~(4)(8)~~ Any person who fails or refuses to maintain at all times grain in storage, rights in grain, proceeds from the sale of grain, or a combination of the grain, rights, and proceeds equal to eighty percent (80%) of the value of a licensed grain storage establishment's unpaid obligations to producers for grain delivered under a forward pricing (delayed pricing) contract as required by KRS 251.485 or 251.675 shall be fined not less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000) for each violation, or imprisoned for at least one (1) year but not more than five (5) years, or both.
- ~~(5)(9)~~ Any person who knowingly makes any false statement, representation, or certification, or who knowingly fails to make any statement, representation, or certification in any record, report, or other document filed or required to be maintained by the Commissioner in violation of KRS 251.485(2) shall upon conviction be fined not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each violation, or imprisoned for at least one (1) year but not more than five (5) years, or both.
- ~~(6)(10)~~ Any person who transfers or disburses grain, property, or assets from the licensed grain establishment's handler account in violation of KRS 251.485(2) shall upon conviction be fined not less than five thousand dollars (\$5,000) nor more than ten thousand dollars (\$10,000) for each violation, or be imprisoned for at least one (1) year but not more than five (5) years, or both.
- ~~(7)(11)~~ Except as permitted by law, any person who willfully and knowingly resists, prevents, impedes, or interferes with the Commissioner or other agents or employees of the department in performance of the duties assigned by KRS 251.485 or 251.675, shall upon conviction be fined not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each violation, or imprisoned for not more than one (1) year, or both.
- ~~(8)(12)~~ If a corporate grain establishment license holder violates any provision of KRS 251.485 or 251.675 or administrative regulations issued pursuant thereto, or if it fails or refuses to comply with any lawful order issued by the Commissioner, any director, officer, or agent of the corporation who willfully and knowingly authorized, ordered, or carried out the violation, failed, or refused to comply with any lawful order issued by the Commissioner shall be subject to the same penalties, fines, and imprisonment as may be imposed upon a person pursuant to this section.

Section 3. KRS 246.210 is amended to read as follows:

- (1) The department or its agents shall have free access within reasonable hours to any farm, orchard, garden, elevator, warehouse, building, cellar, freight or express office or car, freight yard, vehicle, vessel, boat, container, or any other place which, for probable cause, it may be necessary or desirable for the agents to enter in order to enforce a quarantine against the European corn borer (*Pyrausta nubilalis*).
- (2) The board or any of its members or representatives may after reasonable notice enter any premises for the purpose of inspecting or testing livestock to determine the existence of, or to combat in any way, communicable diseases. The owner of the livestock to be tested or inspected shall, after reasonable notice, confine and present the livestock to the representatives of the board. When the board or any of its representatives determines through inspection or testing that any livestock is infected with a communicable disease, they may enter any premises after reasonable notice and remove the diseased livestock, and have the livestock destroyed or slaughtered and the owner indemnified as provided in KRS 257.120 to 257.150. When necessary the board or any of its members or representatives may call upon peace officers for assistance. The officers shall render assistance when ordered to do so by the board or any of its members, representatives, agents, or employees.
- ~~(3) A sealer of agricultural warehouses appointed under KRS 251.120 may at all times enter upon any premises to inspect grain in storage or the granary, crib, bin, or other receptacle in which it has been stored.~~

- (4)} The state entomologist or his authorized agent shall, upon previous application, have free access within reasonable hours to any premises or containers for purposes of trapping, inspecting for, investigating, or treating the premises for the control of Japanese beetles (*Popillia japonica*). In the capacity of state inspector of apiaries, he may, personally or by deputy, at his discretion, visit private premises during reasonable business hours and inspect any apiary to ascertain the existence of, or to treat or destroy any disease in the egg, larval, pupal, or adult stages among bees or brood.
- (4){(5)} The director of the agricultural experiment station and his agents shall have free access at all reasonable hours to any premises, vehicle, elevator, or steamship company, in the discharge of his duties under KRS 250.081.

Approved April 8, 2002

CHAPTER 241

(HB 390)

AN ACT relating to reorganization.

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

Section 1. The following KRS section is repealed:

262.875 Interagency Farmland Advisory Committee.

Section 2. The General Assembly confirms Executive Order 2001-1516, dated December 14, 2001, which relates to the abolishment of the Interagency Farmland Advisory Committee, to the extent it is not otherwise confirmed by this Act.

Section 3. The General Assembly hereby confirms Executive Order 2001-609, dated May 18, 2001, which changes the name of the Division of Training and ADD Services within the Department for Local Government to the Division of Local Resources and directs that the renamed division be responsible for the programmatic areas assigned to it by the Commissioner of the Department for Local Government.

Approved April 8, 2002

CHAPTER 242

(HB 417)

AN ACT relating to manufactured home, mobile home, and recreational vehicle communities.

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

Section 1. KRS 219.310 is amended to read as follows:

KRS 219.310 to 219.410 may be cited as the Kentucky **Manufactured Home**, Mobile Home, and Recreational Vehicle **Community**~~[Park]~~ Act of 2002~~[1972]~~.

Section 2. KRS 219.320 is amended to read as follows:

As used in KRS 219.330 to 219.410:

- (1) "Secretary" means the secretary of the Cabinet for Health Services;
- (2) "Cabinet" means the Cabinet for Health Services;
- (3) "**Manufactured home**" means a single-family residential dwelling constructed in accordance with the National Manufactured Housing Construction in Safety Standards Act, manufactured after June 15, 1976, and designed to be used as a single-family residential dwelling with or without a permanent foundation when connected to the required utilities, and including plumbing, heating, air conditioning, and electrical systems. A manufactured home may also be used as a place of business, profession, or trade by the owner, the lessee, or the assigns of the owner or lessee and may comprise an integral unit or condominium structure. Buildings, the construction of which are not preempted by the National Manufactured Housing Construction in Safety Standards Act, are subject to the building code requirements of KRS Chapter 198B~~[Mobile home" means a transportable dwelling unit suitable for year round occupancy, which is~~

~~manufactured on a chassis or undercarriage as an integral part thereof, containing facilities for water, sewage, bath, and electrical conveniences};~~

- (4) *"Mobile home" means a structure manufactured prior to June 15, 1976, that was not required to be constructed in accordance with the National Manufactured Housing Construction in Safety Standards Act, that is transportable in one (1) or more sections, that, in the traveling mode is eight (8) body feet or more in width and forty (40) body feet or more in length, or when erected on site, four hundred (400) or more square feet, and that is built on a permanent chassis and designed to be used as a dwelling on a temporary or permanent foundation, when connected with the permanent required utilities, including plumbing, heating, air conditioning, and electrical systems;*
- (5) *"Manufactured or mobile home lot" means a parcel of land in a **manufactured or** mobile home community~~[park]~~ for the placement of a single **manufactured or** mobile home;*
- (6)~~(5)~~ *"**Manufactured or** mobile home **community**~~[park]~~" means a parcel of land, under **single or multiple ownership and developed specifically for the purpose of leasing two (2) or more residential spaces for the location of manufactured or mobile home dwellings and which contain common facilities and utilities located on the premises as licensed by the cabinet**~~[the control of any person, available to the public in which two (2) or more mobile home lots are occupied or intended for occupancy by mobile homes and includes any service building, structure, enclosure, or other facility used as a part of the park]~~;*
- (7)~~(6)~~ *"**Community**~~[Park]~~" means **a manufactured home**, mobile home,~~[parks]~~ and recreational vehicle community~~[parks]~~;*
- (8) *"ANSI/NFPA" means the American National Standards Institute/National Fire Protection Association;*
- (9) *"Underskirting" means a weather resistant material used to enclose the space from the bottom of a manufactured or mobile home to grade;*
- (10)~~(7)~~ *"Person" means an individual, or a firm, partnership, company, corporation, trustee, association, or any public or private entity owning or operating a **community**~~[park]~~;*
- (11)~~(8)~~ *"Recreational vehicle" means any of the following:*
 - (a) "Travel trailer" means a vehicular, portable structure built on a chassis, designed to be used as a temporary dwelling for travel, recreation, or vacation;
 - (b) "Pickup coach" means a structure designed to be mounted on a truck for use as a temporary dwelling for travel, recreation, or vacation;
 - (c) "Motorhome" means a portable, temporary dwelling to be used for travel, recreation, or vacation, constructed as an integral part of a self-propelled vehicle;
 - (d) "Camping trailer" means a canvas or other collapsible folding structure, mounted on wheels and designed for travel, recreation, or vacation use;
 - (e) "Dependent recreational vehicle" means a recreational vehicle which does not have toilet, lavatory, or bathing facilities; or
 - (f) "Self-contained recreational vehicle" means a recreational vehicle which can operate independent of connections to sewer, water, and electric systems. It contains a water-flushed toilet, lavatory, shower or bath, kitchen sink, all of which are connected to water storage and sewage holding tanks located within the recreational vehicle.
- (12)~~(9)~~ *"Recreational vehicle **community**~~[park]~~" means a parcel of land available to the public in which two (2) or more recreational vehicle spaces are occupied or intended for occupancy by recreational vehicles for transient dwelling purposes and includes any service building, structure, enclosure, or other facility used as a part of the **community**~~[park]~~;*
- (13)~~(10)~~ *"Recreational vehicle space" means a parcel of land in a recreational vehicle **community**~~[park]~~ for the placement of a single recreational vehicle;*
- (14)~~(11)~~ *"Sanitary station" means a facility used for receiving and disposing of wastes from recreational vehicle holding tanks;*

~~(15)(12)~~ "Service building" means a building containing water closets, urinals, lavatories, and bathing facilities for use by persons using the **community[~~park~~]**; and

~~(16)(13)~~ "Watering station" means a facility for filling the water storage tanks of recreational vehicles with potable water from an approved water system.

Section 3. KRS 219.330 is amended to read as follows:

No person shall operate a **community[~~park~~]** without having first obtained a permit as provided for in KRS 219.310 to 219.410. An application for a permit to operate a **community[~~park~~]** shall be made to the cabinet upon forms provided by it and shall contain such information as the cabinet reasonably requires, which may include affirmative evidence of ability to comply with such reasonable standards and regulations as may be prescribed.

Section 4. KRS 219.340 is amended to read as follows:

- (1) *The fee for a permit to operate a manufactured or mobile home community shall be assessed according to the following fee schedule:*

<i>Number of Spaces</i>	<i>Initial Fee</i>	<i>Maximum Fee</i>
<i>9 spaces or less</i>	<i>\$107.00</i>	<i>\$130.00</i>
<i>10 - 50 spaces</i>	<i>\$150.00</i>	<i>\$185.00</i>
<i>51 - 100 spaces</i>	<i>\$160.00</i>	<i>\$195.00</i>
<i>101 - 200 spaces</i>	<i>\$170.00</i>	<i>\$225.00</i>
<i>201 or more spaces</i>	<i>\$180.00</i>	<i>\$250.00</i>

The cabinet may, by administrative regulation, beginning July 1, 2003, increase the annual fee to operate a manufactured or mobile home community by not more than five percent (5%) per year, not to exceed the maximum fee on the fee schedule. Upon receipt of an application for a permit to operate, accompanied by a permit fee, ~~assessed according to the following schedule:~~

~~Park with 10 spaces or less fee \$50~~

~~Park with more than 10 spaces fee \$75~~ the cabinet shall issue a permit, provided the **community[~~park~~]** meets the standards and requirements of KRS 219.310 to 219.410 and the regulations adopted by the secretary.

- (2) Each permit to operate, unless sooner suspended or revoked, shall expire on June 30 following its issuance, and be renewable annually, upon application and payment of a renewal fee *established by the cabinet* ~~of fifty dollars (\$50) for a park with 10 spaces or less or a renewal fee of seventy five dollars (\$75) for a park with more than 10 spaces~~, provided the **community[~~park~~]** is maintained and operated in compliance with KRS 219.310 to 219.410 and the *administrative* regulations adopted by the secretary.
- (3) Each permit to operate shall be issued only for the person and premises, including number of spaces, named in the application and shall not be transferable.
- (4) The person holding an operating permit shall post it conspicuously within the **community[~~park~~]** or have it readily available for examination upon request by agents of the cabinet or prospective **community[~~park~~]** occupants.

Section 5. KRS 219.350 is amended to read as follows:

No **community[~~park~~]** shall be constructed or altered without a permit as provided in KRS 219.310 to 219.410. An application for a permit to construct or alter a **community[~~park~~]** shall be made to the cabinet upon forms provided by it. The application shall include plans for construction or alteration of the **community[~~park~~]** and shall contain such information in regard to the proposed **community[~~park~~]** as the cabinet may reasonably require, which may include affirmative evidence of ability to comply with requirements of KRS 219.310 to 219.410 and regulations adopted by the secretary. All plans for the construction, installation, or alteration of buildings shall be forwarded by the cabinet to the Department of Housing, Buildings and Construction. Only the Department of Housing, Buildings and Construction shall review such plans for conformance with the Uniform State Building Code. The Department of Housing, Buildings and Construction shall expedite the review of such plans and return them to the Cabinet for Health Services for completion of the application process. Each application for a permit to construct or alter a **community[~~park~~]** shall be accompanied by a permit fee of *forty-seven dollars (\$47)* ~~twenty five dollars (\$25)~~. *The cabinet may, by administrative regulation, increase this fee by no more than five percent (5%) per year, not to*

exceed a maximum fee of seventy dollars (\$70). Each permit to construct shall be issued only for the person and premises, including the number of spaces named in the application and shall not be transferable. Each permit to construct shall expire one (1) year from date of issuance.

Section 6. KRS 219.360 is amended to read as follows:

- (1) The cabinet may issue a permit to construct upon receipt of an application for a permit to construct a new **community[~~park~~]** or alter an existing **community[~~park~~]**.
- (2) If the application is refused, the cabinet shall give the reasons therefor in writing to the applicant; and if the objections can be corrected the applicant may resubmit his *or her* application for approval.
- (3) Each person issued a permit to construct a new **community[~~park~~]** or alter an existing **community[~~park~~]**, upon completion and prior to occupancy, shall make application for a permit to operate.
- (4) No change in sanitary facilities, including the water supply, sanitary sewer, waste disposal system, sanitary station, watering station, or service building, and no change in the plan of any existing **community[~~park~~]** or in any proposed **community[~~park~~]** for which a permit to construct has been issued, shall be made without having first obtained a construction permit therefor except that a change from a private water supply or private sewage disposal system to a public water supply or public sewage system shall not require a construction permit. The application shall be made in the manner prescribed for an original application. The change or changes shall comply with all applicable public health laws and regulations.
- (5) A permit to construct, alter, or operate a **community[~~park~~]** does not relieve the applicant from securing a local building permit if required, or from complying with any local zoning or other legal requirements.

Section 7. KRS 219.370 is amended to read as follows:

The secretary shall *promulgate administrative*~~[adopt rules and]~~ regulations for the effective administration and enforcement of KRS 219.310 to 219.410, which may include but are not limited to, standards for **community[~~park~~]** construction and layout, service buildings, watering stations, sanitary stations, sanitation, site planning, lot size, water supply, sewage disposal, lighting, refuse handling, insect and rodent control, inspections, hearings, issuance, suspension, and revocation of permits, and such other matters as may be necessary to insure a safe and sanitary **community[~~park~~]** operation. All building construction regulations shall conform to the uniform state building code. The secretary is empowered to establish separate rules and regulations for *manufactured home*, mobile home,~~[~~parks~~]~~ and recreational vehicle **communities[~~parks~~]**.

Section 8. KRS 219.380 is amended to read as follows:

- (1) The cabinet may administer the provisions of KRS 219.310 to 219.410 through the respective local health department concerned. Officials and employees of the cabinet and of local health departments are empowered to enter upon the premises of any **community[~~park~~]** at any reasonable time for the purposes set forth in KRS 219.310 to 219.410.
- (2) The cabinet or local health department concerned, after notice to the applicant or holder of a permit to operate, construct, or alter a **community[~~park~~]**, and after an opportunity for a hearing, is authorized to deny, suspend, or revoke a permit in any case where it finds that there has been a failure to comply with the requirements established under KRS 219.310 to 219.410 or the administrative regulations promulgated by the secretary. Hearings shall be in accordance with KRS Chapter 13B.
- (3) It shall be the duty of each Commonwealth's attorney, county attorney, city attorney, or Attorney General within their respective jurisdiction to whom the cabinet or local health department or its agents report any violation of KRS 219.310 to 219.410, to enforce the provisions of KRS 219.310 to 219.410.
- (4) Nothing in KRS 219.310 to 219.410 shall be construed as requiring the cabinet or local health department to report for the institution of proceedings under KRS 219.310 to 219.410, violations of KRS 219.310 to 219.410, whenever the cabinet or local health department concerned believes that the public interest will be adequately served in the circumstances by a suitable written order.
- (5) Notwithstanding the existence or pursuit of any other *civil or criminal* remedy~~[(civil or criminal)]~~, the cabinet or local health department concerned may maintain, in its own name, an action to restrain or enjoin any violation of KRS 219.310 to 219.410, irrespective of whether or not there exists an adequate remedy at law.

Section 9. KRS 219.390 is amended to read as follows:

- (1) For the purpose of assisting in the developing and review of standards and regulations for the administration of KRS 219.310 to 219.410, there is hereby created a State Advisory Committee on **Manufactured**, Mobile Home, and Recreational Vehicle ~~Communities~~~~[Parks]~~. The committee shall be composed of **twelve (12)**~~nine (9)~~ members. The secretary for health services or his designee shall be an ex officio member. The other members shall be appointed by the secretary for health services, three (3) of whom shall represent **manufactured and mobile home community**~~[park]~~ owners, two (2) of whom shall represent **manufactured and mobile home**~~[and recreational vehicle]~~ dealers, **two (2) of whom shall represent recreational vehicle dealers or community owners**, two (2) of whom shall represent local health departments, **one (1) of whom shall represent the office of the State Fire Marshal**, and one (1) member **who** shall be a citizen at large.
- (2) All appointed members shall serve for a term of four (4) years except that, of the original appointees, two (2) shall serve for one (1) year, two (2) shall serve for two (2) years, two (2) shall serve for three (3) years, and two (2) shall serve for four (4) years. All vacancies shall be filled in the manner of original appointment for the unexpired portion of the term only.
- (3) Members of the committee shall receive no compensation for their services, but may be reimbursed for necessary travel expenses.

Section 10. KRS 219.410 is amended to read as follows:

Nothing in KRS 219.310 to 219.410 shall be construed to include **manufactured homes**, mobile homes, or recreational vehicles maintained by any persons on their own premises and used exclusively to house their own farm labor.

Section 11. KRS 219.991 is amended to read as follows:

- (1) Any person who operates a hotel without a permit as provided in KRS 219.011 to 219.081 or who fails to comply with any other provisions of KRS 219.011 to 219.081 or any **administrative** regulation **promulgated**~~adopted~~ pursuant thereto shall be guilty of a misdemeanor and shall on conviction thereof be subject to a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500), or by imprisonment for not more than thirty (30) days, or both; but if the violation is committed after a conviction of the person under this section has become final, the person shall be subject to a fine of not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1,000), or by imprisonment for not more than ninety (90) days, or both.
- (2) Any person who operates, constructs, or alters a **community**~~[park]~~ without a permit as provided for in KRS 219.310 to 219.410 or who violates any other provision of KRS 219.310 to 219.410 or any **administrative** regulation **promulgated**~~adopted~~ by the secretary or order issued pursuant thereto shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100). Each day of violation shall constitute a separate offense.

Approved April 8, 2002

CHAPTER 243

(HB 453)

AN ACT relating to boating.

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

Section 1. KRS 235.250 is amended to read as follows:

- (1) It shall be the duty of the operator of a vessel involved in a collision, accident, or other casualty, so far as he can do so without serious danger to his own vessel, crew, and passengers (if any), to render to other persons affected by the collision, accident, or other casualty such assistance as may be practicable and as may be necessary in order to save them from or minimize any danger caused by the collision, accident, or other casualty, and also to give his name, address, and identification of his vessel in writing to any person injured and to the owner of any property damaged in the collision, accident, or other casualty.
- (2) In the case of collision, accident, or other casualty involving a vessel, the operator thereof, if the collision, accident, or other casualty results in death or injury to a person or damage to property in excess of **five hundred dollars (\$500)**~~one hundred dollars (\$100)~~, shall file with the department a full description of the collision, accident, or other casualty, including such information as said agency may by regulation require.

When the operator of a vessel, who is not the owner of it, cannot submit the casualty or accident report required by subsection (1) of this section, the owner shall submit the casualty or accident report.

Section 2. KRS 235.990 is amended to read as follows:

- (1) Any person who violates any of the provisions of this chapter or administrative regulations adopted under this chapter shall be fined not less than fifty dollars (\$50) nor more than two hundred dollars (\$200). After July 15, 2000, any person who violates KRS 235.230 shall be fined not less than fifteen dollars (\$15) nor more than one hundred dollars (\$100) and each day the violation continues may constitute a separate offense.
- (2) Any person who violates KRS 235.240 shall not be subject to the penalties of KRS Chapter 189A but shall be guilty of a separate offense and subject to a fine of ~~two~~~~one~~ hundred dollars ~~(\$200)~~~~(\$100)~~ to two hundred fifty dollars (\$250) for the first offense, a fine of **three hundred fifty dollars (\$350)**~~two hundred fifty dollars (\$250)~~ to five hundred dollars (\$500) for the second offense, and a fine of **six hundred dollars (\$600)**~~five hundred dollars (\$500)~~ to one thousand dollars (\$1,000) or imprisonment in the county jail for not less than thirty (30) days, or both, for the third or subsequent offense. Refusal to submit to a breath alcohol analysis or similar test in violation of KRS 235.240(3) shall be deemed an offense.
- (3) (a) A person may, in addition or in lieu of the penalties specified in subsection (1) or (5) of this section~~and in addition to the penalties of subsection (2) of this section~~, be required to take a safe-boating course approved by the department or offered by the United States Coast Guard, Coast Guard Auxiliary, or U.S. Power Squadron and to present the court a certificate documenting successful completion of the course.
- (b) ***A person shall, in addition to the penalties of subsection (2) of this section, be required to take a safe-boating course offered by the department and to present the court a certificate documenting successful completion of the course. The person attending a class under this paragraph shall pay the department a fee of one hundred dollars (\$100) for the costs of materials and instruction before receiving a certificate of completion.***
- (4) After July 15, 2000, any person who violates KRS 235.420 or 235.430 shall be fined not less than fifteen dollars (\$15) nor more than one hundred dollars (\$100). A person who violates KRS 235.420 or 235.430 shall be fined not less than one hundred dollars (\$100) nor more than three hundred dollars (\$300) for the second offense, and not less than three hundred dollars (\$300) nor more than five hundred dollars (\$500) for the third or any subsequent offense.
- (5) Any person failing to obey a citation issued in accordance with KRS 235.315 shall be guilty of a separate offense and shall be fined not less than fifty dollars (\$50) nor more than two hundred dollars (\$200).
- (6) Any person who makes a false statement regarding a marine boat toilet on the application for registration or renewal registration for a motorboat shall be fined one hundred dollars (\$100). This penalty shall be separate from any other penalty that may be applicable for violation of this chapter.
- (7) Any person who resists, obstructs, interferes with, threatens, attempts to intimidate, or in any other manner interferes with any officer in the discharge of his duties, other than a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 150, or the administrative regulations issued under either of these chapters, shall be guilty of a Class A misdemeanor.
- (8) Any person who commits a criminal homicide or an assault against an officer enforcing the provisions of this chapter, KRS Chapter 150, or the administrative regulations issued under either of these chapters shall be subject to the penalties specified for the offense under KRS Chapter 507 or 508, as appropriate.
- (9) Any person who violates KRS 235.203 shall be fined fifty dollars (\$50).

Approved April 8, 2002

CHAPTER 244

(HB 467)

AN ACT relating to dental hygienists.

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

Section 1. KRS 313.310 is amended to read as follows:

- (1) No person shall practice dental hygiene nor hold himself out as a dental hygienist without a license issued by the board~~[, and unless he is an employee of a licensed and practicing dentist in this state and is under the continuous supervision and inspection of such dentist, provided that the board, in its discretion, may grant permission for the employment of a dental hygienist by any organization].~~
- (2) *A licensed dental hygienist shall practice under the supervision, order, control, and full responsibility of a dentist licensed under this chapter and may practice in a dental office, public or private school, health care facility, or government institution with a dentist on staff except as provided in administrative regulations promulgated pursuant to subsections (3), (4), and (5) of this section.*
- (3) *A dental hygienist may provide, for not more than fifteen (15) consecutive full business days, dental hygiene services to a patient when the supervising dentist is not physically present at the location at which the services are provided if all the following requirements are met:*
 - (a) *The dental hygienist shall have at least two (2) years with a minimum of three thousand (3,000) hours of experience in the practice of dental hygiene;*
 - (b) *The dental hygienist shall have successfully completed a course approved by the board in the identification and prevention of potential medical emergencies with recertification in this course every two (2) years;*
 - (c) *The dental hygienist shall comply with written protocols for emergencies the supervising dentist establishes;*
 - (d) *The board shall promulgate administrative regulations to determine procedures the dental hygienist shall not be allowed to perform while the supervising dentist is absent from the work site; and*
 - (e) *The dental hygienist shall not examine or provide dental health services to a patient who has not been examined by the supervising dentist within the previous seven (7) months. The supervising dentist shall have completed and evaluated a medical and dental history of the patient and shall have placed a written order for treatment in the patient's file. The board shall promulgate administrative regulations to determine guidelines for the written order.*
- (4) ~~(a) [A practicing dentist may not have in his employ more than the equivalent of two (2) full-time dental hygienists.]~~*The license for each dental hygienist shall be continuously displayed in a conspicuous place in the office where~~of~~ the licensee practices.*
 - (b) *The supervising dentist shall evaluate and provide to the board written validation of an employed dental hygienist's skills.*
 - (c) *The supervising dentist shall establish a written office protocol clearly defining all guidelines, including one addressing medically compromised patients, when the treatment by the hygienist is permitted and when the patient needs to be seen exclusively by the dentist. The minimum requirements of the written protocol shall be promulgated in administrative regulations established by the board.*
 - (d) *A patient shall be notified three (3) business days in advance of an appointment for dental hygiene services when the supervising dentist will be absent from the location. The patient shall be required to sign an informed consent form, prior to treatment by the hygienist, acknowledging the dentist's absence.*
- (5) *The dental hygienist may provide dental hygiene services to a patient when the supervising dentist is not physically present at the location at which the services are provided if the services are provided as part of a dental health program that is approved by the board and meets all of the following requirements:*
 - (a) *The program is operated through a school district board of education or the governing board of an educational service center; the board of health of a city or general health district or the authority having the duties of a board of health under KRS 212.245; a national, state, district, or local dental association; or any other public or private entity recognized by the board;*
 - (b) *The supervising dentist is employed by or is a volunteer for the entity through which the program is operated and through which the patients are referred; and*

- (c) *The services are performed after examination and diagnosis by the dentist and in accordance with the dentist's written treatment plan.*
- (6) *A dental hygienist may be employed by the supervising dentist or under contract with a dentist licensed under this chapter who is one (1) of the following:*
 - (a) *The employer of the supervising dentist;*
 - (b) *A shareholder in a professional association formed under KRS 274.015 of which the supervising dentist is a shareholder;*
 - (c) *A member or manager of a limited liability company formed under KRS 275.005 of which the supervising dentist is a member or manager;*
 - (d) *A shareholder in a corporation formed under KRS Chapter 271B of which the supervising dentist is a shareholder;*
 - (e) *A partner or employee of a partnership or a registered limited liability partnership formed under KRS 362.555 of which the supervising dentist is a partner or employee; or*
 - (f) *A government entity that employs the dental hygienist to provide dental hygiene services in a public school in connection with other programs the government entity administers.*
- (7) *It shall be unlawful for a person or corporation to practice dental hygiene in a manner that is separate or independent from the dental practice of a supervising dentist or to establish or maintain an office or practice that is primarily devoted to the provision of dental hygiene services.*
- (8) *For purposes of determining whether or not a dental hygienist has met the experience requirements specified in subsection (3)(a) of this section, all experience that the dental hygienist obtained prior to the effective date of Sections 1 to 3 of this Act shall be counted.*

SECTION 2. A NEW SECTION OF KRS 313.259 TO 313.350 IS CREATED TO READ AS FOLLOWS:

- (1) *A licensed dentist may delegate to a licensed dental hygienist the administration of block and infiltration anesthesia and nitrous oxide analgesia under the direct supervision of a dentist if the dental hygienist completes the following requirements and receives a certificate of verification from the board:*
 - (a) *Formal training from a dental or dental hygiene school accredited by the Council on Dental Accreditation;*
 - (b) *A minimum of thirty-two (32) hours covering all of the following topics, including but not limited to anatomical considerations, basic injection technique, basic placement technique, nitrous oxide administration, record keeping, armamentarium exercise, local anesthesia and nitrous oxide, techniques of maxillary anesthesia, techniques of mandibular injections, partner injections and partner administration of nitrous oxide, neurophysiology, pharmacology of local anesthetics and nitrous oxide, pharmacology of vasoconstrictors, physical and psychological evaluation, local and systemic complications, and contraindications;*
 - (c) *A minimum of two (2) hours of clinical education for nitrous oxide administration with successful completion of administration, monitoring, and removal of nitrous oxide on at least two (2) patients;*
 - (d) *A minimum of twelve (12) hours demonstrating mastery of local anesthesia applications and successful completion of at least three (3) injections each of all maxillary and mandibular injection sites; and*
 - (e) *A score that exceeds seventy-four percent (74%) on a written examination administered after coursework and clinical training.*
- (2) *The board shall serve as administrator of this certification and shall require dental hygienists to pay a fee not to exceed one hundred dollars (\$100) for certification.*
- (3) *The board shall approve all continuing education courses and require them for individuals holding anesthesia certification for over one (1) year without practical application. The courses shall be developed and implemented by dental education institutions accredited by the Council on Dental Accreditation.*

SECTION 3. A NEW SECTION OF KRS 313.259 TO 313.350 IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall promulgate administrative regulations to define certification requirements, duties, training, and standards of practice that may be performed by a dental assistant who has a minimum of one (1) year of dental office experience and has successfully passed the dental assisting course at an institution of dental education accredited by the Council on Dental Accreditation.*
- (2) *The board shall approve the instructor and the courses of study for approving duties, training, and standards of practice that may be performed by a dental assistant and shall authorize the course instructor to issue certificates, under the board's direction, to those who successfully complete the requirements.*
- (3) *A dental assistant shall practice under the supervision, order, control, and full responsibility of a dentist licensed under this chapter.*
- (4) *The certificate for each dental assistant shall be continuously displayed in a conspicuous place in the office of the licensee.*
- (5) *Supervising dentists shall only assign to dental assistants procedures that do not require the professional competence of a licensed dentist or a licensed dental hygienist.*
- (6) *Dental assistant services may include coronal polishing, a cosmetic procedure that is not essential to therapeutic oral prophylaxis, if the following criteria are observed:*
 - (a) *Polishing activities are limited to the use of a rubber cap attached to a slow-speed rotary dental handpiece;*
 - (b) *The assistant has received a certificate from the board's approved instructor that ensures the assistant has successfully completed a dental assisting course developed by the Kentucky Board of Dentistry and a committee of dental educators from the Kentucky institutions of dental education accredited by the Council on Dental Accreditation; and*
 - (c) *The dental assisting course shall include basic dental assisting and coronal polishing instruction that includes didactic, preclinical, clinical training and competency testing.*
- (7) *Dental assistant services shall not include the following:*
 - (a) *The practice of dental hygiene or the performance of the duties of a licensed dental hygienist that require the use of any instrumentation which may elicit the removal of calcareous deposits or accretions on the crowns and roots of teeth;*
 - (b) *Diagnosis;*
 - (c) *Treatment planning and prescription, including prescriptions for drugs or medicaments, or authorization for restorative, prosthodontic, or orthodontic appliances;*
 - (d) *Surgical procedures on hard or soft tissues of the oral cavity, or any other intraoral procedure that contributes to or results in an irreversible alteration of the oral anatomy; and*
 - (e) *The making of final impressions from which casts are made to construct any dental restoration.*

Approved April 8, 2002

CHAPTER 245

(HB 478)

AN ACT relating to training for jailers.

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

Section 1. KRS 64.5275 is amended to read as follows:

- (1) The General Assembly of the Commonwealth of Kentucky hereby finds and determines that county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs in all counties are officers whose duties or jurisdictions are coextensive with that of the Commonwealth within the meaning of Section 246 of the Constitution of Kentucky.
- (2) Effective on the first Monday in January of 1999, the maximum salary of county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs shall be fixed by the Department for Local

Government according to a salary schedule in accordance with Section 246 of the Kentucky Constitution. The salary schedule provides that these officials, as officers whose jurisdiction or duties are coextensive with the Commonwealth, shall be paid at a rate no greater than twelve thousand dollars (\$12,000) per annum as adjusted for any increase or decrease in the consumer price index and as described in subsection (4) of this section.

- (3) The salary schedule for county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs in all counties provides for nine (9) levels of salary based upon the population of the county in the year prior to the election of county officials as determined by the United States Department of Commerce, Bureau of the Census's annual estimates. To implement the salary schedule, the Department for Local Government shall, by November 1 of each year preceding the election of county officials, certify for each county the population group applicable to each county based on the most recent estimates of the United States Department of Commerce, Bureau of the Census. For the purposes of this section, the salary schedule for county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs shall remain as determined by the Department for Local Government pursuant to this section, regardless of changes in the population estimates or the actual census count that may occur during the term for which the official has been elected or appointed. The salary schedule provides four (4) steps for yearly increments within each population group. County officers named in this section shall be paid according to the first step within their population group for the first year or portion thereof they serve in office. Thereafter, each officer, on January 1 of each subsequent year, shall be advanced automatically to the next step in the salary schedule until the maximum salary figure for the population group is reached. Prior to assuming office on the first Monday in January, 1999, or thereafter, any person assuming any of the offices for which the salary is determined by this section must certify to the commissioner of the Department for Local Government the total number of years, not to exceed four (4) years, that the person has previously served in the office. The department shall place the officer in the proper step based upon a formula of one (1) incremental step per full calendar year of service:

SALARY SCHEDULE

County Population by Group	Steps and Salary for Affected Officers			
	Step 1	Step 2	Step 3	Step 4
Group I				
0-4,999	\$ 6,600	\$ 6,800	\$ 7,000	\$ 7,200
Group II				
5,000-9,999	7,200	7,400	7,600	7,800
Group III				
10,000-19,999	7,800	8,000	8,200	8,400
Group IV				
20,000-29,999	8,100	8,400	8,700	9,000
Group V				
30,000-44,999	8,700	9,000	9,300	9,600
Group VI				
45,000-59,999	9,000	9,400	9,800	10,200
Group VII				
60,000-89,999	9,600	10,000	10,400	10,800
Group VIII				
90,000-499,999	9,900	10,400	10,900	11,400
Group IX				
500,000 and up	10,500	11,000	11,500	12,000

- (4) Upon publication of the annual consumer price index by the United States Department of Commerce, the Department for Local Government shall fix the salary of the county judge/executive, county clerk, jailer who operates a full service jail, and sheriff at an annual rate of salary to which the county official is entitled pursuant to the increase in the Consumer Price Index and the salary schedule contained in this section. This salary determination shall be retroactive to the preceding January 1.
- (5) Notwithstanding any provision contained in this section, no county official holding office on July 15, 1998, shall receive any reduction in salary or reduction in adjustment to salary otherwise allowable by the statutes in force on July 15, 1998.
- (6) In addition to the step increases based on service in office, each officer shall be paid an annual incentive of one hundred dollars (\$100) per calendar year for each forty (40) hour training unit successfully completed, based on continuing service in that office and, except as provided in this subsection, completion of at least forty (40) hours of approved training in each subsequent calendar year. If an officer fails, without good cause as determined by the commissioner of the Department for Local Government, to obtain the minimum amount of approved training in any year, the officer shall lose all training incentives previously accumulated. Each training unit shall be approved and certified by the Department for Local Government. No officer shall receive more than one (1) training unit per calendar year nor more than four (4) incentive payments per calendar year. Each officer shall be allowed to carry forward up to forty (40) hours of training credit into the following calendar year for the purpose of satisfying the minimum amount of training for that year. Each annual incentive payment shall be adjusted by the Department for Local Government on an annual basis for any increase or decrease in the consumer price index in the same manner as salaries are adjusted as described in subsection (4) of this section. The Department for Local Government shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish guidelines for the approval and certification of training units.
- (7) Except in counties that contain an urban-county form of government, justices of the peace who serve on fiscal courts, ~~and~~ county commissioners, *and jailers who operate life safety jails, jailers who are part of a transportation plan, or jailers who act as court bailiff* shall also be eligible for the training incentive payments in accordance with subsection (6) of this section.

Approved April 8, 2002

CHAPTER 246

(HB 488)

AN ACT relating to reorganization.

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

Section 1. KRS 342.120 is amended to read as follows:

- (1) There is created the Division of **Workers' Compensation Funds**~~[the Special Fund]~~ in the Department of Workplace Standards which shall be responsible for the administration ~~and~~~~[of the]~~ legal representation of the *special fund and the coal workers' pneumoconiosis* fund and the maintenance of records regarding the payment of claims by *these funds*~~[the fund]~~. The Division of **Workers' Compensation Funds**~~[the Special Fund]~~ shall be headed by a director appointed by the commissioner, with the prior written approval of the Governor pursuant to KRS 12.050. The director shall be responsible for overseeing the administration ~~and~~~~[of the]~~ legal representation of the *funds*~~[fund]~~ and the maintenance of records regarding the payment of claims by the *funds*~~[fund]~~.
- (2) The special fund shall have no liability upon any claim in which the injury occurred, or for cumulative trauma, the disability became manifest, or, for occupational disease, if the date of injury or last exposure occurred, after December 12, 1996.
- (3) Where the employer has settled its liability for income benefits and thereafter a determination has been made of the special fund's liability, the special fund portion of the benefit rate shall be paid over the maximum period provided for by statute for that disability, with the period of payment beginning on the date settlement was approved by an administrative law judge. This provision is remedial and shall apply to all pending and future claims.

Section 2. KRS 342.1242 is amended to read as follows:

- (1) There is created ~~the Division of~~ the Kentucky Coal Workers' Pneumoconiosis Fund ~~in the Department of Workplace Standards~~ which shall *have one-half (1/2) of the liability for income benefits, including retraining benefits, payable for claims brought under KRS 342.732 for last exposure incurred on or after December 12, 1996. Income benefit payments by the Kentucky coal workers' pneumoconiosis fund shall be made contemporaneous with the payments made by the employer, except that the employer shall make all payments due under a final award or approved settlement until the liability of the Kentucky coal workers' pneumoconiosis fund is established under subsection (2) of this section and the coal workers' pneumoconiosis fund shall reimburse the employer for such payments to the extent of its liability* ~~be headed by a director appointed by the commissioner, with the prior written approval of the Governor pursuant to KRS 12.050. The director shall be responsible for overseeing the administration and legal representation of the fund and the maintenance of records regarding the payment of claims by the fund~~.
- (2) The employer shall defend any claim brought under KRS 342.732 and upon conclusion shall seek participation in payment of the final award or settlement by the Kentucky coal workers' pneumoconiosis fund by making written request upon the director in the manner prescribed by administrative regulation to be promulgated by the commissioner of the Department of Workers' Claims.
- (3) ~~The Kentucky coal workers' pneumoconiosis fund shall have one half (1/2) of the liability for income benefits, including retraining benefits, payable for claims brought under KRS 342.732 for last exposure incurred on or after December 12, 1996. Income benefit payments by the Kentucky coal workers' pneumoconiosis fund shall be made contemporaneous with the payments made by the employer, except that the employer shall make all payments due under a final award or approved settlement until the liability of the Kentucky coal workers' pneumoconiosis fund is established under subsection (4) of this section and the coal workers' pneumoconiosis fund shall reimburse the employer for such payments to the extent of its liability.~~
- (4) ~~(5)~~
 - (a) For the purpose of funding and prefunding the liabilities of the Kentucky coal workers' pneumoconiosis fund and financing the administration and operation of the Kentucky coal workers' pneumoconiosis fund, as reflected in the budget of the Commonwealth enacted by the General Assembly, a Kentucky coal workers' pneumoconiosis fund assessment at the rate of three percent (3%) is hereby imposed upon the amount of workers' compensation premiums received on and after January 1, 1997, through December 31, 1997, by every insurance carrier writing workers' compensation insurance in the Commonwealth and by every group of self-insurers operating under the provisions of KRS 342.350(4), from employers engaged in the severance or processing of coal. Likewise, on and after January 1, 1997, through December 31, 1997, an assessment at the rate of three percent (3%) of premium shall be paid by every employer engaged in the severance or processing of coal who is carrying his or her own risk.
 - (b) In addition to the assessment imposed in paragraph (a) of this subsection, an additional Kentucky coal workers' pneumoconiosis fund assessment at the rate of two and one-half cents (\$0.025) per ton is hereby imposed upon the total annual amount of tons of coal severed on or after January 1, 1997, through December 31, 1997, by every entity engaged in the severance of coal as required pursuant to KRS Chapter 143.
 - (c) As of September 1, 1997, and each year thereafter, the funding commission shall determine the assets of the fund and the claim and administrative expense liability incurred by the fund for all previous years and shall establish the rates under the provisions of paragraphs (a) and (b) of this subsection necessary as of January 1 of the next year to fully fund and prefund all claim liabilities and administrative expenses through December 31 of the next year of operations. The assessment rate authorized by this section for premiums received and tons of coal severed shall be set so as to receive fifty percent (50%) of the needed revenue from each assessment. Notice of any rate changes shall be provided no later than December 1 of the year preceding the rate change.
- (4) ~~(5)~~ All assessments imposed by this section shall be paid to the Kentucky Workers' Compensation Funding Commission and shall be credited to a separate account within the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission. In addition, the powers and responsibilities of the Kentucky Workers' Compensation Funding Commission including its fiduciary duties and responsibilities relating to assessments collected for the special fund pursuant to KRS 342.122, 342.1222, 342.1223, 342.1226, 342.1229, and 342.1231 shall apply to assessments collected for the Kentucky coal workers' pneumoconiosis fund created pursuant to this section. Each entity subject to assessments for the Kentucky coal workers' pneumoconiosis

fund shall provide any and all information requested by the Kentucky Workers' Compensation Funding Commission necessary to carry out its powers and responsibilities relating thereto.

- (5)~~(6)~~ These assessments shall be paid quarterly not later than the thirtieth day of the month following the end of the quarter in which the premium is received or the coal is processed or severed. Receipt shall be considered timely through actual physical receipt or by postmark by the United States Postal Service. Employers carrying their own risk and employers defined in KRS 342.630(2) shall pay the annual assessments in four (4) equal quarterly installments. Penalty and interest penalties imposed pursuant to KRS 342.1221 and the authority of the Kentucky Workers' Compensation Funding Commission to waive part or all of the penalty shall apply to assessments for the Kentucky coal workers' pneumoconiosis fund in the same manner and amount as they are imposed on assessments for the special fund under KRS 342.122.
- (6)~~(7)~~ Notwithstanding any other provisions of this section or this chapter to the contrary, the total amount of funds collected pursuant to the assessment rates adopted by the funding commission shall not be limited to the provisions of this section.
- (7)~~(8)~~ Claims for benefits by reason of the development of coal workers' pneumoconiosis shall be maintained pursuant to KRS 342.732, and the Kentucky coal workers' pneumoconiosis fund shall be liable for payment of a part of the liability only for employees of employers engaged in the severance or processing of coal as defined in KRS 342.0011(23)(a) and (b).

Section 3. KRS 342.232 is amended to read as follows:

- (1) The boards of directors of the following funds shall make quarterly reports according to generally-accepted accounting principles of all money received and disbursed by the listed funds during each quarter to the Legislative Research Commission. The funds which shall be reported are:
 - (a) Kentucky individual self-insurance guaranty fund;
 - (b) Kentucky group self-insurance fund; and
 - (c) Kentucky coal employers self-insurance fund.
- (2) The director of the Division of **Workers' Compensation Funds**~~[the Kentucky Coal Workers' Pneumoconiosis Fund]~~ shall make quarterly reports according to generally-accepted accounting principles of all money received and disbursed by the **coal workers' pneumoconiosis fund**~~[during each quarter]~~ to the Legislative Research Commission.
- (3) The Department of Workers' Claims shall make quarterly reports to the Legislative Research Commission on the status of the provisions of this chapter.

Section 4. KRS 342.265 is amended to read as follows:

- (1) If the employee and employer and special fund or any of them reach an agreement conforming to the provisions of this chapter in regard to compensation, a memorandum of the agreement signed by the parties or their representatives shall be filed with the commissioner, and, if approved by an administrative law judge, shall be enforceable pursuant to KRS 342.305. Where all parties have not joined in the settlement agreement, it shall not be approved unless it is certified that the party not participating in the settlement has been served with a copy of the agreement not less than ten (10) days prior to submission of the agreement for approval. This provision shall not be construed to prevent the voluntary payment of compensation for the periods and in the amounts prescribed by this chapter, but nothing shall operate as a final settlement except a memorandum of agreement filed with the commissioner and approved by the administrative law judge. Upon claims settled after December 12, 1996, the special fund shall have the option of settling its liability for income benefits on the same terms as those reached between the employee and employer. Notice of the special fund exercise of the option granted in this subsection shall be made by letter of the director of the **Division of Workers' Compensation Funds**~~[special fund]~~ mailed to the parties within ten (10) days of receipt by the director of a copy of the agreement.
- (2) Settlement agreements concluded after July 14, 2000, providing for commuted lump-sum payment of future income benefits which would otherwise be payable in amounts greater than one hundred dollars (\$100) per week shall not be approved unless there is reasonable assurance that the worker will have an adequate source of income during disability. This subsection is remedial and applies to all pending and future claims.
- (3) Upon lump-sum settlement of future periodic payments, the discount rate used in the calculation of the settlement amount shall not exceed a reasonable amount fixed by the commissioner. For settlements approved

after December 12, 1996, until December 31, 1997, the true discount rate shall be six percent (6%) compounded annually on each payment. Before January 1 of each year commencing in 2001, the commissioner shall fix the discount rate to be utilized in the succeeding year based at one-half of one percent (0.5%) below the interest rate paid upon ten (10) year United States Treasury Notes as of August 1 of the preceding year.

- (4) If the parties have previously filed an agreement which has been approved by the administrative law judge, and compensation has been paid or is due in accordance therewith and the parties thereafter disagree, either party may invoke the provisions of KRS 342.125, which remedy shall be exclusive.
- (5) An application for resolution of claim shall be held in abeyance during any period voluntary payments of income benefits are being made under any benefit sections of this chapter to the maximum which the employee's wages shall entitle unless it shall be shown that the prosecution of the employee's claim would be prejudiced by delay.

Section 5. KRS 342.320 is amended to read as follows:

- (1) All fees of attorneys and physicians, and all charges of hospitals under this chapter, shall be subject to the approval of an administrative law judge pursuant to the statutes and administrative regulations.
- (2) In an original claim, attorney's fees for services under this chapter on behalf of an employee shall be subject to the following maximum limits:
 - (a) Twenty percent (20%) of the first twenty-five thousand dollars (\$25,000) of the award, fifteen percent (15%) of the next ten thousand dollars (\$10,000), and five percent (5%) of the remainder of the award, not to exceed a maximum fee of twelve thousand dollars (\$12,000). This fee shall be paid by the employee from the proceeds of the award or settlement.
 - (b) Attorney-client employment contracts entered into and signed after July 14, 2000, shall be subject to the conditions of paragraph (a) of this subsection.
- (3) In approving an allowance of attorney's fees, the administrative law judge shall consider the extent, complexity, and quality of services rendered, and in the case of death, the Remarriage Tables of the Dutch Royal Insurance Institute. An attorney's fee may be denied or reduced upon proof of solicitation by the attorney. However, this provision shall not be construed to preclude advertising in conformity with standards prescribed by the Kentucky Supreme Court.
- (4) No attorney's fee in any case involving benefits under this chapter shall be paid until the fee is approved by the administrative law judge, and any contract for the payment of attorney's fees otherwise than as provided in this section shall be void. The motion for approval of an attorney's fee shall be submitted within thirty (30) days following finality of the claim. Except when the attorney's fee is to be paid by the employer or carrier, the attorney's fee shall be paid in one (1) of the following ways:
 - (a) The employee may pay the attorney's fee out of his personal funds or from the proceeds of a lump-sum settlement; or
 - (b) The administrative law judge, upon request of the employee, may order the payment of the attorney's fee in a lump sum directly to the attorney of record and deduct the attorney's fee from the weekly benefits payable to the employee in equal installments over the duration of the award or until the attorney's fee has been paid, commuting sufficient sums to pay the fee.
- (5) At the commencement of the attorney-client relationship, the attorney shall explain to the employee the methods by which this section provides for the payment of the attorney's fee, and the employee shall select the method in which his attorney's fee is to be paid. His selection and statement that he fully understands the method to be used shall be submitted by his attorney, on a notarized form signed by the employee, at the time the motion for approval of the attorney's fee is submitted. The commissioner shall develop the format and content of the form to be used pursuant to this section. The form to be used shall list on its face all options permitted in this section for the payment of an attorney's fees and contain an explanation in nontechnical language of each method.
- (6) The General Assembly declares that by the enactment of KRS 342.316(3), it is the legislative intent to encourage settlement and prompt administrative handling of those claims and thereby reduce expenses to claimants for compensation under the provisions of KRS 342.316, and the administrative law judge shall give

due regard to this legislative intent in the handling of uncontested claims and the allowance of attorney's fees therein.

- (7) In a claim that has been reopened pursuant to the provisions of this chapter, an attorney's fee may be awarded by the administrative law judge subject to the limits set forth in subsection (2) of this section. In awarding the attorney's fee, the administrative law judge shall consider the factors set forth in subsection (3) of this section. If no additional amount is recovered upon reopening, no attorney's fee shall be awarded. No attorney's fee shall be allowed or approved exceeding the amounts provided in subsection (2)(a) of this section applicable to any additional amount recovered.
- (8) Attorney's fees for representing employers in proceedings under this chapter pursuant to contract with the employer shall be subject to approval of the administrative law judge in the same manner as prescribed for attorney representation of employees. Employer attorney's fees are subject to the limitation of twelve thousand dollars (\$12,000) maximum fees except that fees for representing employers shall not be dependent upon the result achieved. Employer attorney's fees may be paid on a periodic basis while a claim is adjudicated and the payments need not be approved until the claims resolution process is completed. Fees for legal services in presenting a claim for reimbursement ~~from the director of~~ the Kentucky coal workers' pneumoconiosis fund shall not exceed one thousand dollars (\$1,000). All such approved fees shall be paid by the employer and in no event shall exceed the amount the employer agreed by contract to pay.

Section 6. KRS 336.020 is amended to read as follows:

- (1) The Department of Workplace Standards shall be headed by a commissioner and shall be divided for administrative purposes into the Divisions of Employment Standards, Apprenticeship and Training; **Workers' Compensation Funds**~~Special Fund~~; Occupational Safety and Health Compliance; and Education and Training for Occupational Safety and Health.
- (2) The Department of Workers' Claims shall be administered by a commissioner and shall be divided for administrative purposes into the Divisions of Claims Processing and Appeals, Information and Research, Security and Compliance, Administrative Law Judges, and Insurance.

Section 7. KRS 342.1241 is amended to read as follows:

- (1) The General Assembly finds and declares that the awards of workers' compensation benefits for coal workers' pneumoconiosis (black lung) have placed a substantial financial burden on all employers of the Commonwealth through the special fund assessments imposed on all employers to cover the liabilities of the special fund.
- (2) The General Assembly finds and declares that the purpose of creating the Kentucky Coal Workers' Pneumoconiosis Fund in KRS 342.1242 is to assure that liabilities incurred as a result of workers' compensation awards for coal workers' pneumoconiosis with dates of last exposure after December 12, 1996, shall be the financial responsibility of employers engaged in severance and processing of coal.
- (3) Therefore, it is the intent of the General Assembly in imposing the assessments required in KRS 342.1242(3)~~(4)~~(a) and (b) to assure that liabilities incurred as a result of workers' compensation awards for coal workers' pneumoconiosis with dates of last exposure after December 12, 1996, shall be the financial responsibility of employers engaged in the severance and processing of coal.

Section 8. The General Assembly hereby confirms Executive Order 2001-1294, dated October 17, 2001, which abolishes the Division of the Kentucky Coal Workers' Pneumoconiosis Fund; transfers the duties, personnel, funds, equipment and records of the Division of the Kentucky Coal Workers' Pneumoconiosis Fund to the Division of the Special Fund, and changes the name of the Division of the Special Fund to the Division of Workers' Compensation Funds, to the extent it is not otherwise confirmed by this Act.

Approved April 8, 2002

CHAPTER 247

(SB 141)

AN ACT relating to law enforcement personnel.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

- (1) *No state, city, county, urban-county, charter county, or consolidated local government law enforcement agency shall set a residence requirement, except requiring residence within the Commonwealth for any of its employees who do not possess peace officer powers.*
- (2) *No state, city, county, urban-county, charter county, or consolidated local government law enforcement agency shall require that an employee, whether that employee is a peace officer or not, be a registered voter.*
- (3) *The provisions of subsection (1) shall not preclude an employer or agency specified in subsection (1) from having a requirement for response to a specified location within a specified time limit for an employee or volunteer who is off-duty but who is on-call to respond for work.*

Approved April 8, 2002

CHAPTER 248

(SB 138)

AN ACT relating to property tax and declaring an emergency.

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

Section 1. KRS 134.450 is amended to read as follows:

- (1) The sheriff shall sell all tax claims for which payment by the delinquent taxpayer has not been made by the closing date for the acceptance by the sheriff of offers to purchase delinquent tax claims. If there is more than one (1) willing purchaser who has made an offer, the one having made the most recent purchase of a tax claim against the same delinquent or the same property shall have preference; if there is no such person, the person being the first, in the judgment of the sheriff, to offer to pay cash in the full amount of the tax claim shall receive priority for the purchase of the tax claim. If the total of all offers to purchase exceeds ten percent (10%) of the total dollar amount of the delinquent bills offered for sale, or the sum of two hundred thousand dollars (\$200,000), whichever is less, the sheriff shall notify the Finance and Administration Cabinet of the offers of purchase within five (5) business days of the closing date when the offers were received. Upon receipt of the notice, the Finance and Administration Cabinet shall purchase the delinquent tax bills upon which the sheriff has received an offer of purchase and shall tender payment to the sheriff within fifteen (15) business days of the receipt of the sheriff's notice. Upon purchase of the tax claims, the state shall be the owner of the tax bills and may contract with the county attorney to collect all amounts due on its behalf under the terms and conditions of the county attorney's contract with the Revenue Cabinet to collect delinquent taxes. If the county attorney has not contracted with the Revenue Cabinet to collect delinquent taxes, the Revenue Cabinet shall collect all amounts due on behalf of the Finance and Administration Cabinet. If the Finance and Administration Cabinet does not purchase all of the delinquent tax bills, within fifteen (15) days of the closing date, the sheriff shall complete the sale of those tax claims for which the sheriff has received responsible offers to purchase. When a sale is made the tax bill shall be known as a certificate of delinquency and the sheriff shall inscribe thereon the date of sale, the sale price, and the name and address of the purchaser, in the place and manner prescribed by the Revenue Cabinet, and the purchaser shall be entitled to a certified copy of the certificate of delinquency.
- (2) If no responsible offer in the amount of the tax claim is received, the sheriff shall purchase it for the state, county, and taxing districts having an interest in the tax claim. In such case, the tax bill shall also be known as a certificate of delinquency, and the sheriff shall inscribe thereon the same information required when one other than the state, county, or taxing district is the purchaser.
- (3) The sheriff shall file all certificates of delinquency in the county clerk's office immediately upon completion of the tax sale, ***or in a county containing a city of the first class or consolidated local government, within fourteen (14) working days of the sale,*** and the clerk shall retain them. The county clerk shall acknowledge receipt of the certificates by signing a receipt form that has been prepared in a manner prescribed by the Revenue Cabinet. If the sheriff fails to file the certificates, he shall be liable on his official bond for the aggregate amount of the certificates not returned, but the claim of the purchaser shall not be affected by this neglect. If the sheriff fails to return any certificate, the purchaser may file his certified copy with the clerk, with the same effect as the original.

- (4) The clerk shall make, execute, and deliver a certified copy of a certificate of delinquency to the payor, or the clerk may provide for a certified electronic register of the certificates of delinquency in the clerk's record in lieu of delivering a certified copy of the certificate of delinquency.
- (5) The certificate of delinquency is assignable by endorsement. The clerk shall note the assignment on the certificate of delinquency or the clerk may provide for a certified electronic certificate of delinquency in the clerk's records in lieu of delivering a certified copy of the certificate of delinquency. An assignment when noted on the record in the office of the county clerk vests in the assignee all rights and title of the original purchaser.

Section 2. KRS 134.500 is amended to read as follows:

- (1) Uncollectible tax claims shall bear interest at twelve percent (12%) per annum simple interest from the date the certificate of delinquency is issued. A fraction of a month is counted as an entire month. The sheriff's add-on fee provided in KRS 134.430, the clerk's add-on fee provided in KRS 134.480, and the county attorney's add-on fee provided in this section shall be excluded from the interest calculation ***except in counties containing cities of the first class or consolidated local government***. All tax bills on omitted property that were not turned over to the sheriff in time to be collected or to make the sale provided for in KRS 134.430 and 134.440 shall also be submitted to the fiscal court but shall be carried over as a charge against the sheriff at the time he makes his next regular settlement.
- (2) The cabinet shall be responsible for the collection of certificates of delinquency and delinquent personal property tax bills; however, the cabinet shall first offer the collection duties to the county attorney, unless the cabinet determines that the county attorney has previously failed to perform collection duties in a reasonable and acceptable manner. Any county attorney desiring to perform the duties associated with the collection of delinquent tax claims shall enter into a contract with the cabinet on an annual basis. The terms of the contract shall specify the duties to be undertaken by the county attorney. These duties shall include but are not limited to the following actions:
 - (a) Within fifty (50) days after the issuance of a certificate of delinquency to the state, county, and taxing district, the county attorney or the Revenue Cabinet shall cause a notice of the purchase to be mailed by regular mail to the property owner at the address on the records of the property valuation administrator. The notice shall advise the owner that the certificate is a lien of record against all property of the owner, and bears interest at the rate of twelve percent (12%) per annum, and if not paid will be subject to collection by the county attorney as provided by law.
 - (b) The county attorney shall file in the office of the county clerk a list of the names and addresses to which the notice was mailed along with a certificate that the notice was mailed in accordance with the requirements of this section.
 - (c) All notices returned as undeliverable shall be submitted to the property valuation administrator. The property valuation administrator shall attempt to correct inadequate or erroneous addresses and, if property has been transferred, shall determine the new owner and the current mailing address. The property valuation administrator shall return the notices with the corrected information to the county attorney prior to the expiration of the one (1) year tolling period provided in KRS 134.470.
 - (d) Within ninety (90) days after the expiration of the one (1) year tolling period provided in KRS 134.470, the county attorney shall cause a notice of his intention to enforce the lien to be mailed to all owners whose tax bills remain delinquent. No second notice shall be required for addresses previously determined to be undeliverable and for which the property valuation administrator has not provided corrected information.
 - (e) Failure to mail the notices shall not affect the validity of the claim of the state, county, and taxing district. The postal cost of mailing the notices shall be added to the certificate of delinquency and, upon collection, the county attorney shall be reimbursed for the postage. The county attorney shall deliver at the same time a list of the owners whose tax bills remain delinquent to the property valuation administrator. The property valuation administrator shall review this list in accordance with the provisions of KRS 132.220 to establish that the properties on the list can be identified and physically located.
- (3) The county attorney who enters into a contract with the cabinet shall have a period of two (2) years after the expiration of the one (1) year tolling period provided in KRS 134.470 to collect delinquent tax bills or to

initiate court action for their collection. At the expiration of the two (2) years the cabinet may assume responsibility for all uncollected bills except those with pending court action.

- (4) The county attorney who enters into a contract with the cabinet and performs his duties in respect to the certificate of delinquency and delinquent personal property tax bills shall be entitled to twenty percent (20%) of the amount due each taxing unit, whether the tax claim is voluntarily paid or is paid through sale or under court order, and the fee shall be paid to him by the county clerk when making distribution, as provided in KRS 134.480. This fee shall be added to the amount of the tax claims and paid by the persons paying the tax claims. They shall not be paid by the taxing districts or deducted from the taxes due the taxing districts. This fee shall be waived if the certificate of delinquency is paid by the taxpayer only within five (5) days of the sheriff's sale. If more than one (1) county attorney renders necessary services in an effort to collect a tax claim, the attorney serving the last notice or rendering the last substantial service preceding collection shall be entitled to the fee. When the county attorney's office, in an effort to collect a certificate of delinquency, or delinquent personal property tax bills files a court action which is litigated by the taxpayer, an additional county's attorney fee equal to thirteen percent (13%) of the total tax plus ten percent (10%) penalty, may be added to the certificate or the bill and shall become part of the tax claim.
- (5) If a county attorney chooses not to contract for these collection duties or if a county attorney fails to perform the duties required by the contract, the cabinet shall assume responsibility for the collection process. In the performance of those duties, the cabinet shall have all the powers, rights, duties, and authority with respect to the collection, refund, and administration of the amount due on the certificate of delinquency conferred generally upon the cabinet by Kentucky Revised Statutes including, but not limited to, KRS Chapters 131, 134, and 135. The twenty percent (20%) fee that would have otherwise been paid to the county attorney shall be paid to the cabinet for deposit in the delinquent tax fund provided for under KRS 134.400.
- (6) Any action on behalf of the state, county, and taxing districts authorized by this section or by KRS 134.470, 134.490, or 134.540 shall be filed on relation of the secretary, and the petition may be sent to the cabinet, which may require revision in instances where it deems revision or amendment necessary. The cabinet shall advise the county attorney in all actions, and may send him special assistance when the secretary deems assistance necessary. A copy of the judgment shall also be sent to the cabinet. If the cabinet sends assistance to a county attorney who contracts to prosecute the suits or proceedings, the county attorney shall be entitled to his full fee. On the same day that suit is filed, the county clerk shall be given notice of its filing. Costs incident to the suit shall become a part of the tax claim.
- (7) The cabinet may make its delinquent tax collection databases and other technical resources, including but not limited to income tax refund offsetting, available to the county attorney upon request from the county attorney. The county attorney seeking assistance shall enter into any agreements required by the cabinet to protect taxpayer confidentiality, to ensure database integrity, or to address other concerns of the cabinet.
- (8) The county attorney may, at any time after assuming collection duties, enter into an agreement with the delinquent taxpayer to accept installment payments on the delinquent tax bill. The agreement shall not waive the county attorney's right to initiate court action or other authorized collection activities if the taxpayer does not make payments in accordance with the agreement.

Section 3. Whereas the sheriff's sale of tax claims occurs before the effective date of this Act, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 8, 2002

CHAPTER 249

(HB 510)

AN ACT relating to health insurance.

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

Section 1. KRS 304.17A-245 is amended to read as follows:

- (1) ***Except as provided in subsection (2) of this section, an***~~Any~~ insurer delivering or issuing a health benefit plan subject to this subtitle or a health insurance policy~~or contract covering specified disease~~ shall give the

policyholder or contract holder at least **thirty (30)**~~forty-five (45))~~ days' advance written notice of cancellation. The notice shall be mailed by **regular United States first class**~~registered~~ mail to the policyholder's or contract holder's last address as shown by the records of the insurer. ***If premium has been paid, the insurer shall pay all claims through the conclusion of the thirty (30) day notice period, except for as provided in KRS 304.14-110.***

- (2) ~~However,~~ If cancellation is for nonpayment of premium, ***the insurer shall give the policyholder or contract holder at least thirty (30) days' written notice of cancellation. The cancellation shall be mailed by regular United States first class mail. If premium is not paid at the conclusion of the thirty (30) day grace period, the policy automatically terminates to the last date through which premium was paid.*** ~~the policy automatically terminates to the last date through which premium was paid~~~~at least fourteen (14) days' written notice accompanied by the reason therefor shall be given. Written notice of cancellation for nonpayment of premium shall not be required for health insurance policies in the individual market under which premiums are payable monthly or more frequently and regularly collected by a licensed agent~~.
- (3)~~(2)~~ ***If the group policy has been canceled, the insurer shall notify each group member of his right to conversion pursuant to KRS 304.18-110 within fifteen (15) business days after the end of the grace period.*** On and after January 1, 2001, every insurer offering group health insurance coverage in the Commonwealth shall include in its contract with group policyholders or contract holders, regardless of the situs of the contract, a provision requiring the group policyholder or contract holder to mail promptly to each person covered under the group policy or contract a legible, true copy of any notice of cancellation of the group coverage which may be received from the insurer and to provide promptly to the insurer proof of that mailing and the date thereof. The notice of cancellation mailed by the group policyholder or contract holder to each person covered under the group policy or contract shall include information regarding the conversion rights of covered persons upon termination of the group policy or contract. This information shall be in clear and easily understandable language.
- (4) ***All group contracts shall include an automatic termination provision if premium amounts are not received by the end of the grace period.***
- (5)~~(3)~~ In the event of cancellation, the insurer shall return promptly the unearned portion of any premium paid. Cancellation shall be without prejudice to any claim originating prior to the effective date of cancellation.
- (6)~~(4)~~ If the insurer fails to provide the **thirty (30)**~~forty-five (45))~~ days' notice required by this section, the coverage shall remain in effect at the existing premium until **thirty (30)**~~forty-five (45))~~ days after the notice is given or until the effective date of replacement coverage obtained by the insured, whichever occurs first.
- (7) ***In the case of nonpayment of premium, all group contracts shall include an insurer's reinstatement policy for a contract holder or policyholder. An insurer shall not deny a contract holder or policyholder reinstatement based on any health-related factor listed in KRS 304.17A-200 or consideration of medical loss ratio.***

SECTION 2. A NEW SECTION OF SUBTITLE 17A OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

If premium is not paid by the premium due date, an insurer shall allow for a thirty (30) day grace period for which payments shall be paid by the policyholder or contract holder prior to termination of the policy.

Section 3. KRS 304.18-125 is amended to read as follows:

- (1) ~~If a group policy provides for automatic discontinuance of the policy after a premium charge has not been paid through a grace period allowed for the payment,~~ The insurer shall be liable for valid claims for covered losses incurred prior to the end of the grace period if the premium charge is paid prior to the end of the grace period.
- (2)~~If the actions of the insurer after the end of the grace period indicate that it considers the policy as continuing in force beyond the end of the grace period, such as by continuing to recognize claims incurred after the end of the grace period, the insurer shall be liable for valid claims for losses beginning prior to the effective date of written notice of discontinuance to the policyholder or other person responsible for making premium payments to the insurer. The effective date of discontinuance shall not be prior to midnight at the end of the tenth~~

~~scheduled work day after the date upon which the notice is mailed or delivered to the last known address of the policyholder or person responsible for making premium payments.~~

- (3) This section shall not eliminate the responsibility of the insurer to notify persons of the right to continue or convert group health insurance coverage pursuant to KRS 304.18-110 and 304.18-120.

Section 4. KRS 304.17A-240 is amended to read as follows:

- (1) Except as provided in this section, an insurer shall renew or continue in force a health benefit plan at the option of the insured.
- (2) An insurer may nonrenew, *cancel*, or discontinue a health benefit plan based only on one (1) or more of the following:
 - (a) The insured has failed to pay premiums or contributions in accordance with the terms of the plan or the insurer has not received timely premium payments;
 - (b) The insured has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the terms of the coverage;
 - (c) The insured has engaged in intentional and abusive noncompliance with material provisions of the health benefit plan;
 - (d) The insurer is ceasing to offer coverage in the individual or group market in accordance with subsection (3) of this section;
 - (e) In the case of an insurer that offers health benefit plans through a network plan, the individual no longer resides, lives, or works in the service area or in an area for which the insurer is authorized to do business, but only if the coverage is terminated under this paragraph uniformly without regard to any health status-related factor of covered individuals, or there is no longer any enrollee in connection with the group plan who resides, lives, or works in the service area of the insurer; or
 - (f) In the case of a health benefit plan that is made available only through one (1) or more bona fide associations, the membership of the individual or employer in the association on the basis of which the coverage is provided ceases, but only if the coverage is terminated under this paragraph uniformly without regard to any health status-related factor of covered individuals.
- (3) (a) In any case in which an insurer decides to discontinue offering a particular type of health benefit plan, coverage of the type may be discontinued by the insurer upon approval by the commissioner only if:
 1. The insurer provides notice to each insured provided coverage of this type in the market of the discontinuation at least ninety (90) days prior to the date of the discontinuation of the coverage;
 2. The insurer offers, to each insured provided coverage of this type, the option to purchase any other health benefit plan currently of that type being offered by the insurer in that market; and
 3. In exercising the option to discontinue coverage of this type and in offering the option of coverage under subparagraph 2. of this paragraph, the insurer acts uniformly without regard to any health status-related factor of enrolled insureds or insureds who may become eligible for coverage.
- (b) 1. Subject to paragraph (a)3. of this subsection, in any case in which an insurer elects to discontinue offering all health benefit plans in Kentucky, health benefit plans may be discontinued by the insurer only if:
 - a. The insurer provides notice to the commissioner and to each insured of the discontinuation at least one hundred eighty (180) days prior to the date of the expiration of the coverage; and
 - b. All health benefit plans issued or delivered for issuance in Kentucky are discontinued and coverage under the health benefit plans is not renewed.
2. In the case of a discontinuation under subparagraph 1. of this paragraph, the insurer may not provide for the issuance of any health benefit plans in Kentucky during the five (5) year period beginning on the date of the discontinuation of the last health benefit plan not so renewed.

- (4) At the time of coverage renewal, an insurer may modify, with approval of the commissioner, the health benefit plan for a policy form so long as the modification is consistent with this chapter and effective on a uniform basis among all individuals with that policy form.
- (5) In applying this section in the case of a health benefit plan that is made available by an insurer only through one (1) or more associations, a reference to an individual is deemed to include a reference to an association of which the individual is a member, and a reference to an employer member is deemed to include a reference to the employer.

Approved April 8, 2002

CHAPTER 250

(HB 654)

AN ACT relating to the promotion of agritourism.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The Department of Agriculture, in conjunction with the Tourism Development Cabinet, shall create an interagency Office of Agritourism to be housed in the Department of Agriculture. As used in Sections 1 to 6 of this Act, agritourism means the act of visiting a working-farm or any agricultural, horticultural, or agribusiness operation for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation. It shall be the purpose of the Office of Agritourism to:

- (1) *Promote agritourism in Kentucky to potential visitors, both national and international; and*
- (2) *Assist in sustaining the viability and growth of the agritourism industry in Kentucky.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The Office of Agritourism shall perform all duties necessary to carry out the purposes of Sections 1 to 6 of this Act, including but not limited to:

- (1) *Within the first year of its creation, developing a statewide master plan for implementation of Sections 1 and 2 of this Act. The Office of Agritourism shall report on the plan to the Agritourism Advisory Council at the request of the council;*
- (2) *Developing a unified Kentucky agritourism marketing strategy between the Department of Agriculture and the Tourism Development Cabinet to promote Kentucky agritourism. The strategy shall include but not be limited to promotion of Kentucky agritourism through the creation of an agritourism Web site and advertisement through various media outlets;*
- (3) *Coordinating efforts to educate the general public about the importance of Kentucky's agricultural heritage and industry;*
- (4) *Developing regional agritourism development plans for each of the nine (9) tourism regions as follows:*
 - (a) *Bluegrass;*
 - (b) *Cave;*
 - (c) *Green River;*
 - (d) *Eastern Highlands-North;*
 - (e) *Eastern Highlands-South;*
 - (f) *Louisville-Lincoln;*
 - (g) *Northern Kentucky;*
 - (h) *Southern Lakes and Rivers; and*
 - (i) *Western Lakes and Rivers;*

- (5) *Providing support, education, and resource materials for all interested persons, to include but not be limited to existing Kentucky agritourism businesses, displaced tobacco farmers and others engaged in agribusiness within the state, and other Kentuckians with the intent of developing an agritourism business. The agritourism office shall provide this assistance in the following areas, to include but not be limited to:*
 - (a) *Agritourism opportunities, networks, product development, and entrepreneurship;*
 - (b) *Agritourism funding opportunities, including but not limited to grants, loans, and partnerships; and*
 - (c) *Insurance and infrastructure concerns of the agritourism industry;*
- (6) *Working and partnering with federal, state, and local organizations to carry out the purposes of Sections 1 to 6 of this Act;*
- (7) *Reporting to the Agritourism Advisory Council, as created in Section 3 of this Act, annually or at the request of the chair, and in accordance with subsection (1) of this section; and*
- (8) *Considering the recommendations of the Agritourism Advisory Council, in accordance with subsection (2) of Section 4 of this Act.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

An Agritourism Advisory Council shall be established within the Department of Agriculture to advise and assist the Office of Agritourism. The Agritourism Advisory Council shall be composed of:

- (1) *One (1) representative from each of the following entities:*
 - (a) *Department of Agriculture, appointed by the Commissioner of Agriculture;*
 - (b) *Tourism Development Cabinet, appointed by the secretary of the cabinet;*
 - (c) *Education, Arts, and Humanities Cabinet, appointed by the secretary of the cabinet;*
 - (d) *Department of Fish and Wildlife Resources Commission, appointed by the commissioner of the department;*
 - (e) *University of Kentucky Cooperative Extension Service;*
 - (f) *West Kentucky Corporation;*
 - (g) *Kentucky Tourism Council;*
 - (h) *Kentucky Farm Bureau;*
 - (i) *Kentucky Association of Fairs and Horse Shows;*
 - (j) *East Kentucky Corporation;*
 - (k) *Southern and Eastern Kentucky Tourism Development Association;*
 - (l) *Licking River Valley Resource Conservation and Development Council;*
 - (m) *Buffalo Trace Covered Bridge Authority;*
 - (n) *Kentucky Chamber of Commerce; and*
 - (o) *Kentucky Council of Area Development Districts;*
- (2) *The Governor, or a designee;*
- (3) *Two (2) members of the General Assembly who hold an interest in agriculture, one (1) appointed by the President of the Senate and one (1) appointed by the Speaker of the House of Representatives; and*
- (4) *Nine (9) representatives of agriculture or the agritourism industry, appointed by the Commissioner of Agriculture from a list of candidates compiled by the tourism regions as set forth in subsection (4) of Section 2 of this Act. Each tourism region shall submit three (3) candidates with a business interest in agritourism who reside within that region, and the Commissioner shall appoint one (1) candidate from each region from those names submitted.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The duties of the Agritourism Advisory Council shall include but not be limited to the following:

- (1) *Review and make recommendations on the development of the statewide master plan, based upon the report from the Office of Agritourism in accordance with subsection (1) of Section 2 of this Act; and*
- (2) *Make recommendations to redirect the duties of the Office of Agritourism as necessary, in keeping with the office's purposes stated in Section 1 of this Act.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

- (1) *Members of the Agritourism Advisory Council shall be appointed for four (4) year terms. Sitting members shall be eligible for reappointment.*
- (2) *The Agritourism Advisory Council shall elect a chair and vice chair from its membership.*
- (3) *The Agritourism Advisory Council shall meet annually or at the request of the chair. The council may take action only at meetings in which a quorum is present. A majority of the members present shall constitute a quorum.*
- (4) *In the event of a vacancy, the appropriate appointing entity may appoint a replacement member who shall hold office during the remainder of the term so vacated.*
- (5) *Members of the Agritourism Advisory Council shall serve without compensation.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 247 IS CREATED TO READ AS FOLLOWS:

The Commissioner of Agriculture and the secretary of the Tourism Development Cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A, as necessary to implement the provisions of Sections 1 to 6 of this Act.

Section 7. For the nine members of the Agritourism Advisory Council representing the agriculture or agritourism industry, initial appointments shall be made so that three members are appointed for two years, three members are appointed for three years, and three members are appointed for four years.

Section 8. Sections 1 to 6 of this Act shall be implemented by the Department of Agriculture and the Tourism Development Cabinet to the extent that grant funds can be secured or existing funds from federal, state, or local agencies are available for the purposes of this Act.

Approved April 8, 2002

CHAPTER 251

(HB 571)

AN ACT relating to intimidation and retaliation against participants in the legal process.

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

Section 1. KRS 524.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

- (1) *"Judge" means, with reference to intimidating a participant in the legal process, any current justice or judge of the Court of Justice, a trial commissioner of the Court of Justice, and any person serving as a judge at a trial or judicial proceeding of or authorized by the Court of Justice. With reference to retaliating against a participant in the legal process, the term "judge" also includes a former justice or judge of the Court of Justice, a trial commissioner of the Court of Justice, and any person serving as a judge at a trial or judicial proceeding authorized by the Court of Justice. The term includes persons who have been elected or appointed, but have not yet taken office.*
- (2) *"Juror" means a person who is or has been a member of any impaneled jury, including a grand jury, and includes any person who has been drawn or summoned to attend as a prospective juror.*
- (3) *"Participant in the legal process" means any judge, prosecutor, attorney defending a criminal case, juror, or witness and includes members of the participant's immediate family.*

~~(2) "Physical evidence" means any article, object, document, record or other thing of physical substance.~~

- (3) ~~"Pecuniary benefit" means benefit in the form of money, property, commercial interests or anything else the primary significance of which is economic gain.~~
- (4) "Official proceeding" means a proceeding heard before any legislative, judicial, administrative or other governmental agency or official authorized to hear evidence under oath, including any referee, hearing examiner, commissioner, notary or other person taking testimony or depositions in any such proceedings.
- (5) *"Pecuniary benefit" means benefit in the form of money, property, commercial interests or anything else the primary significance of which is economic gain.*
- (6) *"Physical evidence" means any article, object, document, record or other thing of physical substance.*
- (7) *"Prosecutor" means, with reference to intimidating a participant in the legal process, a current Commonwealth's attorney, assistant Commonwealth's attorney, county attorney, assistant county attorney, attorney general, deputy attorney general, assistant attorney general, or special prosecutor appointed pursuant to law. With reference to retaliating against a participant in the legal process, the term "prosecutor" also includes a former Commonwealth's attorney, assistant Commonwealth's attorney, county attorney, assistant county attorney, attorney general, deputy attorney general, assistant attorney general, or special prosecutor appointed pursuant to law.*
- (8) *"Threat" means any direct threat to kill or injure a person protected by this chapter or an immediate family member of such a person. Persons protected by this chapter include persons who have been elected or appointed but have not yet taken office.*
- (9) *"Witness" means any person who may be called to testify in an official proceeding, has been called to testify in an official proceeding, is testifying in an official proceeding, or who has testified in an official proceeding.*

Section 2. KRS 524.040 is amended to read as follows:

- (1) A person is guilty of intimidating a *participant in the legal process*~~[witness]~~ when, by use of physical force or a threat directed to ~~a witness or~~ a person he believes *to be a participant in the legal process*~~[may be called as a witness in any official proceeding]~~, he *or she*:
- Influences, or attempts to influence, the testimony, *vote, decision, or opinion* of that person;
 - Induces, or attempts to induce, that person to avoid legal process summoning him *or her* to testify;
 - Induces, or attempts to induce, that person to absent himself *or herself* from an official proceeding to which he has been legally summoned;
 - Induces, or attempts to induce, that person to withhold a record, document, or other object from an official proceeding;
 - Induces, or attempts to induce, that person to alter, destroy, mutilate, or conceal an object with intent to impair the object's integrity or availability for use in an official proceeding; or
 - Hinders, delays, or prevents the communication to a law enforcement officer or judge of information relating to the possible commission of an offense or a violation of conditions of probation, parole or release pending judicial proceedings.
- (2) For purposes of this section:
- An official proceeding need not be pending or about to be instituted at the time of the offense; and
 - The testimony, record, document or other object need not be admissible in evidence or free of a claim of privilege.

(3) ~~"Threat" as used in this section means any threat proscribed in KRS 508.080 or 514.080.~~

~~(4)~~ Intimidating a *participant in the legal process*~~[witness]~~ is a Class D felony.

- (4) *In order for a person to be convicted of a violation of this section, the act against a participant in the legal process or the immediate family of a participant in the legal process shall be related to the performance of a duty or role played by the participant in the legal process.*

Section 3. KRS 524.055 is amended to read as follows:

- (1) A person is guilty of retaliating against a ***participant in the legal process***~~[witness]~~ when he *or she* engages or threatens to engage in conduct causing or intended to cause bodily injury or damage to the tangible property of a ***participant in the legal process***~~[witness]~~ or a person he *or she* believes may be called as a ***participant in the legal process***~~[witness]~~ in any official proceeding *or because the person has participated in a legal proceeding*~~[for the witness's]~~:
- (a) Attending an official proceeding, or giving or producing any testimony, record, document, or other object produced at that proceeding;~~[or]~~
 - (b) Giving information to a law enforcement officer relating to the possible commission of an offense or a violation of conditions of probation, parole, or release pending judicial proceedings;
 - (c) *Vote, decision, or opinion; or*
 - (d) *Performance of his or her duty.*
- (2) Retaliating against a ***participant in the legal process***~~[witness]~~ is a Class D felony.
- (3) ***In order for a person to be convicted of a violation of this section, the act against a participant in the legal process or the immediate family of a participant in the legal process shall be related to the performance of a duty or role played by the participant in the legal process.***

Section 4. KRS 524.050 is amended to read as follows:

- (1) A person is guilty of tampering with a witness when, knowing that a person is or may be called as a witness in an official proceeding, he:
- (a) Induces or attempts to induce the witness to absent himself or otherwise avoid appearing or testifying at the official proceeding with intent to influence the outcome thereby; or
 - (b) Knowingly makes any false statement or practices any fraud or deceit with intent to affect the testimony of the witness.
- (2) Tampering with a witness is a Class ***D felony***~~[A misdemeanor]~~.

Section 5. KRS 524.090 is amended to read as follows:

- (1) A person is guilty of jury tampering when, with intent to influence a juror's vote, opinion, decision or other action in a case, he communicates or attempts to communicate, directly or indirectly, with a juror other than as a part of the proceedings in the trial of the case.
- (2) Jury tampering is a Class ***D felony***~~[A misdemeanor]~~.

Section 6. The following KRS sections are repealed:

524.045 Harassing a witness.

524.080 Intimidating a juror.

524.120 Intimidating a judicial officer.

Approved April 8, 2002

CHAPTER 252

(HB 781)

AN ACT relating to juries.

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

Section 1. KRS 29A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Court" means a Circuit or District Court of this Commonwealth and includes any judge of these courts.
- (2)~~["Jury wheel" means any physical device or electronic system approved by the Supreme Court for the storage and random selection of the names or identifying numbers of prospective jurors.]~~

~~(3)~~ "Name" includes an identifying number.

Section 2. KRS 29A.040 is amended to read as follows:

- (1) A list of *all* persons over the age of eighteen (18) and holding valid driver's licenses which were issued in the county, *of the names and addresses of all persons filing Kentucky resident individual income tax returns which show an address in the county, and of all persons registered to vote in the county* ~~and all voter registration lists~~ shall constitute a master list of prospective jurors *for a county*. ~~The jury commission shall annually acquire a copy of the driver's license list from the Transportation Cabinet and copies of the voter registration lists from the official having custody of the required lists. The jury commission shall consult the master list in the manner specified by KRS 29A.050 in the selection of prospective jurors.~~
- (2) *The Administrative Office of the Courts shall at least annually acquire an electronic copy of the driver's license list from the Transportation Cabinet; an electronic copy of the tax roll described in subsection (1) of this section from the Revenue Cabinet; and an electronic copy of the voter registration lists from the State Board of Elections. In addition, the Administrative Office of the Courts shall at least annually acquire a listing of deceased persons from the Department of Vital Statistics.* The Transportation Cabinet, *the Revenue Cabinet, the State Board of Elections, and the Department of Vital Statistics* and *those* public officers or employees having custody, possession, or control of any of the lists required under ~~subsection (1) of~~ this section shall annually furnish a copy of the list to the *Administrative Office of the Courts* ~~jury commission~~ without charge.
- (3) *The Administrative Office of the Courts shall merge the lists required by subsections (1) and (2) of this section in a manner designed to create an accurate listing of all persons eligible for jury service. The Administrative Office of the Courts may purge names from the master list upon reasonable evidence of death, change of state residence, change of county residence, or any other reason causing a person to be ineligible for jury service as found in Section 4 of this Act.*
- (4) *Any person who comes into possession of the Kentucky income tax names and addresses as provided in this section shall be bound by the confidentiality provisions of KRS 131.190.*

Section 3. KRS 29A.060 is amended to read as follows:

- (1) Each Circuit or District Judge shall inform the Chief Circuit Judge or *the Chief Circuit Judge's* ~~his~~ designee of *the need* ~~his needs~~ for qualified jurors.
- ~~(2) To select a grand jury or a petit jury in Circuit Court, the clerk shall:~~
 - ~~(a) Draw thirty two (32) names at random from the jury wheel;~~
 - ~~(b) List the names, in the order drawn, from one (1) to thirty two (32);~~
 - ~~(c) Place thirty two (32) numbered balls in a box and shake the box;~~
 - ~~(d) Draw the required number of balls, dependent on the number of jurors required plus alternates, from the box and record the number of each ball as it is drawn.~~
- ~~(3) To select a petit jury for a trial in District Court, the clerk shall:~~
 - ~~(a) Draw sixteen (16) names at random from the jury wheel;~~
 - ~~(b) List the names, in the order drawn, from one (1) to sixteen (16);~~
 - ~~(c) Place sixteen (16) numbered balls in a box and shake the box;~~
 - ~~(d) Draw the required number of balls, dependent on the number of jurors required plus alternates, from the box and record the number of each ball as it is drawn.~~
- ~~(4) The names corresponding to the numbers on the balls which have been drawn shall constitute the petit jury. When alternate jurors are permitted the last ball or balls drawn, as the case may be, will represent the alternate jurors.~~
- ~~(5) As jurors are excused and new jurors are required additional balls shall be drawn from the box, one for each juror required, until all of the balls in the box have been exhausted.~~

~~(6) In the event that all of the balls in the box have been exhausted the box shall be refilled utilizing the process required by subsections (1) to (4) of this section.~~

~~(7)~~ The Chief Circuit Judge *or designee* shall regulate the random assignment of jurors for use in Circuit and District Courts. Any petit juror assigned to a judge of Circuit or District Court may be used by any other judge of any other branch or division of Circuit or District Court when jurors are needed.

~~(3)(8)~~ If a grand, petit, or other jury is ordered to be drawn, the Chief Circuit Judge or ~~his~~ designee thereafter shall cause each person drawn for jury service to be served with a summons requiring *that person* ~~him~~ to report for jury service at a specified time and place, unless otherwise notified by the court, and to be available for jury service for thirty (30) judicial days thereafter. The service of summons *shall be made by the court utilizing first class mail* ~~may be either made personally by the sheriff or sent by first class mail~~, addressed to *each person* ~~him~~ at his *or her* usual residence, business, or post office address. *In the event service cannot be accomplished by first class mail, the court may cause service to be made personally by the sheriff.* In either case, notice shall be mailed or served to the *prospective* juror at least thirty (30) days before he *or she* is required to attend.

~~(4)(9)~~ The juror qualification form required by KRS 29A.070 shall be enclosed with the summons. If the summons is served by mail, any prospective juror who does not return the juror qualification form within ten (10) days ~~may~~ *shall* be personally served by the sheriff *at the discretion of the Chief Circuit Judge or Chief Circuit Judge's designee.*

~~(5)(10)~~ When there is an unanticipated shortage of available jurors ~~obtained~~ *drawn* from a *randomized jury list* ~~jury wheel~~, the *Chief Circuit Judge* ~~court~~ may cause *to be summonsed a sufficient number of jurors selected sequentially from the randomized jury list beginning with the first name following the last name previously selected* ~~additional names to be drawn~~. The persons so chosen shall be summoned as provided in this section, but need not be given the notice provided in subsection ~~(3)(8)~~ of this section.

~~(6)(11)~~ Only persons duly qualified and *summonsed* ~~summoned~~ under subsection ~~(3)(8)~~ of this section and KRS 29A.070 shall serve as jurors.

~~(7)(12)~~ If, after making a fair effort in good faith, the judge is satisfied that it will be impracticable to obtain a jury free of bias in the county in which the prosecution is pending, *the judge* ~~he~~ may obtain a sufficient number of jurors from some adjoining county in which the judge believes there is the greatest probability of obtaining impartial jurors. The judge shall request the Chief Circuit Judge for the adjoining county to draw and summon as many jurors as are needed. Jurors summoned under this subsection need not be given the notice provided in subsection ~~(3)(8)~~ of this section.

~~[(13) The names of jurors drawn from the jury wheel shall be made available to the public.]~~

Section 4. KRS 29A.080 is amended to read as follows:

(1) The Chief Circuit Judge or *one (1) or more judges of the court, the court's clerk, a deputy clerk, the court's administrator, or a deputy court administrator so designated by the Chief Circuit Judge* ~~another judge designated by him~~ shall determine on the basis of the information provided on the juror qualification form whether the prospective juror is disqualified for jury service for any of the reasons listed in subsection (2) of this section. ~~He shall enter~~ This determination *shall be entered* in the space provided on the juror qualification form ~~and on the list of names drawn from the jury wheel~~. The Chief Circuit Judge shall cause each disqualified juror to be immediately notified of *the juror's* ~~his~~ disqualification.

(2) A prospective juror is disqualified to serve on a jury if *the juror* ~~he~~:

- (a) Is under eighteen (18) years of age;
- (b) Is not a citizen of the United States;
- (c) Is not a resident of the county;
- (d) Has insufficient knowledge of the English language;
- (e) Has been previously convicted of a felony and has not been pardoned *or received a restoration of civil rights* by the Governor or other authorized person of the jurisdiction in which *the person* ~~he~~ was convicted;
- (f) Is presently under indictment; or

(g) Has served on a jury within the *time limitations set out under Section 7 of this Act*~~[past twelve (12) months]~~.

- (3) *The Chief Circuit Judge may grant a permanent exemption based upon an individual's request and a finding by the Chief Circuit Judge of a permanent medical condition rendering the individual incapable of serving. The judge granting the permanent exemption shall notify the requesting person and the Administrative Office of the Courts. Upon receiving notification of a permanent exemption the Administrative Office of the Courts shall remove the person's name from the master list.*
- (4) There shall be no waiver of these disqualifications, except that pursuant to the Federal Americans With Disabilities Act of 1990, an individual with a disability shall not be disqualified solely by reason of the disability. For the purposes of this section, "individual with a disability" means a person with a physical or mental impairment that substantially limits one (1) or more of the major life activities of the individual, a record of the impairment, or being regarded as having the impairment.

Section 5. KRS 29A.100 is amended to read as follows:

- (1) Upon the request of a prospective juror prior to~~[his]~~ assignment to a trial court, the Chief Circuit Judge, or after *the juror's*~~[his]~~ assignment to a trial court, the trial judge may excuse such juror upon a showing of undue hardship, extreme inconvenience or public necessity. *On the day on which the prospective jurors are summonsed to appear, any person not previously excused who desires to be excused shall be heard.*
- (2) *The Chief Circuit Judge may designate and authorize one (1) or more judges of the court, the court's clerk, a deputy clerk, the court's administrator, or a deputy court administrator to excuse a juror from service for a period not to exceed ten (10) days or to postpone jury service for a period not to exceed twelve (12) months. The reasons for excuse or postponement shall be entered in the space provided on the juror qualification form.*
- ~~(3)(2)~~ In his *or her* discretion the judge may excuse a juror from service entirely, *reduce the number of days of service*, or may postpone the juror's service temporarily *for a period of time not to exceed, however, twenty-four (24) months*. Whenever possible the judge shall favor temporary postponement of service *or reduced service* over permanent excuse. When excusing a juror, the judge shall record the juror's name, as provided in KRS 29A.080, and ~~the~~~~[his]~~ reasons for granting the excuse.

Section 6. KRS 29A.110 is amended to read as follows:

The contents of any records or papers used by the *Administrative Office of the Courts*~~[jury commission]~~ or the clerk in connection with the selection process and not required to be made public under this chapter shall not be disclosed, except in connection with the preparation or presentation of a motion under the Rules of Civil Procedure or the Rules of Criminal Procedure *or upon order of the Chief Justice*.

Section 7. KRS 29A.130 is amended to read as follows:

- (1) *Except as set out in this section*, in any *twenty-four (24)*~~[twelve (12)]~~ month period, a person shall not be required to:
 - ~~(a)(1)~~ Serve or attend court for prospective service as a petit juror more than thirty (30) court days except when necessary to complete service in a particular case; or
 - ~~(b)(2)~~ Serve on more than one grand jury; or
 - ~~(c)(3)~~ Serve as both a grand and petit juror~~[except as provided in KRS 29A.260]~~.
- (2) *For the purpose of this section, court includes all federal courts, all other state courts, and any court of the Commonwealth.*

At any time for cause shown, the court may excuse a grand juror either temporarily or permanently and may swear another grand juror from a current jury panel in place of the one excused. The discharge of any such grand juror shall in no way or manner affect any indictment found by the grand jury as it was composed either before or after such discharge. If it is impossible to fill the vacancy on the grand jury from a current jury panel, the Chief Circuit Judge may summon, using the procedure in KRS 29A.060~~(5)(10)~~, such number of prospective jurors as deemed necessary for the purpose.

Section 8. KRS 29A.260 is amended to read as follows:

At any time for cause shown, the court may excuse a grand juror either temporarily or permanently and may swear another grand juror from a current jury panel in place of the one excused. The discharge of any such grand juror shall in no way or manner affect any indictment found by the grand jury as it was composed either before or after such discharge. If it is impossible to fill the vacancy on the grand jury from a current jury panel, the Chief Circuit Judge may summon, using the procedure in KRS 29A.060(5)~~[(10)]~~, such number of prospective jurors as deemed necessary for the purpose.

Section 9. KRS 29A.330 is amended to read as follows:

- (1) The jury fee for a civil trial in Circuit Court *and District Court* shall be *set in accordance with KRS 48.195*~~twenty five dollars (\$25). The jury fee for a civil trial in District Court shall be twelve dollars and fifty cents (\$12.50).~~
- (2) The jury fee shall be assessed as costs against the unsuccessful party upon judgment or dismissal of the action.
- (3) If two (2) or more cases are consolidated by order of the court and tried together, the clerk shall collect only one (1) jury fee.
- (4) If a plaintiff sues in forma pauperis, he *or she* shall not be liable for a jury fee.
- (5) If a request for a jury trial is withdrawn or the case is disposed of not less than two (2) court days prior to the date set for trial the clerk shall not assess the jury fee.

Section 10. KRS 29A.990 is amended to read as follows:

- (1) Any employer who violates subsection (1) *or* (2) of KRS 29A.160 is guilty of a Class B misdemeanor.
- (2) Any willful violation of KRS 29A.010 to 29A.330 for which a penalty is not otherwise provided by statute shall be punishable as a Class A misdemeanor.

Section 11. KRS 30A.110 is amended to read as follows:

- (1) Each clerk shall pay to each juror~~[-, each jury commissioner,]~~ and to each witness the compensation allowed to him by law, under appropriations provided by the General Assembly and in accordance with procedures governing expenditures from appropriations. *The clerk*~~He~~ shall take a receipt for each payment made by him showing the date on which payment is made. A canceled check shall be the equivalent of a receipt. For the purpose of providing for such payments, the State Treasurer, on direction of the Finance and Administration Cabinet, shall advance to each clerk two (2) imprest funds: one for the payment of jurors~~[- and jury commissioners]~~ which shall be sufficient for the period of service of each grand or petit jury panel, or both, but not to exceed a period of sixty (60) days; the other for the payment of Commonwealth witnesses, which shall be sufficient for a period of time not to exceed sixty (60) days.
- (2) Each clerk shall be liable on *the clerk's*~~his~~ official bond to account for the full amounts advanced to *the clerk*~~him~~ under this section. Each clerk shall file a separate statement concerning each imprest fund with the Finance and Administration Cabinet, in such form as the cabinet prescribes, showing the amounts disbursed since the last preceding report, accompanied by a copy of the canceled check, or a receipt for each amount disbursed signed by the person to whom it was paid, and showing the date of the payment and such other information as the cabinet prescribes. These reports shall be forwarded to the cabinet within thirty (30) days after the end of the period for which funds are advanced.
- (3) Any clerk who fails to comply with the provisions of subsection (2) of this section shall be required to pay a penalty of five percent (5%) of all funds not so paid or accounted for.

Section 12. The following KRS sections are repealed:

- 29A.030 Jury commissioners -- Qualifications -- Compensation -- Term -- Duties.
- 29A.050 Selection of names of prospective jurors by jury commission.
- 29A.120 Preservation of records and papers compiled in selection process.

Approved April 8, 2002

CHAPTER 253**(HB 505)**

AN ACT relating to postsecondary education.

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

Section 1. KRS 164.746 is amended to read as follows:

- (1) The authority shall be governed, all of its powers shall be exercised, and its duties and functions shall be performed by a board of directors. The board shall consist of seven (7) voting members who shall be appointed by the Governor. In addition, the president of the Council on Postsecondary Education, the State Treasurer, and the secretary of the ***Cabinet of Finance and Administration***~~Department of Finance~~ shall serve as nonvoting ex officio members. The term of office of appointed members shall be four (4) years. Each member shall serve for the term for which he is appointed and until his successor is appointed.
- (2) Appointments to fill vacancies on the board shall be made in the same manner as regular appointments. The person appointed shall hold the position for the unexpired portion of the term only.
- (3) The board shall elect from its voting membership a chairman and chairman-elect who shall each serve for a term of one (1) year. At the conclusion of the chairman's term of office, the chairman-elect shall become chairman for the succeeding year and the board shall elect from its voting membership a new chairman-elect.
- (4) Board members, ***except officers or employees of the state***, shall receive compensation for their services, in the amount of ***one hundred dollars (\$100)***~~sixty-five dollars (\$65)~~ per day, and may be reimbursed for actual and necessary expenses incurred in the performance of their duties under KRS 164.740 to 164.785.
- (5) The board shall provide for the holding of regular meetings and special meetings.
 - (a) A majority of the voting members shall constitute a quorum for the transaction of any business, special meetings shall be called by the chairman in accordance with KRS 61.823, and either the chairman or the chairman-elect shall be present for the transaction of any business.
 - (b) In lieu of personal attendance by members of the board of directors at the same location, the board of directors may conduct meetings by teleconference or other available technological means suitable for conducting its business. Meetings of the board shall be open and accessible to the public in accordance with KRS 61.805 to 61.850, and any alternate method of conducting a meeting in lieu of personal attendance shall ensure public access.
- (6) The board shall adopt bylaws and policies governing its internal affairs and the conduct of its business, and shall adopt administrative regulations pursuant to KRS Chapter 13A, not inconsistent with law, in connection with the administration of the authority's programs and the performance of its functions and duties.
- (7) The board may:
 - (a) Appoint such officers and employees as necessary and may fix their compensation, and shall prescribe their duties notwithstanding personnel limits established by KRS 18A.010 or the biennial budget and its related documents; and
 - (b) Adopt the provisions of KRS 45A.345 to 45A.460, pursuant to KRS 45A.343.
- (8) The Office of the Treasurer and the board of the Kentucky Higher Education Assistance Authority shall work together to jointly market, as appropriate, the Commonwealth Prepaid Tuition Plan and the Savings Plan established in KRS 164A.300.

Section 2. KRS 164A.050 is amended to read as follows:

- (1) There is hereby created and established an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky which shall be a body corporate and politic to be known and identified as the Kentucky Higher Education Student Loan Corporation.
- (2) The Kentucky Higher Education Student Loan Corporation is created and established as an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky to perform essential

governmental and public functions and purposes in improving and otherwise promoting the educational opportunities of the citizens and inhabitants of the Commonwealth of Kentucky and other qualified students by a program of financing, making, and purchasing of insured student loans.

- (3) The corporation shall be governed by a board of directors consisting of eleven (11) members, eight (8) of whom shall be chosen from the general public residing in the Commonwealth of Kentucky and three (3) of whom shall be the chairman of the Council on Postsecondary Education, the secretary of the Finance and Administration Cabinet, and the chairman of the Kentucky Higher Education Assistance Authority.
- (4) The Governor shall appoint the eight (8) directors from nominees submitted by the Governor's Higher Education Nominating Committee under KRS 164.005 to take office and to exercise all powers thereof immediately. The terms shall be staggered and shall be for a period of four (4) years each. Each director shall serve for the appointed term and until a successor has been appointed and has duly qualified.
- (5) In the event of a vacancy, the Governor may appoint a replacement director from nominees submitted by the Governor's Higher Education Nominating Committee under KRS 164.005 who shall hold office during the remainder of the term so vacated.
- (6) The Governor may remove any director from the general public in case of incompetency, neglect of duties, gross immorality, or malfeasance in office; and may thereupon declare such office vacant and may appoint a person to fill such vacancy as provided in other cases of vacancy.
- (7) The board shall elect from its voting membership a chairman, secretary, and treasurer. The executive director of the Kentucky Higher Education Assistance Authority shall serve as executive director of the corporation.
- (8) The executive director shall administer, manage, and direct the affairs and business of the corporation, subject to the policies, control, and direction of the board of directors of the corporation. The secretary of the corporation shall keep a record of the proceedings of the corporation and shall be custodian of all books, documents, and papers filed with the corporation, the minute book or journal of the corporation, and its official seal. The secretary may copy all minutes and other records and documents of the corporation and give certificates under the official seal of the corporation to the effect that such copies are true copies and all persons dealing with the corporation may rely upon such certificates.
- (9) A majority of the board of directors of the corporation shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes notwithstanding the existence of any vacancies in respect of the board of directors.
- (10) Official actions may be taken by the corporation at meetings duly called by the chairman upon three (3) days' written notice to each director or upon the concurrence of at least a majority of the directors. ***In lieu of personal attendance by members of the board of directors at the same location, the board of directors may conduct meetings by teleconference or other available technological means suitable for conducting its business. Meetings of the board shall be open and accessible to the public in accordance with KRS 61.805 to 61.850, and any alternate method of conducting a meeting in lieu of personal attendance shall ensure public access.***
- (11) Directors, ***except officers or employees of the state***, shall receive ***one hundred dollars (\$100)***~~per day~~ compensation ***per day*** for their services ~~and but~~ shall be entitled to payment of any reasonable and necessary expense actually incurred in discharging their duties under this chapter.
- (12) The Kentucky Higher Education Assistance Authority, the "guarantee agency", shall provide technical, clerical, and administrative assistance to the corporation, together with necessary office space and personnel, and shall assist the corporation in all ways by the performance of any and all actions which may be useful or beneficial to the corporation in the performance of its public functions as an independent de jure municipal corporation and political subdivision of the Commonwealth of Kentucky charged with the responsibility of financing, making, and purchasing of insured student loans. The corporation shall enter into such contracts with the guarantee agency as shall be proper and appropriate in respect of such services which may include, but not by way of limitation, servicing and collection of insured student loans.

Approved April 8, 2002

CHAPTER 254**(HB 517)**

AN ACT relating to sales and use tax exemption for cervid farmers and declaring an emergency.

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

Section 1. KRS 139.480 is amended to read as follows:

Any other provision of this chapter to the contrary notwithstanding, the terms "sale at retail," "retail sale," "use," "storage," and "consumption," as used in this chapter, shall not include the sale, use, storage, or other consumption of:

- (1) Locomotives or rolling stock, including materials for the construction, repair, or modification thereof, or fuel or supplies for the direct operation of locomotives and trains, used or to be used in interstate commerce;
- (2) Coal for the manufacture of electricity;
- (3) All energy or energy-producing fuels used in the course of manufacturing, processing, mining, or refining to the extent that the cost of the energy or energy-producing fuels used exceeds three percent (3%) of the cost of production. Cost of production shall be computed on the basis of plant facilities which shall mean all permanent structures affixed to real property at one (1) location;
- (4) Livestock of a kind the products of which ordinarily constitute food for human consumption, provided the sales are made for breeding or dairy purposes and by or to a person regularly engaged in the business of farming;
- (5) Poultry for use in breeding or egg production;
- (6) Farm work stock for use in farming operations;
- (7) Seeds, the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business, and commercial fertilizer to be applied on land, the products from which are to be used for food for human consumption or are to be sold in the regular course of business; provided such sales are made to farmers who are regularly engaged in the occupation of tilling and cultivating the soil for the production of crops as a business, or who are regularly engaged in the occupation of raising and feeding livestock or poultry or producing milk for sale; and provided further that tangible personal property so sold is to be used only by those persons designated above who are so purchasing;
- (8) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals to be used in the production of crops as a business, or in the raising and feeding of livestock or poultry, the products of which ordinarily constitute food for human consumption;
- (9) Feed, including pre-mixes and feed additives, for livestock or poultry of a kind the products of which ordinarily constitute food for human consumption;
- (10) Machinery for new and expanded industry;
- (11) Farm machinery. As used in this section, the term "farm machinery" means machinery used exclusively and directly in the occupation of tilling the soil for the production of crops as a business, or in the occupation of raising and feeding livestock or poultry or of producing milk for sale. The term "farm machinery," as used in this section includes machinery, attachments, and replacements therefor, repair parts, and replacement parts which are used or manufactured for use on, or in the operation of farm machinery and which are necessary to the operation of the machinery, and are customarily so used; but this exemption shall not include automobiles, trucks, trailers, and truck-trailer combinations;
- (12) Property which has been certified as a pollution control facility as defined in KRS 224.01-300, and all materials, supplies, and repair and replacement parts purchased for use in the operation or maintenance of the facilities used specifically in the steel-making process. The exemption provided in this subsection for materials, supplies, and repair and replacement parts purchased for use in the operation of pollution control facilities shall be effective for sales made through June 30, 1994;
- (13) Tombstones and other memorial grave markers;

- (14) On-farm facilities used exclusively for grain or soybean storing, drying, processing, or handling. The exemption applies to the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities;
- (15) On-farm facilities used exclusively for raising poultry or livestock. The exemption shall apply to the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities. The exemption shall apply, but not be limited to, vent board equipment, waterer and feeding systems, brooding systems, ventilation systems, alarm systems, and curtain systems. In addition, the exemption shall apply whether or not the seller is under contract to deliver, assemble, and incorporate into real estate the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities;
- (16) Gasoline, special fuels, liquefied petroleum gas, and natural gas used exclusively and directly to:
 - (a) Operate farm machinery as defined in subsection (11) of this section;
 - (b) Operate on-farm grain or soybean drying facilities as defined in subsection (14) of this section;
 - (c) Operate on-farm poultry or livestock facilities defined in subsection (15) of this section;
 - (d) Operate-on farm ratite facilities defined in subsection (24) of this section;
 - (e) Operate on-farm llama or alpaca facilities as defined in subsection (26) of this section; or
 - (f) Operate on-farm dairy facilities;
- (17) Textbooks, including related workbooks and other course materials, purchased for use in a course of study conducted by an institution which qualifies as a nonprofit educational institution under KRS 139.495. The term "course materials" means only those items specifically required of all students for a particular course but shall not include notebooks, paper, pencils, calculators, tape recorders, or similar student aids;
- (18) Any property which has been certified as an alcohol production facility as defined in KRS 247.910;
- (19) Aircraft, repair and replacement parts therefor, and supplies, except fuel, for the direct operation of aircraft in interstate commerce and used exclusively for the conveyance of property or passengers for hire. Nominal intrastate use shall not subject the property to the taxes imposed by this chapter;
- (20) Any property which has been certified as a fluidized bed energy production facility as defined in KRS 211.390;
- (21) Any property to be incorporated into the construction, rebuilding, modification, or expansion of a blast furnace or any of its components or appurtenant equipment or structures. The exemption provided in this subsection shall be effective for sales made through June 30, 1994;
- (22) Beginning on October 1, 1986, food or food products purchased for human consumption with food coupons issued by the United States Department of Agriculture pursuant to the Food Stamp Act of 1977, as amended, and required to be exempted by the Food Security Act of 1985 in order for the Commonwealth to continue participation in the federal food stamp program;
- (23) Machinery or equipment purchased or leased by a business, industry, or organization in order to collect, source separate, compress, bale, shred, or otherwise handle waste materials if the machinery or equipment is primarily used for recycling purposes;
- (24) Ratite birds and eggs to be used in an agricultural pursuit for the breeding and production of ratite birds, feathers, hides, breeding stock, eggs, meat, and ratite by-products, and the following items used in this agricultural pursuit:
 - (a) Feed and feed additives;
 - (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
 - (c) On-farm facilities, including equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities. The exemption shall apply to incubation systems, egg processing equipment, waterer and feeding systems, brooding systems, ventilation systems, alarm systems, and curtain systems. In addition, the exemption shall apply whether or not the seller is under contract to deliver, assemble, and incorporate into real estate the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities;

- (25) Embryos and semen that are used in the reproduction of livestock, if the products of these embryos and semen ordinarily constitute food for human consumption, and if the sale is made to a person engaged in the business of farming;
- (26) Llamas and alpacas to be used as beasts of burden or in an agricultural pursuit for the breeding and production of hides, breeding stock, fiber and wool products, meat, and llama and alpaca by-products, and the following items used in this pursuit:
 - (a) Feed and feed additives;
 - (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals; and
 - (c) On-farm facilities, including equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities. The exemption shall apply to waterer and feeding systems, ventilation systems, and alarm systems. In addition, the exemption shall apply whether or not the seller is under contract to deliver, assemble, and incorporate into real estate the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities;
- (27) Baling twine and baling wire for the baling of hay and straw;
- (28) Water sold to a person regularly engaged in the business of farming and used in the:
 - (a) Production of crops;
 - (b) Production of milk for sale; or
 - (c) Raising and feeding of:
 - 1. Livestock or poultry, the products of which ordinarily constitute food for human consumption; or
 - 2. Ratites, llamas, alpacas, buffalo, *cervids* or aquatic organisms;
- (29) Buffalos to be used as beasts of burden or in an agricultural pursuit for the production of hides, breeding stock, meat, and buffalo by-products, and the following items used in this pursuit:
 - (a) Feed and feed additives;
 - (b) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals;
 - (c) On-farm facilities, including equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities. The exemption shall apply to waterer and feeding systems, ventilation systems, and alarm systems. In addition, the exemption shall apply whether or not the seller is under contract to deliver, assemble, and incorporate into real estate the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities;~~and~~
- (30) Aquatic organisms sold directly to or raised by a person regularly engaged in the business of producing products of aquaculture, as defined in KRS 260.960, for sale, and the following items used in this pursuit:
 - (a) Feed and feed additives;
 - (b) Water;
 - (c) Insecticides, fungicides, herbicides, rodenticides, and other farm chemicals; and
 - (d) On-farm facilities, including equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities and, any gasoline, special fuels, liquified petroleum gas, or natural gas used to operate the facilities. The exemption shall apply, but not be limited to: waterer and feeding systems; ventilation, aeration, and heating systems; processing and storage systems; production systems such as ponds, tanks, and raceways; harvest and transport equipment and systems; and alarm systems. In addition, the exemption shall apply whether or not the seller is under contract to deliver, assemble, and incorporate into real estate the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities; *and*

(31) *Members of the genus cervidae permitted by KRS Chapter 150 that are used for the production of hides, breeding stock, meat, and cervid by-products, and the following items used in this pursuit:*

- (a) *Feed and feed additives;*
- (b) *Insecticides, fungicides, herbicides, rodenticides, and other chemicals; and*
- (c) *On-site facilities, including equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities. In addition, the exemption shall apply whether or not the seller is under contract to deliver, assemble, and incorporate into real estate the equipment, machinery, attachments, repair and replacement parts, and any materials incorporated into the construction, renovation, or repair of the facilities.*

Section 2. Whereas items used in the pursuit of cervid farming are currently exempt from sales and use tax in the 2000 executive branch budget bill and that bill expires on June 30, 2002, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Section 3. This Act applies to sales made on or after July 1, 2002.

Approved April 8, 2002

CHAPTER 255

(HB 531)

AN ACT relating to bank franchise tax.

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

Section 1. KRS 136.500 is amended to read as follows:

As used in KRS 136.500 to 136.575, unless the context requires otherwise:

- (1) "Billing address" means the location indicated in the books and records of the financial institution, on the first day of the taxable year or the date in the taxable year when the customer relationship began, as the address where any notice, statement, or bill relating to a customer's account is mailed;
- (2) "Borrower located in this state" means a borrower, other than a credit card holder, that is engaged in a trade or business that maintains its commercial domicile in this state or a borrower that is not engaged in a trade or business;
- (3) "Credit card holder located in this state" means a credit card holder whose billing address is in this state;
- (4) "Cabinet" means the Revenue Cabinet;
- (5) "Commercial domicile" means:
 - (a) The location from which the trade or business is principally managed and directed; or
 - (b) The state of the United States or the District of Columbia from which the financial institution's trade or business in the United States is principally managed and directed, if a financial institution is organized under the laws of a foreign country, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

It shall be presumed, subject to rebuttal, that the location from which the financial institution's trade or business is principally managed and directed is the state of the United States or the District of Columbia to which the greatest number of employees are regularly connected or out of which they are working, irrespective of where the services of the employees are performed, as of the last day of the taxable year;

- (6) "Compensation" means wages, salaries, commissions, and any other form of remuneration paid to employees for personal services that are included in the employee's gross income under the Internal Revenue Code. In the case of employees not subject to the Internal Revenue Code, the determination of whether the payments would constitute gross income to the employees under the Internal Revenue Code shall be made as though the employees were subject to the Internal Revenue Code;
- (7) "Credit card" means credit, travel, or entertainment card;

- (8) "Credit card issuer's reimbursement fee" means the fee a financial institution receives from a merchant's bank because one of the persons to whom the financial institution has issued a credit card has charged merchandise or services to the credit card;
- (9) "Employee" means, with respect to a particular financial institution, "employee" as defined in Section 3121(d) of the Internal Revenue Code;
- (10) "Financial institution" means:
- (a) A national bank organized as a body corporate and existing or in the process of organizing as a national bank association pursuant to the provisions of the National Bank Act, 12 U.S.C. secs. 21 et seq., in effect on December 31, 1997, exclusive of any amendments made subsequent to that date;
 - (b) Any bank or trust company incorporated or organized under the laws of any state, except a banker's bank organized under KRS 287.135;
 - (c) Any corporation organized under the provisions of 12 U.S.C. secs. 611 to 631, in effect on December 31, 1997, exclusive of any amendments made subsequent to that date, or any corporation organized after December 31, 1997, that meets the requirements of 12 U.S.C. secs. 611 to 631, in effect on December 31, 1997; or
 - (d) Any agency or branch of a foreign depository as defined in 12 U.S.C. sec. 3101, in effect on December 31, 1997, exclusive of any amendments made subsequent to that date, or any agency or branch of a foreign depository established after December 31, 1997, that meets the requirements of 12 U.S.C. sec. 3101 in effect on December 31, 1997;
- (11) "Gross rents" means the actual sum of money or other consideration payable for the use or possession of property.
- (a) "Gross rents" includes, but is not limited to:
 1. Any amount payable for the use or possession of real property or tangible property, whether designated as a fixed sum of money or as a percentage of receipts, profits, or otherwise;
 2. Any amount payable as additional rent or in lieu of rent, such as interest, taxes, insurance, repairs, or any other amount required to be paid by the terms of a lease or other arrangement; and
 3. A proportionate part of the cost of any improvement to real property made by or on behalf of the financial institution which reverts to the owner or lessor upon termination of a lease or other arrangement. The amount to be included in gross rents is the amount of amortization or depreciation allowed in computing the taxable income base for the taxable year. However, where a building is erected on leased land by or on behalf of the financial institution, the value of the land is determined by multiplying the gross rent by eight (8) and the value of the building is determined in the same manner as if owned by the financial institution;
 - (b) The following are not included in the term "gross rents":
 1. Reasonable amounts payable as separate charges for water and electric service furnished by the lessor;
 2. Reasonable amounts payable as service charges for janitorial services furnished by the lessor;
 3. Reasonable amounts payable for storage, if these amounts are payable for space not designated and not under the control of the financial institution; and
 4. That portion of any rental payment which is applicable to the space subleased from the financial institution and not used by it;
- (12) "Internal Revenue Code" means the Internal Revenue Code, Title 26 U.S.C., in effect on December 31, ~~2001~~~~1997~~, exclusive of any amendments made subsequent to that date;
- (13) "Loan" means any extension of credit resulting from direct negotiations between the financial institution and its customer, and the purchase, in whole or in part, of the extension of credit from another. Loans include participations, syndications, and leases treated as loans for federal income tax purposes. Loans shall not include properties treated as loans under Section 595 of the Internal Revenue Code, futures or forward

contracts, options, notional principal contracts such as swaps, credit card receivables, including purchased credit card relationships, noninterest-bearing balances due from depository institutions, cash items in the process of collection, federal funds sold, securities purchased under agreements to resell, assets held in a trading account, securities, interests in a real estate mortgage investment company, or other mortgage-backed or asset-backed security, and other similar items;

- (14) "Loan secured by real property" means a loan or other obligation for which fifty percent (50%) or more of the aggregate value of the collateral used to secure the loan or other obligation, when valued at fair market value as of the time the original loan or obligation was incurred, was real property;
- (15) "Merchant discount" means the fee or negotiated discount charged to a merchant by the financial institution for the privilege of participating in a program where a credit card is accepted in payment for merchandise or services sold to the card holder;
- (16) "Person" means an individual, estate, trust, partnership, corporation, limited liability company, or any other business entity;
- (17) "Principal base of operations" means:
 - (a) With respect to transportation property, the place from which the property is regularly directed or controlled; and
 - (b) With respect to an employee:
 - 1. The place the employee regularly starts work and to which the employee customarily returns in order to receive instructions from his or her employer; or
 - 2. If the place referred to in subparagraph 1. of this paragraph does not exist, the place the employee regularly communicates with customers or other persons; or
 - 3. If the place referred to in subparagraph 2. of this paragraph does not exist, the place the employee regularly performs any other functions necessary to the exercise of the employee's trade or profession at some other point or points;
- (18) "Real property owned" and "tangible personal property owned" mean real and tangible personal property, respectively, on which the financial institution may claim depreciation for federal income tax purposes, or property to which the financial institution holds legal title and on which no other person may claim depreciation for federal income tax purposes or could claim depreciation if subject to federal income tax. Real and tangible personal property do not include coin, currency, or property acquired in lieu of or pursuant to a foreclosure;
- (19) "Regular place of business" means an office at which the financial institution carries on its business in a regular and systematic manner and which is continuously maintained, occupied, and used by employees of the financial institution;
- (20) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any foreign country;
- (21) "Syndication" means an extension of credit in which two (2) or more persons fund and each person is at risk only up to a specified percentage of the total extension of credit or up to a specified dollar amount;
- (22) "Taxable year" means calendar year 1996 and every calendar year thereafter;
- (23) "Transportation property" means vehicles and vessels capable of moving under their own power, such as aircraft, trains, water vessels, and motor vehicles, as well as any equipment or containers attached to the property, such as rolling stock, barges, or trailers;
- (24) "United States obligations" means all obligations of the United States exempt from taxation under 31 U.S.C. sec. 3124(a) or exempt under the United States Constitution or any federal statute, including the obligations of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States Constitution or any statute of the United States; and
- (25) "Kentucky obligations" means all obligations of the Commonwealth of Kentucky, its counties, municipalities, taxing districts, and school districts, exempt from taxation under the Kentucky Revised Statutes and the Constitution of Kentucky.

CHAPTER 256**(HB 583)**

AN ACT relating to the commemoration of Kentucky Vietnam War POW/MIAs.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

- (1) *To honor those Kentuckians who proudly served their country during the Vietnam War but remain unaccounted for, the Department of Veterans' Affairs shall update the plaque at the base of the Freedom Tree near the Floral Clock on the grounds of the New Capitol Annex to contain the names of Kentucky Vietnam War POW/MIAs from the most recent official accounting available from the United States Department of Defense. The plaque shall also contain a depiction of the POW/MIA flag of the National League of Families of American Prisoners of War and Missing in Southeast Asia.*
- (2) *The Department of Veterans' Affairs shall be responsible for the design of the new plaque required by subsection (1) of this section, and the plaque shall be paid for by the Department of Veterans' Affairs. The Department of Veterans' Affairs may receive appropriations, gifts, grants, federal funds, and any other funds, both public and private, to defray the cost of updating the plaque.*
- (3) *The Department of Facilities Management shall be responsible for preparing the base for the updated plaque, and for installing the plaque. The Department of Facilities Management shall be reimbursed the cost of the installation by the Department of Veterans' Affairs. The Department of Facilities Management shall also be responsible for the routine maintenance of the Freedom Tree, the memorial plaque, and the grounds surrounding the tree and plaque.*

Approved April 8, 2002

CHAPTER 257**(HB 145)**

AN ACT relating to juvenile justice.

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

Section 1. KRS 15A.067 is amended to read as follows:

- (1) As used in this section, "facility" means any of the facilities specified in KRS 15A.200 operated by a political subdivision of the Commonwealth of Kentucky ***and juvenile detention facilities operated by the Commonwealth of Kentucky*** for the care of juveniles alleged to be delinquent or adjudicated delinquent.
- (2)
 - (a) There is established within the Department of Juvenile Justice a Division of Program Services that shall be responsible for ensuring the delivery of appropriate educational programs to incarcerated youth. Each facility shall provide educational services to youth ~~who may be~~ ordered by the court to remain in the juvenile detention facility ~~for an indeterminate period~~.
 - (b) Any other statutes to the contrary notwithstanding, the Department of Juvenile Justice shall have access to all educational records, public or private, of any juvenile in a facility or program or informal adjustment authorized by law.
 - (c) The Division of Program Services shall ensure that all incarcerated youth be provided appropriate screening and educational programs as follows:
 1. For students identified before incarceration as having an educational disability, the Division of Program Services shall make specially designed instruction and related services available as required by Kentucky Board of Education administrative regulations applicable to students with disabilities.

2. For students incarcerated for more than fourteen (14) days, the division shall ensure that appropriate screening is provided to all youth. Screening shall include, but not be limited to, seeking the juvenile's educational record.
3. For students incarcerated for more than thirty (30) days, the division shall ensure that all youth are provided an appropriate education.
- (d) The Department of Juvenile Justice shall be responsible for providing, in its contracts with private juvenile detention facilities and county jails, the specific obligations of those entities to provide educational services to incarcerated juveniles consistent with this section, including funding provisions.
- (e) The Department of Education and all local school district administrators shall cooperate with officials responsible for the operation of juvenile detention facilities and with the Division of Program Services to ensure that all documents necessary to establish educational status and need shall follow the students who are being held in these facilities so the students can be afforded educational opportunities.
- (f)
 1. Upon disposition by the juvenile court that an adjudicated juvenile shall stay in a juvenile detention facility for any period of time, the facility shall notify the juvenile's last resident school district of the student's whereabouts.
 2. Within five (5) days after the juvenile is released, the Division of Program Services shall notify the district in which the student will reside of the youth's release and educational status and forward any educational records.
- (g) The Department of Juvenile Justice shall, after consultation with the Department of Education, promulgate an administrative regulation for the effective implementation of this section.
- (3) There is established within the Department of Juvenile Justice a Division of Placement Services that shall be responsible for the management, policy direction, and coordination of all matters relating to the classification, evaluation, and placement of juveniles committed to or detained by the department. The division shall also be responsible for the transportation of juveniles committed to or detained by the department. ***If the division places a juvenile in a county other than the county of adjudication or sentencing, then the division shall be responsible for notifying a department caseworker in the county of placement of this fact. The division shall also notify the district court in the county of placement of the juvenile's complete offense record.***

Section 2. KRS 15A.200 is amended to read as follows:

As used in KRS 15A.210 to 15A.240 and KRS 15A.990:

- (1) "Certified juvenile facility staff" means individuals who meet the qualifications of, and who have completed a course of education and training developed and approved by, the Department of Juvenile Justice ~~after consultation with other appropriate state agencies~~;
- (2) "Intermittent holding facility" means a physically secure setting, approved by the Department of Juvenile Justice, which is entirely separated from sight and sound from all other portions of a jail containing adult prisoners in which a child accused of a public offense may be detained for a period not to exceed ***twenty-four (24)*** ~~seventy-two (72)~~ hours, exclusive of weekends and holidays, prior to a detention hearing as provided in KRS 610.265, and in which children are supervised and observed on a regular basis by certified juvenile facility staff. Employees of jails who meet the qualifications of the Department of Juvenile Justice may supervise juvenile as well as adult prisoners;
- (3) "Juvenile holding facility" means a physically secure setting, approved by the Department of Juvenile Justice, which is an entirely separate facility or portion or wing of a building containing an adult jail, which provides total separation between juvenile and adult facility spatial areas, and which is staffed exclusively by sufficient certified juvenile facility staff to provide twenty-four (24) hours-per-day, supervision. Employees of jails who meet the qualifications of the Department of Juvenile Justice may supervise juvenile as well as adult prisoners;
- (4) "Secure juvenile detention facility" means any facility used for the secure detention of children other than a jail, police station, lockup, intermittent holding facility, or any building which is a part of or attached to any facility in which adult prisoners are confined or which shares staff with a facility in which adult prisoners are confined; ~~and~~
- (5) "Youth alternative center" means a nonsecure facility, approved by the Department of Juvenile Justice, for the nonsecure detention of juveniles; ***and***

- (6) *The term "facility" or "facilities" as used in KRS 15A.210 to 15A.240 shall mean the facilities defined in this section.*

Section 3. KRS 15A.210 is amended to read as follows:

- (1) The Department of Juvenile Justice shall ***promulgate*** ~~[- after consultation with the Detention Facility Standards Committee, issue]~~ and enforce administrative regulations to govern at least the following aspects of the operation of ~~[- secure juvenile detention facilities and juvenile holding]~~ facilities:
- (a) ~~[(1)]~~ Administration;
 - (b) ~~[(2)]~~ Personnel;
 - (c) ~~[(3)]~~ Training and staff development;
 - (d) ~~[(4)]~~ Recordkeeping;
 - (e) ~~[(5)]~~ Physical plant;
 - (f) ~~[(6)]~~ Security and control;
 - (g) ~~[(7)]~~ Safety and emergency procedures;
 - (h) ~~[(8)]~~ Sanitation and hygiene;
 - (i) ~~[(9)]~~ Medical and health services;
 - (j) ~~[(10)]~~ Food services;
 - (k) ~~[(11)]~~ Intake and classification;
 - (l) ~~[(12)]~~ Programs and services;
 - (m) ~~[(13)]~~ Residents' rights;
 - (n) ~~[(14)]~~ Rules and discipline;
 - (o) ~~[(15)]~~ Admission procedures;
 - (p) ~~[(16)]~~ Communication, including mail, visitation, and telephone;
 - (q) ~~[(17)]~~ Release preparation and transfer programs; ~~[- and]~~
 - (r) ~~[(18)]~~ Volunteer involvement;
 - (s) ***Transfers;***
 - (t) ***Reimbursement rates and conditions; and***
 - (u) ***Detention facility rate increases.***
- (2) *Administrative regulations promulgated under this section shall specifically identify new requirements of the law which increase the cost of operating a juvenile facility not operated by the Department of Juvenile Justice. The administrative regulations shall identify the amount and source of funding for compliance with the new requirements.*

Section 4. KRS 15A.220 is amended to read as follows:

- (1) ~~[- On or before July 1, 1998,]~~ Each person or organization operating a ~~[- secure juvenile detention]~~ facility shall register with the ***Department of Juvenile Justice*** ~~[- Cabinet]~~ and shall comply with the regulations issued pursuant to KRS 15A.210.
- (2) ~~[- After July 1, 1998,]~~ Each organization operating or seeking to operate ***or expand*** a ~~[- secure juvenile detention facility or juvenile holding]~~ facility shall:
- (a) Apply to the Department of Juvenile Justice in a period of time set by ***administrative*** regulation prior to the scheduled opening of the ~~[- secure juvenile detention facility or juvenile holding]~~ facility;
 - (b) Permit inspection of the ~~[- secure juvenile detention facility or juvenile holding]~~ facility by the Department of Juvenile Justice not less than thirty (30) days prior to the scheduled opening of the facility; and

- (c) Supply to the Department of Juvenile Justice not less than thirty (30) days prior to the scheduled opening of the ~~secure juvenile detention~~ facility all data, plans, and other materials required by the **Department of Juvenile Justice** ~~Cabinet~~.
- (3) No ~~secure juvenile detention facility or juvenile holding~~ facility shall operate ~~after July 1, 1998,~~ except with the approval of the Department of Juvenile Justice.
- (4) ***The Department of Juvenile Justice shall have the authority, upon thirty (30) days written notice to the county judge/executive and jailer of any county that operates a juvenile detention facility and is located within an area served by a state-operated juvenile detention facility, to decertify any juvenile detention facility and that facility shall, at the expiration of the thirty (30) day period, cease detaining juveniles.***

Section 5. KRS 15A.230 is amended to read as follows:

- (1) ~~After July 1, 1998,~~ The Department of Juvenile Justice shall inspect, at least annually, each registered ~~secure juvenile detention~~ facility to assure its compliance with administrative regulations.
- (2) ~~After July 1, 1998,~~ The Department of Juvenile Justice may require reports and other data at least annually from each ~~secure juvenile detention facility and juvenile holding~~ facility.

Section 6. KRS 15A.300 is amended to read as follows:

- (1) The Department of Juvenile Justice or a local organization approved by the Department of Juvenile Justice may form local juvenile delinquency prevention councils for the purpose of encouraging the initiation of, or supporting ongoing, interagency cooperation and collaboration in addressing juvenile crime and juvenile status offenses.
- (2) The membership of the local council shall be determined by the Department of Juvenile Justice and shall include representatives of law enforcement, the school system, the Department for Community Based Services, the Court of Justice, the Commonwealth's attorney, the county attorney, a representative of a county juvenile detention facility, and the Department for Public Advocacy. The members of the council shall be appointed as provided by the department by administrative regulation and shall be appointed for not longer than four (4) years, but members may be reappointed for a successive term. A member of the council shall receive no salary for service as a member of the council but may be reimbursed for expenses in the same manner as a state employee.
- (3) The duties and responsibilities of a juvenile delinquency prevention council shall include but not be limited to:
 - (a) Developing a local juvenile justice plan based upon utilization of the resources of law enforcement, the school system, the Department of Juvenile Justice, the Department for Community Based Services, the Administrative Office of the Courts, and others in a cooperative and collaborative manner to prevent or discourage juvenile delinquency and to develop meaningful alternatives to incarceration;
 - (b) Entering into a written local interagency agreement specifying the nature and extent of contributions that each signatory agency will make in achieving the goals of the local juvenile justice plan;
 - (c) Sharing of information as authorized by law to carry out the interagency agreements;
 - (d) Applying for and receiving public or private grants to be administered by one (1) of the participating cities or counties or other public agencies; and
 - (e) Providing a forum for the presentation of interagency recommendations and the resolution of disagreements relating to the contents of the interagency agreement or the performance by the parties of their respective obligations under the agreement.
- (4) Training of council members shall be the responsibility of the department.
- (5) The Department of Juvenile Justice may provide grants to the councils to establish or enhance prevention programs.
- (6) ***To assist in the development of a local juvenile delinquency prevention plan, juvenile delinquency prevention councils shall be entitled to request and receive statistical information and aggregate data not descriptive of any readily identifiable person from any public agency, as defined in KRS 61.870.***
 - (a) ***A request for statistical information and aggregate data from the juvenile delinquency prevention council shall be in writing and signed by the chairperson of the council, and shall include a***

statement of why the information is being requested, why it is needed, and how it will be used by the council.

- (b) *Any public agency receiving a written request from the chairperson of a juvenile delinquency prevention council for aggregate data or statistical information shall provide the requested information or respond to the council stating reasons why the requested information cannot be provided, within thirty (30) days of receiving the request.*

- (7) The department shall promulgate administrative regulations in accordance with KRS Chapter 13A that relate to:
- (a) The formation of councils;
 - (b) The operation of councils;
 - (c) The duties of councils; and
 - (d) The administration and operation of the grant program.

Section 7. KRS 15A.305 is amended to read as follows:

- (1) The Department of Juvenile Justice shall, with available funds, develop and administer a statewide detention program and, as each regional facility is constructed and ready for occupancy, shall, within appropriation limitations, provide for:
- (a) The operation of preadjudication detention facilities for children charged with public offenses; and
 - (b) The operation of postadjudication detention facilities for children adjudicated delinquent or found guilty of public offenses.

~~[Funds appropriated for the purposes of this section shall only be used for facilities defined in KRS 15A.200.]~~

- (2) In each region in which the Department of Juvenile Justice operates or contracts for the operation of a detention facility, the department shall, within appropriation limitations, develop and administer a program for alternatives to **secure** detention that shall provide for:
- (a) The operation of or contracting for the operation of preadjudication alternatives to **secure** detention and follow-up programs for **juveniles**~~[children]~~ who are before the court and who enter pretrial diversion or informal adjustment programs; and
 - (b) The operation of or contracting for the operation of postadjudication alternatives to **secure** detention and follow-up programs, including but not limited to community-based programs, mentoring, counseling, and other programs designed to limit the unnecessary use of secure detention and ensure public safety.
- (3) The department ~~may~~**shall**, except as provided in KRS 635.060, charge counties and urban-county governments a per diem not to exceed ninety-four dollars (\$94) for lodging juveniles in state-owned or contracted~~[preadjudication]~~ facilities.
- (4) Detention rates charged by contracting detention facilities shall not exceed the rate in effect on July 1, 1997, subject to increases approved by the department.
- (5)~~[The Department of Juvenile Justice shall issue and enforce administrative regulations to govern the following:]~~
- ~~(a) Administration;~~
 - ~~(b) Intake and classification;~~
 - ~~(c) Programs and services;~~
 - ~~(d) Recordkeeping;~~
 - ~~(e) Rules and discipline;~~
 - ~~(f) Transfers;~~
 - ~~(g) Reimbursement rates and conditions; and~~
 - ~~(h) Detention facility rate increases.~~

~~(6)~~ No juvenile detention facility, *as defined in Section 2 of this Act*, ~~or juvenile holding facility~~ shall be taken over, purchased, or leased by the Commonwealth without prior approval of the fiscal court upon consultation with the jailer in the county where the facility is located. The county, upon consultation with the jailer, may enter into contracts with the Commonwealth for the holding, detention, and transportation of juveniles.

~~[(7) Administrative regulations promulgated under subsection (5) of this section shall specifically identify new requirements of the law which increase the cost of operating a juvenile facility not operated by the Department for Juvenile Justice. The administrative regulations shall identify the amount and source of funding for compliance with the new requirements.]~~

Section 8. KRS 605.080 is amended to read as follows:

- (1) Any child ordered to be transported, by a committing or sentencing court, shall be transported by the sheriff or the jailer of that county. Any other law enforcement agency may enter into agreements with the court, sheriff, or jailer to transport juveniles.
- (2) Any peace officer who conveys a child from the committing court or from the detention facility of the committing court to a residential treatment facility or other facility operated by the Department of Juvenile Justice or the cabinet shall be allowed an amount prescribed by regulation adopted by the Finance and Administration Cabinet calculated by the nearest traveled route, and shall be paid for all necessary expenses for feeding, lodging, and transporting the child. The officer shall make out a full account of all expenses so incurred by him and give the distance traveled. The account shall be verified by the officer upon oath before the District Court and certified by the circuit clerk to the Department of Juvenile Justice or the cabinet, as appropriate, for payment out of funds appropriated to the Department of Juvenile Justice or the cabinet for this purpose. The child's presence shall be necessary at a postdispositional proceeding only as required by court order for good cause. Transportation shall be provided as in subsection (1) of this section and expenses for transportation of a child to a proceeding from a residential treatment facility or other facility operated by the Department of Juvenile Justice or the cabinet shall be paid out of the State Treasury.
- (3) No child shall be transported to any residential treatment facility or other facility, pursuant to order of any court ~~or direction of the cabinet~~, unless accompanied by an attendant of the same gender, *unless that child* ~~for~~, when authorized in writing by the court, the Department of Juvenile Justice, or the cabinet, *is transported* by a parent, grandparent, or adult brother or sister.
- (4) The agent of any residential treatment facility or other facility which receives a child transported to the facility shall report any violation of subsection ~~(3)~~ ~~(2)~~ of this section to the Commonwealth's attorney of the judicial circuit in which the facility is located.
- (5) The Department of Juvenile Justice or the cabinet may *transport or* pay the necessary traveling expenses of children committed to it for care and treatment from their homes to the residential treatment facility or other facility or home to which they are committed, and the traveling expenses of such children from the facility or home to their homes when discharged or placed on supervised placement.

Section 9. KRS 605.095 is amended to read as follows:

- (1) The Department of Juvenile Justice shall operate or contract for the operation of any postadjudication juvenile detention or treatment facility in which a juvenile is confined for a public offense or as a youthful offender.
- (2) Not less than one (1) facility specified in subsection (1) of this section shall be a secure facility with a security level comparable to a medium-security adult facility.
- (3) The Department of Juvenile Justice shall operate or contract for the operation of any postadjudication juvenile treatment, rehabilitation, probation, or parole programs, diversion or alternatives to *secure* detention programs, or other programs for juvenile offenders to which a juvenile *committed as a public offender or sentenced as a youthful offender* has been assigned.
- (4) A juvenile detained in a department-operated postadjudication detention or treatment facility may be transferred to a Department of Corrections facility at any time as provided by KRS 640.070 or other specific statute.

Section 10. KRS 605.110 is amended to read as follows:

- (1) Unless provided otherwise, when any child committed to *or in the custody of* the Department of Juvenile Justice or the cabinet requires medical or surgical care or treatment, the Department of Juvenile Justice or the cabinet may provide the same or arrange for the furnishing thereof by other public or private agencies, and may

give consent to the medical or surgical treatment. For this purpose, the services and facilities of local health officers and departments shall be made available, at a cost not to exceed the Medicaid reimbursement rate, to the Department of Juvenile Justice or the cabinet, and as far as practicable, any publicly-owned hospital shall provide hospitalization without charge for any such child who is a resident of the political subdivision by which the hospital is owned or operated. This section does not authorize nor shall permission be granted for abortion or sterilization.

- (2) Any child placed in a foster home by an agency duly authorized in KRS Chapter 620 to place a child in a foster home shall receive a complete medical, visual, and dental examination by a professional authorized by the Kentucky Revised Statutes to conduct such examinations. Arrangements for a child placed in a foster home to receive such examinations shall be made within two (2) weeks of his placement in a foster home and not less than every twelve (12) months thereafter.
- (3) Children maintained in any of the facilities and programs operated or contracted by the Department of Juvenile Justice or the cabinet shall, so far as possible, receive a common school education.
 - (a) The Kentucky Educational Collaborative for State Agency Children shall be established to serve children in facilities and programs operated or contracted by the Department of Juvenile Justice or the Cabinet for Families and Children, residential, day treatment, clinical, and group home programs. All policies and procedures necessary to educate state agency children shall be approved by the Kentucky Board of Education. All duties, responsibilities, rights, and privileges specifically imposed on or granted to the local education administration units shall be imposed on or granted to the Department of Juvenile Justice or the Cabinet for Families and Children and contracted agencies with regard to educating agency children. Classrooms for the Kentucky Educational Collaborative for State Agency Children shall be within or near the facilities and programs operated or contracted by the Department of Juvenile Justice or the cabinet. The Kentucky Department of Education, the Department of Juvenile Justice, and the Cabinet for Families and Children, Department for Community Based Services, shall develop a biennial plan regarding the educational needs and provisions of educational programs, with emphasis on the coordination of all treatment services and funds available to provide for the education of state agency children. The biennial plan shall include strategies to assure that teacher preparation programs include content related to working with state agency children and that adequate professional development opportunities for better meeting the needs of these students are available for teachers and schools.
 - (b) Teachers and other staff shall be hired on contract through a local school district or if a local school district is not willing to participate, teachers may be hired by the Kentucky Educational Collaborative for State Agency Children or a contract may be entered into with a private provider of educational services. All certified educational staff hired by the Kentucky Educational Collaborative for State Agency Children shall be members of the Kentucky Teachers' Retirement System.
 - (c) Beginning July 1, 1993, the Kentucky Education Collaborative for State Agency Children shall be financed through:
 1. The amount generated by state agency children under the Support Education Excellence in Kentucky program as provided in KRS 157.360 for the guaranteed base and adjustments for the number of at-risk students, exceptional students, and transportation costs;
 2. A per-pupil distribution of professional development funds with the collaborative serving as a consortium for state agency children;
 3. A per-pupil distribution of technology funds in accordance with the state education technology plan pursuant to KRS 156.670 and the formula for the distribution of funds to local school districts;
 4. A per-pupil distribution of textbook funds pursuant to KRS 157.100 and 157.190;
 5. The funding for school services for state agency children authorized by KRS 158.135; and
 6. Other grants and entitlements, including federal funds, identified in the implementation plan developed pursuant to paragraph (f) of this subsection for the education of Kentucky's children.
 - (d) The commissioner of Juvenile Justice and the secretary of the Cabinet for Families and Children shall promulgate administrative regulations, pursuant to KRS Chapter 13A, with the assistance of the

Kentucky Department of Education and upon recommendation of the Kentucky Board of Education regarding the governance, curriculum, and other topics necessary to educate state agency children. The regulations shall:

1. Provide for the development and implementation of interagency agreements that:
 - a. Define the financial responsibility of each state and local agency for providing services to state agency children;
 - b. Establish procedures for resolving interagency disputes among agencies that are parties to the agreements; and
 2. Provide procedures for the implementation of the Kentucky statutes regarding school-based decision making, student outcomes, accountability, assessment, rewards and sanctions, technology, staff development, salaries, and the development of coordinated individual treatment, education, and transition plans to ensure compliance with present education and treatment laws and regulations specific to the needs of children in the programs of the Cabinet for Families and Children.
- (e) When the placement of a state agency child is changed so that the state agency child must transfer from one school or educational facility to a different school or educational facility, the school or educational facility that the state agency child is leaving shall, within two (2) days of the state agency child leaving, prepare an educational passport for the child, which shall be delivered to the cabinet or the Department of Juvenile Justice. The cabinet or the Department of Juvenile Justice shall, within two (2) days of enrolling a state agency child in a new school or educational facility, present the educational passport to the receiving school or educational facility.
- (f) The commissioner of Juvenile Justice and the secretary of the Cabinet for Families and Children and the commissioner of the state Department of Education shall initiate development of a plan for implementation of the Kentucky Educational Collaborative for State Agency Children.

Section 11. KRS 605.130 is amended to read as follows:

In addition to the other duties, functions, and responsibilities imposed by law, the cabinet, through its authorized representatives, shall have general supervision and management of all matters contained in KRS ~~605.090,~~ 620.150 ~~and~~ and 620.170 and shall, wherever possible:

- (1) Locate and plan for all children who are dependent, neglected, or abused;
- (2) Cooperate with and assist the courts of the various counties;
- (3) Assist Circuit Courts through services to children whenever requested by the court. The cabinet may charge a reasonable fee for such services to be taxed as costs by the court; and
- (4) Perform such other services as may be deemed necessary for the protection of children.

Section 12. KRS 610.010 is amended to read as follows:

- (1) Unless otherwise exempted by KRS Chapters 600 to 645, the juvenile session of the District Court of each county shall have exclusive jurisdiction in proceedings concerning any child living or found within the county who has not reached his *or her* eighteenth birthday or of any person who at the time of committing a public offense was under the age of eighteen (18) years, who allegedly:
 - (a) Has committed a public offense prior to his *or her* eighteenth birthday, except a motor vehicle offense involving a child sixteen (16) years of age or older. A child sixteen (16) years of age or older taken into custody upon the allegation that *the child*~~he~~ has committed a motor vehicle offense shall be treated as an adult and shall have the same conditions of release applied to him *or her* as an adult. A child taken into custody upon the allegation that he *or she* has committed a motor vehicle offense who is not released under conditions of release applicable to adults shall be held, pending his *or her* appearance before the District Court, in a ~~secure juvenile detention facility or a juvenile holding~~ facility *as defined in Section 1 of this Act*~~or, if neither is available, in an intermittent holding facility~~. Children sixteen (16) years of age or older who are convicted of, or plead guilty to, a motor vehicle offense shall, if sentenced to a term of confinement, be placed in a ~~secure juvenile detention facility or a juvenile holding~~ facility *for that period of confinement preceding their eighteenth birthday and an adult detention facility for that period of confinement subsequent to their eighteenth birthday*. The term

"motor vehicle offense" shall not be deemed to include the offense of stealing or converting a motor vehicle nor operating the same without the owner's consent nor any offense which constitutes a felony;

- (b) Is beyond the control of the school or beyond the control of parents as defined in KRS 600.020;
 - (c) Is an habitual truant from school;
 - (d) Is an habitual runaway from his *or her* parent or other person exercising custodial control or supervision of the child;
 - (e) Is dependent, neglected, or abused; or
 - (f) Is mentally ill.
- (2) Actions brought under subsection (1)(a) of this section shall be considered to be public offense actions.
 - (3) Actions brought under subsection (1)(b), (c), and (d) of this section shall be considered to be status offense actions.
 - (4) Actions brought under subsection (1)(e) of this section shall be considered to be dependency actions.
 - (5) Actions brought under subsection (1)(f) of this section shall be considered to be mental health actions.
 - (6) Nothing in this chapter shall deprive other courts of the jurisdiction to determine the custody or guardianship of children upon writs of habeas corpus or to determine the custody or guardianship of children when such custody or guardianship is incidental to the determination of other causes pending in such other courts; nor shall anything in this chapter affect the jurisdiction of Circuit Courts over adoptions and proceedings for termination of parental rights.
 - (7) The court shall have no jurisdiction to make permanent awards of custody of a child except as provided by KRS 620.027.
 - (8) If the court finds an emergency to exist affecting the welfare of a child, or if the child is eligible for kinship care as established in KRS 605.120, it may make temporary orders for *the child's*~~his~~ custody; however, if the case involves allegations of dependency, neglect, or abuse, no emergency removal or temporary custody orders shall be effective unless the provisions of KRS Chapter 620 are followed. Such orders shall be entirely without prejudice to the proceedings for permanent custody of the child and shall remain in effect until modified or set aside by the court. Upon the entry of a temporary or final judgment in the Circuit Court awarding custody of such child, all prior orders of the juvenile session of the District Court in conflict therewith shall be deemed canceled. This section shall not work to deprive the Circuit Court of jurisdiction over cases filed in Circuit Court.
 - (9) The court of each county wherein a public offense, as defined in paragraph (a) of subsection (1) of this section, is committed by a child who is a resident of another county of this state shall have concurrent jurisdiction over such child with the court of the county wherein the child resides or the court of the county where the child is found. Whichever court first acquires jurisdiction of such child may proceed to final disposition of *the*~~his~~ case, or in its discretion may make an order transferring the case to the court of the county of *the child's*~~his~~ residence or the county wherein the offense was committed, as the case may be.
 - (10) Nothing in this chapter shall prevent the District Court from holding a child in contempt of court to enforce valid court orders previously issued by the court.
 - (11) Except as provided in KRS 635.060(3), nothing in this chapter shall confer upon the District Court jurisdiction over the actions of the Department of Juvenile Justice or the cabinet in the placement, care, or treatment of a child committed to the Department of Juvenile Justice or the cabinet; or to require the department or the cabinet to perform, or to refrain from performing, any specific act in the placement, care, or treatment of any child committed to the department or the cabinet.
 - (12) Unless precluded by KRS Chapter 635 or 640, in addition to informal adjustment, the court shall have the discretion to amend the petition to reflect jurisdiction pursuant to the proper chapter of the Kentucky Unified Juvenile Code.
 - (13) The court shall have continuing jurisdiction over a child pursuant to subsection (1) of this section, to review dispositional orders, and to conduct permanency hearings under 42 U.S.C. sec. 675(5)(c) until the child is

placed for adoption, returned home to his *or her* parents with all the court imposed conditions terminated, or reaches the age of eighteen (18) years.

Section 13. KRS 610.120 is amended to read as follows:

- (1) Except as otherwise provided by KRS Chapters 605 and 635, an order of commitment or an order of protective supervision or probation made by the court in the case of a child may be continued or terminated at any time prior to expiration on the court's own initiative or on motion by:
 - (a) A child who is affected by an order of juvenile session of District Court;
 - (b) The family, custodian, guardian, or legal representative of such a child;
 - (c) The Department of Juvenile Justice or the cabinet;
 - (d) The county attorney of the county in which the committing court presides; or
 - (e) Any other person having an interest in the welfare of the child.
- (2) Grounds for such action may include but are not limited to allegations that there has been a substantial change of material circumstances, there exists new evidence affecting the disposition of the child, the child is no longer in need of commitment, probation, or placement, the child has not responded to or benefited from treatment or the child has not received adequate and proper treatment, the original proceedings were not conducted in the manner required by law or the public interest requires termination of the order. Upon review of the child's case, the Department of Juvenile Justice, the cabinet, any agency, facility, or individual responsible for the supervision, care, or treatment of the child shall divulge and communicate such information regarding the child as the court may require.
- (3) Except as otherwise provided by KRS Chapter 640 relating to youthful offenders, and KRS 610.110, 620.140, 635.060, ~~635.090~~ **or 635.515** relating to extending commitment beyond the age of eighteen (18), an order of commitment, temporary custody, or an order of protective supervision or probation made by the court in the case of a child shall be terminated when the child attains the age of eighteen (18). At least fourteen (14) days prior to the committed child's eighteenth birthday, the Department of Juvenile Justice or the cabinet shall prepare a summary of the information concerning the child and submit it with written notification to the committing court that a child's commitment is due to expire.

Section 14. KRS 610.280 is amended to read as follows:

- (1) At the detention hearing held pursuant to KRS 610.265, the court shall make separate findings as follows:
 - (a) If there is probable cause to believe that an offense has been committed and that the accused child committed that offense. Probable cause may be established in the same manner as in a preliminary hearing in cases involving adults accused of felonies. The child shall be afforded the right to confront and cross-examine witnesses. The Commonwealth shall bear the burden of proof, and if it should fail to establish probable cause, the child shall be released and the complaint or petition dismissed unless the court determines further detention is necessary to assure the appearance of the child in court on another pending case;
 - (b) In determining whether a child should be further detained, the court shall consider the seriousness of the alleged offense, the possibility that the child would commit an offense dangerous to himself or the community pending disposition of the alleged offense, the child's prior record, if any, and whether there are other charges pending against the child.
- ~~(2)~~~~(3)~~ If, after completion of the detention hearing, the court is of the opinion that detention is necessary, the order shall state on the record the specific reasons for detention.

Section 15. KRS 635.020 is amended to read as follows:

- (1) If, prior to an adjudicatory hearing, there is a reasonable cause to believe that a child before the court has committed a felony other than those described in subsections (2) and (3) of this section, a misdemeanor, or a violation, the court shall initially proceed in accordance with the provisions of this chapter.
- (2) If a child charged with a capital offense, Class A felony, or Class B felony, had attained age fourteen (14) at the time of the alleged commission of the offense, the court shall, upon motion of the county attorney made prior to adjudication, and after the county attorney has consulted with the Commonwealth's attorney, that the child be proceeded against as a youthful offender, proceed in accordance with the provisions of KRS 640.010.

- (3) If a child charged with a Class C or Class D felony has on one (1) prior separate occasion been adjudicated a public offender for a felony offense and had attained the age of sixteen (16) at the time of the alleged commission of the offense, the court shall, upon motion of the county attorney made prior to adjudication, and after the county attorney has consulted with the Commonwealth's attorney, that the child be proceeded against as a youthful offender, proceed in accordance with the provisions of KRS 640.010.
- (4) Any other provision of KRS Chapters 610 to 645 to the contrary notwithstanding, if a child charged with a felony in which a firearm, whether functional or not, was used in the commission of the offense had attained the age of fourteen (14) years at the time of the commission of the alleged offense, he shall be transferred to the Circuit Court for trial as an adult if, following a preliminary hearing, the District Court finds probable cause to believe that the child committed a felony, that a firearm was used in the commission of that felony, and that the child was fourteen (14) years of age or older at the time of the commission of the alleged felony. If convicted in the Circuit Court, he shall be subject to the same penalties as an adult offender, except that until he reaches the age of eighteen (18) years, he shall be confined in a ~~secure detention~~ facility **or program** for juveniles or for youthful offenders, unless the provisions of KRS 635.025 apply or unless he is released pursuant to expiration of sentence or parole, and at age eighteen (18) he shall be **returned to the sentencing Circuit Court for proceedings consistent with KRS 640.030(2)**~~transferred to an adult facility operated by the Department of Corrections to serve any time remaining on his sentence~~.
- (5) If a child previously convicted as a youthful offender under the provisions of KRS Chapter 640 is charged with a felony allegedly committed prior to his eighteenth birthday, the court shall, upon motion of the county attorney made prior to adjudication, and after the county attorney has consulted with the Commonwealth's attorney, that the child be proceeded against as a youthful offender, proceed in accordance with the provisions of KRS 640.010.
- (6) A child who is charged as is provided in subsection (2) of this section and is also charged with a Class C or D felony, a misdemeanor, or a violation arising from the same course of conduct shall have all charges included in the same proceedings; and the court shall, upon motion of the county attorney made prior to adjudication, and after the county attorney has consulted with the Commonwealth's attorney, that the child be proceeded against as a youthful offender, proceed in accordance with the provisions of KRS 640.010.
- (7) If a person who is eighteen (18) or older and before the court is charged with a felony that occurred prior to his eighteenth birthday, the court shall, upon motion of the county attorney made prior to adjudication, and after the county attorney has consulted with the Commonwealth's attorney, that the child be proceeded against as a youthful offender, proceed in accordance with the provisions of KRS 640.010.
- (8) All offenses arising out of the same course of conduct shall be tried with the felony arising from that course of conduct, whether the charges are adjudicated under this chapter or under KRS Chapter 640 and transferred to Circuit Court.

Section 16. KRS 635.060 is amended to read as follows:

If in its decree the juvenile court finds that the child comes within the purview of this chapter, the court, at the dispositional hearing, may:

- (1) Order the child or his parents, guardian, or person exercising custodial control to make restitution or reparation to any injured person to the extent, in the sum and upon the conditions as the court determines. However, no parent, guardian, or person exercising custodial control shall be ordered to make restitution or reparation unless the court has provided notice of the hearing, provided opportunity to be heard, and made a finding that the person's failure to exercise reasonable control or supervision was a substantial factor in the child's delinquency; or
- (2) Place the child on probation, home incarceration, or under supervision in the child's own home or in a suitable home or boarding home, upon the conditions that the court shall determine. A child placed on probation, home incarceration, or supervision shall be subject to the visitation and supervision of a probation officer or an employee of the Department of Juvenile Justice **and, unless the court's order contains a specific sanction to be imposed in the event that a violation of probation occurs, a violation of probation may result in commitment.** Except as provided in KRS 635.083, a child placed on probation, home incarceration, or supervision shall remain subject to the jurisdiction of the court until the child becomes eighteen (18) years of age, unless the child is discharged prior thereto by the court, except that if a person is placed on probation,

home incarceration, or supervision after the person reaches the age of seventeen (17) years and six (6) months, the probation, home incarceration, or supervision shall be for a period not to exceed one (1) year; or

- (3) Commit or recommit the child to the custody or guardianship of the Department of Juvenile Justice, a child-caring facility, a child-placing agency authorized to care for the child, or place the child under the custody and supervision of a suitable person. If the child is detained in an approved secure juvenile detention facility ~~or~~ juvenile holding facility ~~or intermittent holding facility~~ in accordance with KRS 15A.200 to 15A.240 at the time the child is committed or recommitted to the custody of the Department of Juvenile Justice, the Department of Juvenile Justice shall accept physical custody of the child, remove the child from the approved secure juvenile detention facility or juvenile holding facility, and secure appropriate placement as soon as possible but not to exceed thirty-five (35) days of the time of commitment or recommitment. The Department of Juvenile Justice shall pay for the cost of detention from the date of commitment or recommitment, on the current charge, until the child is removed from the detention facility and placed. All orders of commitment may include advisory recommendations the court may deem proper in the best interests of the child and of the public. The commitment or placement shall be until the age of eighteen (18), subject to KRS 635.070 and to the power of the court to terminate the order and discharge the child prior thereto, except that if the commitment or placement is after a person has reached the age of seventeen (17) years and six (6) months, the commitment or placement shall be for an indeterminate period not to exceed one (1) year. The court, in its discretion, upon motion by the child and with the concurrence of the Department of Juvenile Justice, may authorize an extension of commitment up to age twenty-one (21) to permit the Department of Juvenile Justice to assist the child in establishing independent living arrangements; or
- (4) If the child is fourteen (14) years of age but less than sixteen (16) years of age, order that the child be confined in an approved secure juvenile detention facility, juvenile holding facility, or approved detention program as authorized by the Department of Juvenile Justice in accordance with KRS Chapter 15A for a period of time not to exceed forty-five (45) days; or
- (5) If the child is sixteen (16) years of age or older, order that the child be confined in an approved secure juvenile detention facility, juvenile holding facility, or approved detention program as authorized by the Department of Juvenile Justice in accordance with KRS Chapter 15A for a period of time not to exceed ninety (90) days; or
- (6) Any combination of the dispositions listed above.

The Department of Juvenile Justice shall pay for the confinement of children confined pursuant to subsections (4) or (5) of this section in accordance with the statewide detention plan and administrative regulations implementing the plan.

Section 17. KRS 635.085 is amended to read as follows:

- (1) In lieu of commitment to the Department of Juvenile Justice, if a child is adjudicated a public offender, the court may in its discretion impose a fine. The imposition of a fine for an offense committed by a child shall be based upon a determination that such disposition is in the best interest of the child and to aid in his rehabilitation. Any such order shall include a finding that the child is financially able to pay the fine. Fines shall be levied consistent with the schedule set forth below:
 - (a) For a felony, not to exceed five hundred dollars (\$500);
 - (b) For a misdemeanor, not to exceed two hundred fifty dollars (\$250); and
 - (c) For a violation, not to exceed one hundred dollars (\$100).
- (2) When a child is directed by the court to pay a fine, the court may provide for payment to be made within a specified period of time or in specified installments. If such provision is not made a part of the court's disposition, the fine shall be payable immediately. Nothing contained herein shall be construed as limiting the court's inherent contempt powers.
- (3) Any public offender detained for failure to comply with the court order shall not be scheduled for a time that would interfere with the educational, occupational, or religious obligations of the child, and shall be in a secure juvenile detention facility ~~for~~ juvenile holding facility, **or approved detention program authorized by the Department of Juvenile Justice in accordance with KRS Chapter 15A.** Any portion of a day a child is detained pursuant to the court's exercising its contempt powers shall be deemed as one (1) day for purposes of serving a detention term.

- (4) Fines imposed and collected pursuant to this section shall be paid by the circuit clerk to the fund specified in KRS 431.100.

SECTION 18. KRS 15A.314 IS REPEALED, AMENDED, AND REENACTED AS A NEW SECTION OF KRS CHAPTER 194A TO READ AS FOLLOWS:

The Cabinet for Health Services shall update its database within thirty (30) days of receipt of information. The update shall include information from the:

- (1) *Offender records;*
- (2) *Institutional records; and*
- (3) *Administrative records.*

Section 19. KRS 610.345 is amended to read as follows:

- (1) When a child is adjudicated guilty of an offense which classifies him as a youthful offender, the court in which the matter was tried shall notify the principal of any public or private elementary or secondary school which the child attends of the adjudication and the petition and disposition of the case. The name of the complainant shall be deleted. Upon written request of the authorized representative of the school, the court, if it deems it appropriate, may authorize the county attorney to give the school a statement of facts in the case.
- (2) When a child is adjudicated guilty of an offense which would classify him as a violent offender under KRS 439.3401, or be a felony under KRS Chapter 218A, 508, 510, or 527 if committed by an adult, but which would not classify him as a youthful offender, the court in which the matter was tried shall notify within five (5) days of the order the principal of any public or private elementary or secondary school which the child attends of the charge, the adjudication, and the disposition of the case. The name of the complainant shall be deleted. Upon written request of the authorized representative of the school, the court, if it deems it appropriate, may authorize the county attorney to give the school a statement of facts in the case.
- (3) When a petition is filed against a child, or a child is adjudicated guilty of an offense that would be a felony or misdemeanor if committed by an adult, and the misdemeanor involves a controlled substance or the possession, carrying, or use of a deadly weapon, or physical injury to another person, the court in which the matter is considered shall notify the principal of any public or private elementary or secondary school that the child attends of the charge, the adjudication, and the disposition of the case. The name of the complainant shall be deleted. Upon written request of the authorized representative of the school, the court, if it deems it appropriate, may authorize the county attorney to give the school a statement of the facts in the case, not to include the complainant's name.
- (4) Notice of adjudication to the school principal referenced in subsections (1) and (2) of this section shall be released by the principal to employees of the school having responsibility for classroom instruction of the child and may be released to other school personnel as described in subsection (5) of this section, but the information shall otherwise be confidential and shall not be shared by school personnel with any other person or agency except as may otherwise be required by law. The notification in writing of the nature of the offense committed by the child and any probation requirements shall not become a part of the child's student record.
- (5) Records or information disclosed pursuant to this section shall be limited to records of that student's criminal petition and the disposition thereof covered by this section, shall be subject to the provisions of KRS 610.320 and 610.340, and shall not be disclosed to any other person, including school personnel, except to public or private elementary and secondary school administrative, transportation, and counseling personnel, and to any teacher or school employee with whom the student may come in contact. This section shall not authorize the disclosure of any other juvenile record or information relating to the child.
- (6) *The Department of Juvenile Justice shall provide a child's offense history information pursuant to this section to the superintendent of the local school district in which the child, who is committed to the department, is placed.*
- (7) Records or information received by the school pursuant to this section shall be kept in a locked file, when not in use, to be opened only on permission of the administrator.

Section 20. KRS 600.010 is amended to read as follows:

- (1) KRS Chapters 600 to 645 shall be known as the Kentucky Unified Juvenile Code.

- (2) KRS Chapters 600 to 645 shall be interpreted to effectuate the following express legislative purposes:
- (a) The Commonwealth shall direct its efforts to promoting protection of children; to the strengthening and encouragement of family life for the protection and care of children; to strengthen and maintain the biological family unit; and to offer all available resources to any family in need of them;
 - (b) It also shall be declared to be the policy of this Commonwealth that all efforts shall be directed toward providing each child a safe and nurturing home;
 - (c) The court shall show that other less restrictive alternatives have been attempted or are not feasible in order to insure that children are not removed from families except when absolutely necessary;
 - (d) Any child brought before the court under KRS Chapters 600 to 645 shall have a right to treatment reasonably calculated to bring about an improvement of his *or her* condition ***and, to the extent possible, have that treatment administered in the county of residence of the custodial parent or parents or in the nearest available county;***
 - (e) KRS Chapter 635 shall be interpreted to promote the best interests of the child through providing treatment and sanctions to reduce recidivism and assist in making the child a productive citizen by advancing the principles of personal responsibility, accountability, and reformation, while maintaining public safety, and seeking restitution and reparation;
 - (f) KRS Chapter 640 shall be interpreted to promote public safety and the concept that every child be held accountable for his or her conduct through the use of restitution, reparation, and sanctions, in an effort to rehabilitate delinquent youth; and
 - (g) It shall further be the policy of this Commonwealth to provide judicial procedures in which rights and interests of all parties, including the parents and victims, are recognized and all parties are assured prompt and fair hearings. Unless otherwise provided, such protections belong to the child individually and may not be waived by any other party.

Section 21. The following KRS sections are repealed:

15A.245 Detention Facility Standards Committee -- Membership.

15A.250 Local alternatives to detention fund.

15A.260 Use of fund.

Approved April 8, 2002

CHAPTER 258

(SB 271)

AN ACT relating to retirement.

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

Section 1. KRS 21.580 is amended to read as follows:

- (1) As a pilot project to determine the effectiveness of using senior retired judges to combat backlog and delay in Kentucky courts, there is hereby created a "Senior Status Program for Special Judges." The program shall be implemented as follows:
 - (a) KRS 21.400(1) and any other provision in KRS Chapter 21 to the contrary notwithstanding, a member who retires at a time when combining his total years of judicial service credit and his age equals or exceeds the number seventy-five (75), may elect, within ninety (90) days following retirement, to participate in the "Senior Status Program for Special Judges," if he complies with the provisions of this subsection. In that event, the member shall be entitled to a service retirement allowance, commencing at the member's normal retirement age, payable monthly during his lifetime in an amount equal to five percent (5%) of his final compensation multiplied by the number of years of his judicial service, not to exceed twenty (20) years of judicial service at the five percent (5%) factor, not to exceed one hundred percent (100%) of final compensation. "Final compensation", ***notwithstanding any provision to the contrary, for all members retiring under any provision of KRS 21.345 to 21.570 or this section, or similar statutes governing the same positions,*** ~~as~~ as defined in KRS 21.400 ***shall be based on a period***

of thirty-six (36) months. Any nonjudicial time shall be counted as is otherwise provided in KRS Chapter 21, but in no event shall service retirement allowance exceed one hundred percent (100%) of final compensation.

1. In the event the retiring judge elects to retire as a "Senior Status Special Judge" under this subsection, he shall commit to serve, upon appointment by the Chief Justice of the Commonwealth, as special judge for one hundred twenty (120) work days per year for a term of five (5) years without compensation other than the retirement benefits under this subsection. The Senior Status Special Judge may agree to work more than one hundred twenty (120) days in any year within the five (5) years of service; however, the Senior Status Special Judge shall be compensated as otherwise provided by law, in addition to his retirement benefits, for any days served in excess of one hundred twenty (120) in that year. If the Senior Status Special Judge has not served a total of six hundred (600) days within the five (5) year period outlined in this subsection, the Chief Justice shall require the Senior Status Special Judge to serve at no additional compensation to the Senior Status Special Judge, until the six hundred (600) day period is served by the Senior Status Special Judge. The Senior Status Special Judge and the Chief Justice may agree in writing to serve less than the one hundred twenty (120) days in any one (1) or more of the five (5) years; however, any of the days not served in a given year shall be served at the end of the five (5) year period set forth in this subsection.
 2. Should any member electing to retire under the Senior Status Program for Special Judges fail, when ordered by the Chief Justice to serve the requisite number of days not to exceed one hundred twenty (120) days a year for the five (5) year period outlined in this subsection, unless otherwise agreed in writing, he shall no longer be eligible for benefits computed under this subsection and shall return to the benefits otherwise provided under this chapter.
 3. Subject to Section 110(5)(b) of the Kentucky Constitution, the Chief Justice shall give due regard, when practical, to the desirability of appointing Senior Status Special Judges to serve within their judicial region as defined by the regional administration charter.
- (b) The inviolable contract provisions of Kentucky law, KRS 21.480, shall apply during the period of time that KRS 21.580 is effective; however, no other provisions of 2000 Ky. Acts ch. 305 shall be considered subject to an inviolable contract of the Commonwealth.
- (c) Nothing contained in this section shall be construed to invalidate provisions in the current law which require a penalty for retiring before the normal retirement age.
- (2) The Senior Status Program for Special Judges created by this section shall be open to any member who is a judge in office on July 14, 2000, and who subsequently retires as a Senior Status Special Judge on or before **January 31, 2009**~~June 30, 2007~~.

Section 2. KRS 21.370 is amended to read as follows:

- (1) Except as provided in subsection (2) of KRS 21.410 and in subsection (2) of KRS 21.420, no benefits shall be payable under KRS 21.350 to 21.480 to any member or to his surviving spouse, unless he has completed at least eight (8) years of service, including service before becoming a member. No surviving spouse of a retired member shall be entitled to any benefits unless the person was the spouse of the member at the time he retired.
- (2) A member who has qualified for benefits under this section may transfer to the Judicial Retirement Plan up to ten (10) years of service credit which he has earned in a retirement system administered by Kentucky Retirement Systems, and he may transfer to the Judicial Retirement Plan up to ten (10) years of service credit which he has earned in the Kentucky Legislators' Retirement Plan. If the member elects to transfer his service credit, the system or plan from which the transfer is made shall transfer to the judicial retirement fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to the date of transfer at the actuarially assumed interest rate of the system or plan from which the transfer is made in effect at the time the contributions were made, compounded annually at that same interest rate. The member shall be entitled to the transferred service credit, at the rate at which he qualifies under KRS 21.400, when he pays the total difference between the amount of the funds transferred and the cost of the credit to the Judicial Retirement Plan, as determined by the actuary for the Judicial Retirement Plan. The member may pay by transfer, if authorized under subsection (5)(d) of this section, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made

under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

- (3) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for a maximum of four (4) years for his period of service as a city police judge for a city within the Commonwealth of Kentucky, if the service was performed prior to the first Monday in January, 1978, and if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records of the city for which the service was performed. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).
- (4)
 - (a)
 1. Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, or his beneficiary acting in his place if the member dies prior to retirement, shall receive service credit for a maximum of four (4) years for his period of service in the Armed Forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service by any other retirement system administered by the Commonwealth of Kentucky, by paying the retirement system thirty-five percent (35%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan.
 2. Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan may purchase and receive service credit for one (1) month of service for each six (6) months of service in the reserves or the National Guard by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question as provided in KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The service in the military reserves or the National Guard shall be treated as service earned prior to participation in the plan. The purchase can be made by the member in a transfer, if authorized under subsection (5)(d) of this section, or by a lump-sum payment or installment payments. The payment shall not be picked up by the employer as provided in KRS 21.360(6).
 - (b) The beneficiary may purchase military service credit only at one (1) time by lump-sum payment for the amount of service he wishes to purchase, and the payment shall be made within thirty (30) days of the death of the active member. The member may purchase all of his military service credit at one (1) time, or in increments of no less than one (1) year, unless there is a fraction remaining after all full years have been paid for. Payment of the total or the increment may be made by lump sum or by monthly installments through payroll deduction. If the member chooses to pay by installment, the cost of the service credit shall be computed in the same manner as for a lump-sum payment, which shall be the principal. Interest, at the annual actuarial rate in effect at the time each payment is made, shall be added to each monthly payment at the rate of one-twelfth (1/12) of the annual interest rate applied to the declining principal amount. Installment purchases shall be for no less than twelve (12) nor more than sixty (60) months. If the member leaves office before completing his installment payments, he may satisfy his contract by a lump-sum payment of the remaining principal amount, but no further installment payments shall be accepted thereafter. In this case, the member shall be credited with the military service credit for which he has paid, in years or months but no fraction less than a full month, and any payment remaining after credit for full months has been awarded shall be returned to the member.
 - (c) The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

- (d) No veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for a military pension in the future, unless the military pension is for service primarily on inactive duty in a reserve component of the Armed Forces, or is a disability pension which does not exceed five hundred dollars (\$500) monthly.
- (5) ~~[Any provision of law to the contrary notwithstanding, paragraphs (a), (b), (c), and (d) of this subsection shall apply only to applicable officials who are in office on June 21, 2001, and who are in active contributing status to the applicable retirement plan on June 21, 2001.]~~
- (a) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for a maximum of four (4) years each for his period of service as a Domestic Relations Commissioner, a Master Commissioner, or a District Court Trial Commissioner of the Commonwealth of Kentucky, or a combination thereof, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).
- (b) Any active member of the Judicial Retirement Plan who is vested in the Judicial Retirement Plan under subsection (1) of this section or KRS 21.375, shall receive service credit for his period of service to the United States Government, other than service in the Armed Forces, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).
- (c) Any member of the Judicial Retirement Plan, ***who is in office on June 21, 2001, and who is in active contributing status to the applicable retirement plan on June 21, 2001,*** and who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years retirement service credit that is not otherwise purchasable, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 21.400. Service credit awarded under this subsection shall be equivalent, for all purposes of the Judicial Retirement Plan, to other service credit earned in the plan. The member may pay by transfer as set forth in paragraph (d) of this subsection, or by lump sum or increments as set forth in subsection (4)(b) of this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).
- (d) A member of the Judicial Retirement Plan may purchase service credit under the provisions of this section by transferring funds under the rules in 26 U.S.C. sec. 401(a)(31) directly from a retirement plan or a deferred compensation arrangement maintained by his employer that is a qualified plan under 26 U.S.C. sec. 401(a). Service credit may also be purchased by a rollover of funds from a qualified retirement plan under the rules specified in 26 U.S.C. sec. 402(c). The Judicial Retirement Fund shall accept the transfer or rollover to the extent permitted under the rules specified in 26 U.S.C. secs. 402(c) and 401(a)(31). The amount shall be credited to the individual member's contribution account and shall

be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 21.360(6).

Section 3. KRS 6.515 is amended to read as follows:

- (1) Service credit in the Legislators' Retirement Plan shall be acquired only by service as a legislator after July 1, 1980, while a member of the plan, by transfer of credit as provided in KRS 6.505, or by purchase or transfer of credit as provided in this section.
- (2)
 - (a)
 1. Any active member of the Legislators' Retirement Plan who has at least five (5) years of service credit in the Legislators' Retirement Plan, or his beneficiary acting in his place if the member dies prior to retirement, shall receive service credit for a maximum of four (4) years for his period of service in the Armed Forces of the United States, if his discharge therefrom is honorable and he has not been credited with the service by any other retirement system administered by the Commonwealth of Kentucky, by paying the retirement system thirty-five percent (35%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate which applies to the legislator in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators' Retirement Plan, to other service credit earned in the plan.
 2. Any active member of the Legislators' Retirement Plan who has at least five (5) years of service credit in the Legislators' Retirement Plan may purchase and receive service credit for one (1) month of service for each six (6) months of service in the reserves or the National Guard by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on the assumptions used in the most recent biennial evaluation. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the legislator in question under KRS 6.520. Service credit awarded as provided in this subsection shall be equivalent, for all purposes of the Legislators' Retirement Plan, to other service credit earned in the plan. The service in the military reserves or the National Guard shall be treated as service earned prior to participation in the plan. The purchase can be made by the member by transfer, if authorized under subsection (7)(d) of this section, or in a lump-sum payment or by installment payments, as set forth in paragraph (b) of this subsection. The payment shall not be picked up by the employer as provided in KRS 6.505(2).
 - (b) The beneficiary may purchase military service credit only at one (1) time by lump-sum payment for the amount of service he wishes to purchase, and the payment shall be made within thirty (30) days of the death of the active member. The member may purchase all of his military service credit at one (1) time, or in increments of no less than one (1) year, unless there is a fraction remaining after all full years have been paid for. Payment of the total or the increment may be made by lump-sum or by monthly installments through payroll deduction. If the member chooses to pay by installment, the cost of the service credit shall be computed in the same manner as for a lump-sum payment, which shall be the principal. Interest, at the annual actuarial rate in effect at the time each payment is made, shall be added to each monthly payment at the rate of one-twelfth (1/12) of the annual interest rate applied to the declining principal amount. Installment purchases shall be for no less than twelve (12) nor more than sixty (60) months. If the member leaves office before completing his installment payments, he may satisfy his contract by a lump-sum payment of the remaining principal amount, but no further installment payments shall be accepted thereafter. In this case, the member shall be credited with the military service credit for which he has paid, in years or months but no fraction less than a full month, and any payment remaining after credit for full months has been awarded shall be returned to the member.
 - (c) The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
 - (d) No veteran shall be eligible to purchase military service credit under this section if he is receiving a military pension or is eligible for a military pension in the future, unless the military pension is for service primarily on inactive duty in a reserve component of the Armed Forces, or is a disability pension which does not exceed five hundred dollars (\$500) monthly.
- (3) If spouses both serve in the General Assembly, but not simultaneously, they may combine their service credit in the Legislators' Retirement Plan for all purposes of that plan into a single account, and may jointly designate to whom the service retirement allowance shall be paid. The designation shall not be changed once it is made.

Assuming equal service credit, the benefits paid, under this section, to a legislator and his or her spouse who also served as a legislator shall not exceed the benefits that the same legislator and his or her spouse would receive if the spouse had not served as a legislator.

- (4) In the event of divorce, rights to benefits shall be considered marital property subject to the provisions of KRS 403.190.
- (5) A former legislator whose spouse currently serves in the General Assembly and who received a refund of contributions under KRS 21.460 may repurchase service credit which he or she previously had by repaying the amount refunded with interest at six percent (6%) per annum, and the service credit shall become part of the single account authorized by subsection (3) of this section.
- (6) A member who has qualified for benefits under KRS 6.525(1) may transfer to the Legislators' Retirement Plan up to ten (10) years of service credit which he has earned in a retirement system administered by Kentucky Retirement Systems. If the member elects to transfer his service credit, the system from which the transfer is made shall transfer to the legislators' retirement fund an amount equal to the employee's and employer's contributions attributable to that credit, together with interest on the contributions from the date made to date of transfer at the actuarially assumed interest rate of the system from which the transfer is made in effect at the time the contributions were made, compounded annually at that same interest rate. The member shall be entitled to the transferred service credit, at the rate at which he qualifies under KRS 6.520, when he pays the total difference between the amount of the funds transferred and the cost of the credit to the Legislators' Retirement Plan, as determined by the actuary for the Legislators' Retirement Plan. The member may pay by transfer, if authorized under subsection (7)(d) of this section, by lump sum, or by increments, as provided for in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
- (7) ~~[Any provision of law to the contrary notwithstanding, paragraphs (a), (b), (c), and (d) of this subsection shall apply only to applicable officials who are in office on June 21, 2001, and who are in active contributing status to the applicable retirement plan on June 21, 2001.]~~
- (a) Any active member of the Legislators Retirement Plan who is vested in the Legislators Retirement Plan under KRS 6.525, shall receive service credit for a maximum of four (4) years each for his period of service as a Domestic Relations Commissioner, a Master Commissioner, or a District Court Trial Commissioner of the Commonwealth of Kentucky, or a combination thereof, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
- (b) Any active member of the Legislators Retirement Plan who is vested in the Legislators Retirement Plan under KRS 6.525, shall receive service credit for his period of service to the United States Government, other than service in the Armed Forces, if the service has not been credited to the member's account with any other public defined benefit plan, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The period of service to be purchased shall be certified to the board of trustees by the custodian of the records. The service credit shall be awarded and the cost shall be determined in conformity with the rate that applies to the member in question under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

- (c) Any member of the Legislators Retirement Plan, *who is in office on June 21, 2001, and who is in active contributing status to the applicable retirement plan on June 21, 2001, and* who has at least two hundred forty (240) months of service credit may purchase a combined maximum total of five (5) years of retirement service credit that is not otherwise purchasable, by paying the retirement system one hundred percent (100%) of the actuarial cost of the service as determined by the board of trustees, based on assumptions used in the most recent biennial evaluation. The member shall be entitled to the service credit at the rate at which he qualifies under KRS 6.520. Service credit awarded under this subsection shall be equivalent, for all purposes of the Legislators Retirement Plan, to other service credit earned in the plan. The member may pay by transfer, by lump sum, or by increments as set forth in this section. The payments made under this section shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).
- (d) A member of the Legislators Retirement Plan may purchase service credit under the provisions of this section by transferring funds under the rules in 26 U.S.C. sec. 401(a)(31) directly from a retirement plan or a deferred compensation arrangement maintained by his employer that is a qualified plan under 26 U.S.C. sec. 401(a). Service credit may also be purchased by a rollover of funds from a qualified retirement plan under the rules specified in 26 U.S.C. sec. 402(c). The Legislators Retirement Fund shall accept the transfer or rollover to the extent permitted under the rules specified in 26 U.S.C. secs. 402(c) and 401(a)(31). The amount shall be credited to the individual member's contribution account and shall be considered accumulated contributions of the member and shall not be picked up by the employer under KRS 6.505(2).

Approved April 9, 2002

CHAPTER 259

(SB 25)

AN ACT relating to trafficking in, possession of, or use of drugs or controlled substances used to facilitate or used in furtherance of the commission of sexual offenses.

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

Section 1. KRS 218A.1412 is amended to read as follows:

- (1) A person is guilty of trafficking in a controlled substance in the first degree when he knowingly and unlawfully traffics in: a controlled substance, that is classified in Schedules I or II which is a narcotic drug; a controlled substance analogue; lysergic acid diethylamide; phencyclidine;~~[-or-]~~ a controlled substance that contains any quantity of methamphetamine, including its salts, isomers, and salts of isomers; ***gamma hydroxybutyric acid (GHB), including its salts, isomers, salts of isomers and analogues; or flunitrazepam, including its salts, isomers, and salts of isomers.***
- (2) Any person who violates the provisions of subsection (1) of this section shall:
 - (a) For the first offense be guilty of a Class C felony.
 - (b) For a second or subsequent offense be guilty of a Class B felony.

Section 2. KRS 218A.1415 is amended to read as follows:

- (1) A person is guilty of possession of a controlled substance in the first degree when he knowingly and unlawfully possesses: a controlled substance that contains any quantity of methamphetamine, including its salts, isomers, and salts of isomers or, that is classified in Schedules I or II which is a narcotic drug; a controlled substance analogue; lysergic acid diethylamide;~~[-or-]~~ phencyclidine; ***gamma hydroxybutyric acid (GHB), including its salts, isomers, salts of isomers and analogues; or flunitrazepam, including its salts, isomers, and salts of isomers.***
- (2) Possession of a controlled substance in the first degree is:
 - (a) For a first offense a Class D felony.
 - (b) For a second or subsequent offense a Class C felony.

Section 3. KRS 510.050 is amended to read as follows:

- (1) A person is guilty of rape in the second degree when:~~{~~
 - (a) Being eighteen (18) years old or more, he engages in sexual intercourse with another person less than fourteen (14) years old; **or**
 - (b) ***He engages in sexual intercourse with another person who is mentally incapacitated.***

- (2) Rape in the second degree is a Class C felony.

Section 4. KRS 510.080 is amended to read as follows:

- (1) A person is guilty of sodomy in the second degree when:~~{~~
 - (a) Being eighteen (18) years old or more, he engages in deviate sexual intercourse with another person less than fourteen (14) years old; **or**
 - (b) ***He engages in deviate sexual intercourse with another person who is mentally incapacitated.***

- (2) Sodomy in the second degree is a Class C felony.

Section 5. KRS 510.110 is amended to read as follows:

- (1) A person is guilty of sexual abuse in the first degree when:
 - (a) He subjects another person to sexual contact by forcible compulsion; or
 - (b) He subjects another person to sexual contact who is incapable of consent because he:
 - 1. Is physically helpless;~~{or}~~
 - 2. Is less than twelve (12) years old; **or**
 - 3. ***Is mentally incapacitated.***

- (2) Sexual abuse in the first degree is a Class D felony.

Section 6. KRS 510.010 is amended to read as follows:

The following definitions apply in this chapter unless the context otherwise requires:

- (1) "Deviate sexual intercourse" means any act of sexual gratification involving the sex organs of one person and the mouth or anus of another; or penetration of the anus of one person by a foreign object manipulated by another person. "Deviate sexual intercourse" does not include penetration of the anus by a foreign object in the course of the performance of generally recognized health-care practices;
- (2) "Forcible compulsion" means physical force or threat of physical force, express or implied, which places a person in fear of immediate death, physical injury to self or another person, fear of the immediate kidnap of self or another person, or fear of any offense under this chapter. Physical resistance on the part of the victim shall not be necessary to meet this definition;
- (3) "Mental illness" means a diagnostic term that covers many clinical categories, typically including behavioral or psychological symptoms, or both, along with impairment of personal and social function, and specifically defined and clinically interpreted through reference to criteria contained in the Diagnostic and Statistical Manual of Mental Disorders (Third Edition) and any subsequent revision thereto, of the American Psychiatric Association;
- (4) "Mentally retarded person" means a person with significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior and manifested during the developmental period, as defined in KRS Chapter 202B;
- (5) "Mentally incapacitated" means that a person is rendered temporarily incapable of appraising or controlling his conduct as a result of the influence of ~~an~~~~a controlled or~~ intoxicating substance administered to him without his consent or as a result of any other act committed upon him without his consent;
- (6) "Physically helpless" means that a person is unconscious or for any other reason is physically unable to communicate unwillingness to an act. ***"Physically helpless" also includes a person who has been rendered unconscious or for any other reason is physically unable to communicate an unwillingness to an act as a result of the influence of a controlled substance or legend drug;***

- (7) "Sexual contact" means any touching of the sexual or other intimate parts of a person done for the purpose of gratifying the sexual desire of either party;
- (8) "Sexual intercourse" means sexual intercourse in its ordinary sense and includes penetration of the sex organs of one person by a foreign object manipulated by another person. Sexual intercourse occurs upon any penetration, however slight; emission is not required. "Sexual intercourse" does not include penetration of the sex organ by a foreign object in the course of the performance of generally recognized health-care practices; and
- (9) "Foreign object" means anything used in commission of a sexual act other than the person of the actor.

Section 7. KRS 510.060 is amended to read as follows:

- (1) A person is guilty of rape in the third degree when:
 - (a) He engages in sexual intercourse with another person who is incapable of consent because he is mentally retarded~~[-or mentally incapacitated]~~; or
 - (b) Being twenty-one (21) years old or more, he engages in sexual intercourse with another person less than sixteen (16) years old.
- (2) Rape in the third degree is a Class D felony.

Section 8. KRS 510.090 is amended to read as follows:

- (1) A person is guilty of sodomy in the third degree when:
 - (a) He engages in deviate sexual intercourse with another person who is incapable of consent because he is mentally retarded~~[-or mentally incapacitated]~~; or
 - (b) Being twenty-one (21) years old or more, he engages in deviate sexual intercourse with another person less than sixteen (16) years old.
- (2) Sodomy in the third degree is a Class D felony.

Section 9. KRS 510.120 is amended to read as follows:

- (1) A person is guilty of sexual abuse in the second degree when:
 - (a) He subjects another person to sexual contact who is incapable of consent because he is mentally retarded~~[-or mentally incapacitated]~~;
 - (b) He subjects another person who is less than fourteen (14) years old to sexual contact; or
 - (c) Being an employee, contractor, vendor, or volunteer of the Department of Corrections, or a detention facility as defined in KRS 520.010, or of an entity under contract with either the department or a detention facility for the custody, supervision, evaluation, or treatment of offenders, he subjects an offender who is incarcerated, supervised, evaluated, or treated by the Department of Corrections, the detention facility, or the contracting entity, to sexual contact. In any prosecution under this paragraph, the defendant may prove in exculpation that, at the time he engaged in the conduct constituting the offense, he and the offender were married to each other.
- (2) Sexual abuse in the second degree is a Class A misdemeanor.

Approved April 9, 2002

CHAPTER 260

(SB 11)

AN ACT relating to the licensing of dentists.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 313 IS CREATED TO READ AS FOLLOWS:

- (1) *The board may, by a majority vote, issue an emergency order for the immediate temporary suspension of a license against which disciplinary action or an investigation is pending if the order is necessary to protect the public.*

- (2) *The emergency order shall be made in accordance with KRS 13B.125 and shall be based upon a finding by the board that the emergency order is in the public interest and that there is substantial evidence of immediate danger to the health, welfare, and safety of his patients or the general public.*
- (3) *A licensee may appeal the emergency order by a written request to the board for an emergency hearing in accordance with KRS 13B.125 within thirty (30) days after receipt of the order.*
- (4) *The appeal of an emergency order shall address only the necessity for the action and shall not constitute an appeal of the merits of the underlying complaint or charge.*
- (5) *The emergency order shall remain in effect until modified or vacated by the board or hearing officer or superceded by final disciplinary action of the board or hearing officer on the underlying complaint or charge.*
- (6) *The board shall expedite disciplinary hearings in which a license has been suspended under subsection (1) of this section.*
- (7) *Any party aggrieved by a final order of the board may appeal to the Jefferson Circuit Court or the Franklin Circuit Court after a written decision is rendered.*

Approved April 9, 2002

CHAPTER 261

(HB 106)

AN ACT relating to transportation.

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

Section 1. KRS 186.412 is amended to read as follows:

- (1) A person under the age of twenty-one (21) at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least one hundred eighty (180) days. A person who is at least twenty-one (21) years of age at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least thirty (30) days. The person shall apply for an operator's license in the office of the circuit clerk of the county where he lives. The application form shall require the applicant's full legal name and signature, date of birth, Social Security number, sex, present resident address, other information necessary to permit the application to also serve as an application for voter registration, and brief physical description of the applicant. If the person is not a United States citizen, the application form shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services and, if applicable, a photographic copy of the person's international driving permit. All applications shall state:
 - (a) If the applicant has previously been licensed as an operator and by what nation or state; and
 - (b) Other information the cabinet may require by administrative regulation promulgated pursuant to KRS Chapter 13A.
- (2) The Transportation Cabinet shall issue a plastic laminated operator's license bearing a color photograph of the applicant. The photograph shall be taken by the circuit clerk so that one (1) exposure will photograph the applicant and the application simultaneously, using the process determined under provisions of KRS 186.413. When taking the photograph, the applicant shall be prohibited from wearing sunglasses or any other attire that obscures any features of the applicant's face as determined by the clerk. The clerk shall require an applicant to remove sunglasses or other obscuring attire before taking the photograph required by this subsection. Any person who refuses to remove sunglasses or other attire prohibited by this section as directed by the clerk shall be prohibited from receiving an operator's license. The plastic laminated operator's license issued by the cabinet shall not contain the applicant's Social Security number. The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A that develop a numbering system that uses an identification system other than Social Security numbers. The license shall also designate by color coding and use the phrase "under 21" if the licensee is under the age of twenty-one (21); "CDL" if the license is issued pursuant to KRS Chapter

281A; or "under 21 CDL" if the licensee holds a commercial driver's license issued pursuant to KRS Chapter 281A and is under the age of twenty-one (21).

- (3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.
- (4) The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. The temporary license shall be valid in lieu of the permanent license during the certification period and shall be destroyed upon receipt of the permanent operator's license.
- (5) The circuit clerk shall issue a color photo nondriver's identification card to any person who resides in the county who applies in person in the office of the circuit clerk. A nondriver's identification card shall be subject to the provisions of this section. An application for a nondriver's identification card shall be accompanied by a signed Social Security card and a birth certificate, or other proof of the applicant's date of birth provided under subsection (1) of this section. If the person is not a United States citizen, an application for a nondriver's identification card shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services. The application shall require the applicant to provide his or her full legal name and most current resident address that may include, but is not limited to, a mailing address, post office box, or an address provided on a voter registration card. If an applicant for a nondriver's identification card is under the age of twenty-one (21), the applicant's most current resident address shall be required unless a current resident address is not available, in which case a mailing address, post office box, or an address provided on a voter registration card may be used. Every applicant for a nondriver's identification card shall make an oath to the circuit clerk as to the truthfulness of the statements contained on the application form. If the applicant is not the legal possessor of the address provided on the application form, the applicant shall swear that he has permission from the legal possessor to use the address for purposes of obtaining the nondriver's identification card. The nondriver's identification card shall designate by color coding and by use of the phrase "under 21" if the applicant is under the age of twenty-one (21).
- (6) *The Transportation Cabinet shall implement a voluntary statewide child identification program. The program shall issue a color photo nondriver's identification card to a child two (2) to fifteen (15) years of age. Application for a child identification card shall be accompanied by a Social Security card and a birth certificate for the child, or other proof of the child's date of birth as provided under subsection (1) of this section. The card shall contain the child's name and the toll-free number of the Kentucky Missing Person Clearinghouse, Kentucky State Police. The card shall not contain the child's Social Security number. The cabinet shall set a four dollar (\$4) fee for the child identification card. Two dollars (\$2) of the fee shall be used to cover the cabinet's cost for equipment and supplies. Two dollars (\$2) of the fee shall be an administrative fee of the circuit clerk for issuing the card which shall be deposited by the Administrative Office of the Courts into a trust and agency account for the circuit clerks and used for the purposes of hiring additional deputy clerks and providing salary adjustments to deputy clerks. The card shall expire every four (4) years on the child's birthday. Within the time period that the child identification card is valid, the card may be updated with a new photograph and information. The fee for an updated card shall be four dollars (\$4), with two dollars (\$2) of the fee going to the cabinet and two dollars (\$2) going to the Administrative Office of the Courts in the same manner as the fee for an initial card as described in this subsection. The descriptive data and a photo image of the child shall be stored in the Kentucky Driver's License Information System and may be retrieved and used by public agencies subject to the provisions of the Driver Privacy Protection Act, 18 U.S.C. sec. 2721, and may also be used by the Kentucky Missing Persons Clearinghouse.*
- (7) Licensed drivers temporarily out-of-county may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature."
- (8)~~(7)~~ If a citizen of the Commonwealth currently serving in the United States military is stationed or assigned to a base or other location outside the boundaries of the Commonwealth, the citizen may renew a Class D operator's license issued under this section by mail. If the citizen was issued an "under 21" operator's license, upon the date of his or her twenty-first birthday, the "under 21" operator's license may be renewed for an operator's license that no longer contains the outdated reference to being "under 21".
- (9)~~(8)~~ A citizen of the Commonwealth renewing an operator's license by mail under subsection (8)~~(7)~~ of this section may have a personal designee apply to the circuit clerk on behalf of the citizen to renew the citizen's

operator's license. An operator's license being renewed by mail under subsection ~~(8)(7)~~ of this section shall be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature".

- ~~(10)(9)~~ If a citizen of the Commonwealth has been serving in the United States military and has allowed his operator's license to expire, he shall, within ninety (90) days of returning to the Commonwealth, be permitted to renew his license without having to take a written test or road test. A citizen who does not renew his license within ninety (90) days of returning to the Commonwealth shall be required to comply with the provisions of this chapter governing renewal of a license that has expired. If a citizen of the Commonwealth has been issued an "under 21" or "under 21 CDL" operator's license and the person is unable to renew the license on the date of his twenty-first birthday, the "under 21" or "under 21 CDL" operator's license shall be valid for ninety (90) days beyond the date of the person's twenty-first birthday.
- ~~(11)(10)~~ The cabinet shall provide on each license to operate motor vehicles, motorcycles, and mopeds a space for the licensed driver's:
- (a) Blood type;
 - (b) Medical insignia if the person provides evidence that a medical identification bracelet noting specific physical ailments or a drug allergy is being worn or other proof as may be required by the cabinet; and
 - (c) A statement whereby the owner of the license may certify in the presence of two (2) witnesses his willingness to make an anatomical gift under KRS 311.195.
- ~~(12)(11)~~ If the motor vehicle operator denotes a physical ailment or drug allergy on the operator's license, he may apply for and shall receive, for a fee of one dollar (\$1) paid to the circuit clerk, a medical insignia decal that may be affixed to the lower left side of the front windshield of a motor vehicle.
- ~~(13)(12)~~ An operator's license pursuant to this section shall be designated a Class D license.
- ~~(14)(13)~~ A person shall not have more than one (1) license.
- ~~(15)(14)~~ Upon marriage, a woman applying for an operator's license or a color photo nondriver's identification card shall provide the circuit clerk with her marriage license and complete an affidavit form provided by the circuit court clerk. She shall have the following choices in regard to her full legal name as required in subsections (1) and (5) of this section:
- (a) Use her husband's last name;
 - (b) Retain her maiden name;
 - (c) Use her maiden name hyphenated with her husband's last name;
 - (d) Use her maiden name as a middle name and her husband's last name as her last name; or
 - (e) In the case of a previous marriage, retain that husband's last name.

Section 2. The Transportation Cabinet shall, within ten (10) calendar days of the effective date of this section, request a waiver from the Federal Highway Administration to establish a demonstration project that uses pigmented binder materials in the construction of school crosswalks. The Transportation Cabinet shall notify the Senate Veterans, Military Affairs, and Public Protection Committee as soon as a waiver has been granted by the Federal Highway Administration, and upon notification, the Senate Veterans, Military Affairs, and Public Protection Committee shall direct the cabinet where to conduct the demonstration project.

Section 3. Section 1 of this Act takes effect January 1, 2003.

Approved April 9, 2002

CHAPTER 262

(HB 31)

AN ACT relating to elections.

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

Section 1. KRS 118.025 is amended to read as follows:

- (1) Except as otherwise provided by law, voting in all elections shall be by secret ballot on voting machines.
- (2) The general laws applying to regular, special, primary, and runoff primary elections shall apply to elections conducted with the use of voting machines, and all provisions of the general laws applying to the custody of ballot boxes shall apply, as far as applicable, to the custody of the voting machine.
- (3) Primary elections for the nomination of candidates or slates of candidates to be voted for at the next regular election shall be held on the first Tuesday after the ~~third~~^{fourth} Monday in May of each year.
- (4) A runoff primary shall be held thirty-five (35) days after the date of the May primary, if it shall be necessary, pursuant to KRS 118.245, unless that date falls on a holiday; in that case, a runoff primary shall be held on the succeeding Tuesday. However, if either a primary election is contested or a recount of the votes cast in a primary is requested, a runoff primary shall be held on the first Tuesday following the thirty-fifth day following the conclusion of any contest proceeding or recount, if it shall be necessary, unless that date falls on a holiday; in that case, a runoff primary shall be held on the succeeding Tuesday. The election of all officers of all governmental units shall be held on the first Tuesday after the first Monday in November.
- (5) If the law authorizes the calling of a special election on a day other than the day of the regular election in November, the election shall be held on a Tuesday.
- (6) If the law requires that a special election be held within a period of time during which the voting machines must be locked as required by KRS 117.295, the special election shall be held on the fourth Tuesday following the expiration of the period during which the voting machines are locked.

Section 2. KRS 118.561 is amended to read as follows:

- (1) Subject to KRS 118.555, on the first Tuesday after the ~~third~~^{fourth} Monday in May, in each presidential election year, the Commonwealth of Kentucky shall conduct presidential preference primary elections within each political party.
- (2) Hours of voting shall be in accordance with KRS 118.035.
- (3) The cost of election, officials, and the entire method of conducting the presidential preference primary shall be in accordance with Kentucky statutory provisions on primary elections.

Approved April 9, 2002

CHAPTER 263

(HB 144)

AN ACT relating to juvenile justice.

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

Section 1. KRS 15A.065 is amended to read as follows:

- (1) The Department of Juvenile Justice shall be headed by a commissioner and shall develop and administer programs for:
 - (a) Prevention of juvenile crime;
 - (b) Identification of juveniles at risk of becoming status or public offenders and **development of** early intervention strategies for these children, and, except for adjudicated youth, participation in prevention programs shall be voluntary;
 - (c) Providing **educational information**~~[informational services]~~ to law enforcement, prosecution, victims, defense attorneys, **the courts, the educational community**, and the public **concerning**~~[relating to]~~ juvenile crime, its prevention, detection, trial, punishment, and rehabilitation~~], and services for youth adjudicated delinquent or found guilty of public offenses or as youthful offenders;~~
 - (d) The operation of or contracting for the operation of postadjudication treatment facilities **and services** for children adjudicated delinquent or found guilty of public offenses or as youthful offenders;

- (e) The operation or contracting for the operation ~~of by the department~~, and the encouragement of operation by others, including local governments, volunteer organizations, and the private sector, of programs to serve predelinquent and delinquent youth;
 - (f) Utilizing outcome-based planning and evaluation of programs to ascertain which programs are most appropriate and effective in promoting the goals of this section;
 - (g) Conducting research and comparative experiments to find the most effective means of:
 - 1. Preventing delinquent behavior;
 - 2. Identifying predelinquent youth;
 - 3. Preventing predelinquent youth from becoming delinquent;
 - 4. Assessing the needs of predelinquent and delinquent youth;
 - 5. Providing an effective and efficient program designed to treat and correct the behavior of delinquent youth and youthful offenders;
 - 6. Assessing the success of all programs of the department and those operated on behalf of the department and making recommendations for new programs, improvements in existing programs, or the modification, combination, or elimination of programs as indicated by the assessment and the research; and
 - ~~7. Keeping the department, the educational community, police, prosecutors, the courts, and the public abreast of the latest programs, technology, counseling tools, and other aspects of juvenile counseling, correction, and treatment; and~~
 - (h) Seeking funding from public and private sources for demonstration projects, normal operation of programs, and alterations of programs.
- (2) The Department of Juvenile Justice may contract, with or without reimbursement, with a city, county, or urban-county government, for the provision of probation, diversion, and related services by employees of the contracting local government.
- (3) The Department of Juvenile Justice may contract ~~with other agencies~~ for the provision of services, treatment, or facilities which the department finds in the best interest of any child, or for which a similar service, treatment, or facility is either not provided by the department or not available because the service or facilities of the department are at their operating capacity and unable to accept new commitments. ***The department shall, after consultation with the Finance and Administration Cabinet, promulgate administrative regulations to govern at least the following aspects of this subsection:***
- (a) ***Bidding process; and***
 - (b) ***Emergency acquisition process.***
- (4) ***The Department of Juvenile Justice shall develop programs to:***
- (a) ***Ensure that youth in state-operated or contracted residential treatment programs have access to an ombudsman to whom they may report program problems or concerns;***
 - (b) ***Review all treatment programs, state-operated or contracted, for their quality and effectiveness; and***
 - (c) ***Provide mental health services to committed youth according to their needs.***
- (5) (a) The Department of Juvenile Justice shall have an advisory board appointed by the Governor, which ***shall serve as the advisory group under the Juvenile Justice and Delinquency Prevention Act of 1974, Pub.L. 93-415, as amended, and which*** shall provide a formulation of and recommendations for meeting the requirements of this section not less than annually to the Governor, the Justice Cabinet, the Department of Juvenile Justice, the Cabinet for Families and Children, the Interim Joint Committees on Judiciary and on Appropriations and Revenue of the Legislative Research Commission when the General Assembly is not in session, and the Judiciary and the Appropriations and Revenue Committees of the House of Representatives and the Senate when the General Assembly is in session. The advisory board shall develop program criteria for early juvenile intervention, diversion, and prevention projects, develop statewide priorities for funding, and make recommendations for allocation of funds to the

Commissioner of the Department of Juvenile Justice. The advisory board shall review grant applications from local juvenile delinquency prevention councils and include in its annual report the activities of the councils. The advisory board shall meet not less than quarterly.

- (b) The advisory board shall be chaired by a private citizen member appointed by the Governor *and shall serve a term of two (2) years and thereafter be elected by the board*. The *members of the board shall be appointed to staggered terms and thereafter to four (4) year terms. The membership of the advisory board shall consist of no fewer than fifteen (15) persons and no more than thirty-three (33) persons who have training, experience, or special knowledge concerning the prevention and treatment of juvenile delinquency or the administration of juvenile justice. A majority of the members shall not be full-time employees of any federal, state, or local government, and at least one-fifth (1/5) of the members shall be under the age of twenty-four (24) years at the time of appointment. On July 15, 2002, any pre-existing appointment of a member to the Juvenile Justice Advisory Board and the Juvenile Justice Advisory Committee shall be terminated unless that member has been re-appointed subsequent to January 1, 2002, in which case that member's appointment shall continue without interruption. The membership of the board shall include*~~one (1) member of each of~~ the following:

- 1.~~{(a)}~~ *Three (3) current or former participants in the juvenile justice system*~~{Justice Cabinet};~~
- 2.~~{(b)}~~ *An employee of the* Department of Juvenile Justice;
- 3.~~{(c)}~~ *An employee of the* Cabinet for Families and Children;
- 4.~~{(d)}~~ *A person operating alternative detention programs*~~{Department for Medicaid Services};~~
- 5.~~{(e)}~~ *An employee of the* Department of Education;
- 6.~~{(f)}~~ *An employee of the* Department of Public Advocacy;
- 7.~~{(g)}~~ *An employee of the* Administrative Office of the Courts;
- ~~{(h)}~~ ~~Cabinet for Workforce Development;~~
- 8.~~{(i)}~~ *A representative from a private nonprofit organization with an interest in youth services*~~{Attorney General};~~
- 9.~~{(j)}~~ *A representative from a local juvenile delinquency prevention council*~~{Kentucky Developmental Disabilities Council};~~
- 10.~~{(k)}~~ *A member of the* Circuit Judges Association;
- 11.~~{(l)}~~ *A member of the* District Judges Association;
- ~~{(m)}~~ ~~Commonwealth's Attorneys Association;~~
- 12.~~{(n)}~~ *A member of the* County Attorneys Association;
- 13.~~{(o)}~~ *A member of the* County Judge/Executives Association;
- ~~{(p)}~~ ~~A person eighteen (18) to twenty-five (25) years of age not associated with any other group listed in this paragraph;~~
- 14.~~{(q)}~~ *A person from the business community not associated with any other group listed in this paragraph;*
- 15.~~{(r)}~~ *A parent not associated with any other group listed in this paragraph;*
- 16.~~{(s)}~~ *A youth advocate not associated with any other group listed in this paragraph;*
- 17.~~{(t)}~~ *A victim of a crime committed by a person under the age of eighteen (18) not associated with any other group listed in this paragraph;*
- 18.~~{(u)}~~ *A local school district special education administrator not associated with any other group listed in this paragraph;*
- 19.~~{(v)}~~ *A peace officer not associated with any other group listed in this paragraph; and*

20.{{(w)}} A college or university professor specializing in law, criminology, corrections, *psychology*, or similar discipline with an interest in juvenile corrections programs.

- (c) *Failure of any member to attend three (3) meetings within a calendar year shall be deemed a resignation from the board. The board chair shall notify the Governor of any vacancy and submit recommendations for appointment.*
- (6) *The Department of Juvenile Justice shall, in cooperation with the Department of Public Advocacy, develop a program of legal services for juveniles committed to the department who are placed in state-operated residential treatment facilities and juveniles in the physical custody of the department who are detained in a state-operated detention facility, who have legal claims related to the conditions of their confinement involving violations of federal or state statutory or constitutional rights. This system may utilize technology to supplement personal contact. The Department of Juvenile Justice shall promulgate an administrative regulation to govern at least the following aspects of this subsection:*
 - (a) *Facility access;*
 - (b) *Scheduling; and*
 - (c) *Access to residents' records.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 15A IS CREATED TO READ AS FOLLOWS:

No employee of the Department of Juvenile Justice shall be required to give personal attendance as a witness in any civil suit arising out of or related to his or her employment, out of the county of that employee's assigned work station, but his or her deposition shall be taken in lieu thereof; however, if the court in which the civil action is pending finds that the witness is a necessary witness for trial, that court may order the personal attendance of the witness at trial.

Section 3. KRS 605.090 is amended to read as follows:

- (1) Unless precluded by law, any child committed to the Department of Juvenile Justice or the cabinet may by the decision of the Department of Juvenile Justice or the cabinet or its designee, at any time during the period of his commitment, be:
 - (a) Upon fourteen (14) days' prior written notice to the court, discharged from commitment. Written notice of discharge shall be given to the committing court and to any other parties as may be required by law;
 - (b) Placed in the home of the child's parents, in the home of a relative, a suitable foster home, or boarding home, upon such conditions as the Department of Juvenile Justice or the cabinet may prescribe and subject to visitation and supervision by a social service worker or juvenile probation and parole officer. At the time a committed child is placed in the home of his parents by the Department of Juvenile Justice or the cabinet, the parents shall be informed in writing of the conditions of the placement and the criteria that will be used to determine whether removal is necessary;
 - (c) Placed in one (1) of the facilities or programs operated by the Department of Juvenile Justice or the cabinet, except that no child committed under the provisions of KRS 610.010(1)(b), (c), or (d) shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as a public offender unless the cabinet and the department agree, and the court consents, that the placement is in the best interest of the child and that the placement does not exceed a group home level;
 - (d) Placed in a child-caring facility operated by a local governmental unit or by a private organization willing to receive the child, upon such conditions as the cabinet may prescribe;
 - (e) Treated as provided in KRS Chapter 645;
 - (f) Following the transfer or placement of a child pursuant to paragraphs (b), (c), (d), or (e) of this subsection, the Department of Juvenile Justice or the cabinet shall, within fourteen (14) days, excluding weekends and holidays, give written notice to the court of the transfer, the placement, and the reasons therefor.
- (2) No child ten (10) years of age or under shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as public offenders, *except that a child charged with the commission of a capital offense or with an offense designated as a Class A or Class B felony may be detained in a state-operated detention facility when there is no available less restrictive alternative;*

- (3) If a child committed to the cabinet as dependent, neglected, or abused is placed in the home of the child's parents, the child shall not be removed except in accordance with the following standards and procedures:
- (a) If the social service worker believes that the committed child continues to be dependent, neglected, or abused, but immediate removal is unnecessary to protect the child from imminent death or serious physical injury, the casework situation and evidence shall be reviewed with his supervisor to determine whether to continue work with the family intact or to remove the child. There shall be documentation that the social service worker, prior to the court hearing, made an effort to contact the parents to inform them of the specific problems that could lead to removal so they have an opportunity to take corrective action. If the parents are unavailable or do not respond to attempts to communicate, the specific circumstances shall be documented;
 - (b) If it appears that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm and there is not reasonably available an alternative less drastic than removal of the child from the home, the cabinet shall petition the District Court to review the commitment pursuant to KRS 610.120 in relation to the cabinet's intention to remove the child from the parent's home. The petition shall set forth the facts which constitute the need for removal of the child. The court shall serve notice of the petition and the time and place of the hearing on the parents; however, the social service worker shall also contact the parents to ensure that they received the notice and are aware of the right to be represented by counsel. If the parents' whereabouts are unknown, notice may be mailed to the last known address of an adult who is a near relative. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall not be removed from the parents' home;
 - (c) If a social service worker finds a committed, unattended child who is too young to take care of himself, the social service worker shall make reasonable efforts to arrange for an emergency caretaker in the child's home until the parents return or fail to return within a reasonable time. If no in-home caretaker is available for the child, the social service worker shall request any appropriate law enforcement officer to take the child into protective custody. If, after a reasonable time, it appears the child has been abandoned, the cabinet shall petition the District Court to review the case; or
 - (d) If there exist reasonable grounds to believe that the child is in danger of imminent death or serious physical injury or is being sexually abused and that the parents are unable or unwilling to protect the child, the social service worker shall, with the assistance of a law enforcement officer, immediately remove the child prior to filing a petition for review. Within seventy-two (72) hours after the removal, the cabinet shall file a petition for review in District Court pursuant to KRS 610.120 with a request for an expeditious hearing. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall be returned to the parents' home.
- (4) The cabinet or the Department of Juvenile Justice, as appropriate, shall notify the juvenile court of the county of placement with the conditions of supervised placement of each child placed in that county from one (1) of the residential treatment facilities operated by the Department of Juvenile Justice or the cabinet. Notice of the conditions of such placement may be made available by the court to any law enforcement agency.
- (5) The person in charge of any home to which a child is probated, and the governing authority of any private facility or agency to which a child is committed, shall make such reports to the court as the court may require, and such reports as the Department of Juvenile Justice or the cabinet may require in the performance of its functions under the law. The Department of Juvenile Justice or the cabinet shall have the power to make such visitations and inspections of the homes, facilities, and agencies in which children who have committed public offenses have been placed as it deems necessary to carry out its functions under the law.
- (6) The Department of Juvenile Justice or the cabinet shall provide a written transfer summary to the person in charge of any foster home or any governing authority of any private facility or agency in which the Department of Juvenile Justice or the cabinet has placed a child. The written summary shall include, at a minimum, demographic information about the child, a narrative statement detailing the child's prior placements, the length of time the child has been committed, a description of the services and assistance provided to the child or the child's family since the most current case plan, a copy of the current case plan for the child and the child's family, and a copy of the child's medical and educational passport, if available, provided that no information shall be provided that violates any statutory confidentiality requirements. The transfer summary shall be

provided by the Department of Juvenile Justice if it is responsible for the child, or the cabinet if it is responsible for the child, within seven (7) days of the placement of the child with the person, agency, or facility providing care to the child.

- (7) The Department of Juvenile Justice may assist the courts in placing children who have committed public offenses in boarding homes, and, under agreements with the individual courts, may assume responsibility for making such placements. Counties may pay or contribute towards the expenses of maintaining such children and, to the extent authorized by the fiscal court, the Department of Juvenile Justice may incur obligations chargeable to the county for such expenses.

Section 4. KRS 610.200 is amended to read as follows:

- (1) When a peace officer has taken or received a child into custody on a charge of committing an offense, the officer shall immediately inform the child of his constitutional rights and afford him the protections required thereunder, notify the parent, or if the child is committed, the Department of Juvenile Justice or the cabinet, as appropriate, and if the parent is not available, then a relative, guardian, person exercising custodial control or supervision of the child, that the child has been taken into custody, give an account of specific charges against the child, including the specific statute alleged to have been violated, and the reasons for taking the child into custody.
- (2) Unless the child is subject to trial as an adult or unless the nature of the offense or other circumstances are such as to indicate the necessity of retaining the child in custody, the officer shall release the child to the custody of his parent or if the child is committed, the Department of Juvenile Justice or the cabinet, as appropriate; or if the parent is not available, then a relative, guardian, person exercising custodial control or supervision or other responsible person or agency approved by the court upon the written promise, signed by such person or agency, to bring the child to the court at a stated time or at such time as the court may order. The written promise, accompanied by a written report by the officer, shall be submitted forthwith to the court or court-designated worker and shall detail the reasons for having taken custody of the child, the release of the child, the person to whom the child was released, and the reasons for the release.
- (3) If the person fails to produce the child as agreed or upon notice from the court, a summons, warrant, or custody order may be issued for the apprehension of the person or of the child, or both.
- (4) The release of a child pursuant to this section shall not preclude a peace officer from proceeding with a complaint against a child or any other person.
- (5) Unless the child is subject to trial as an adult, if the child is not released, the peace officer shall contact the court-designated worker who may:
 - (a) Release the child to his parents;
 - (b) Release the child to such other persons or organizations as are authorized by law;
 - (c) Release the child to either of the above subject to stated conditions; or
 - (d) ***Except as provided in subsection (6) of this section,*** authorize the peace officer to retain custody of the child for an additional period not to exceed twelve (12) hours during which the peace officer may transport the child to a secure juvenile detention facility, ~~a~~~~or~~ juvenile holding facility, ***or a nonsecure facility.*** If the child is retained in custody, the court-designated worker shall give notice to the child's parents or person exercising custodial control or supervision of the fact that the child is being retained in custody.
- (6)
 - (a) ***Except as provided in paragraph (b) of this subsection, no child ten (10) years of age or under shall be taken to or placed in a juvenile detention facility.***
 - (b) ***Any child ten (10) years of age or under who has been charged with the commission of a capital offense or with an offense designated as a Class A or Class B felony may be taken to or placed in a secure juvenile detention facility or youth alternative center when there is no available less restrictive alternative.***

SECTION 5. A NEW SECTION OF KRS CHAPTER 610 IS CREATED TO READ AS FOLLOWS:

- (1) ***Any statute to the contrary notwithstanding, detention costs shall not be assessed by a court against a parent unless the court has conducted a hearing and has determined:***

- (a) *That the child has previously been adjudicated as a habitual truant under KRS Chapter 630, a public offender under KRS Chapter 635, or a youthful offender under KRS Chapter 640, and now stands adjudicated guilty of a subsequent habitual truancy or public offense, or is now being considered for transfer to the Circuit Court for trial as a youthful offender; and*
- (b) *That the failure or neglect of the parent to properly supervise or control the child is a substantial contributing factor of the act or acts of the child upon which the proceeding is based; and*
- (c) *That the parent has the financial ability to pay any fees ordered.*
- (2) *Any orders for payment shall direct that payments be made to the fiscal court or legislative body of a consolidated local government, urban-county government, or charter government if detention is based upon adjudication related to a status offense and to the Department of Juvenile Justice if the adjudication is based upon a public offense or transfer as a youthful offender.*
- (3) *The fiscal court or legislative body of a consolidated local government, urban-county government, or charter government or the Department of Juvenile Justice, as appropriate, shall establish a payment schedule for parents against whom detention costs have been assessed, and may discharge any remaining portion of the debt upon proof of substantial change in circumstances of the parent.*
- (4) *The authority granted under subsection (3) of this section may be applied to all pre-existing court orders assessing detention costs in effect on the effective date of this legislation.*

Section 6. KRS 635.100 is amended to read as follows:

- (1) Any child committed to *or in the custody of* the Department of Juvenile Justice ~~[who is placed in a treatment facility or program and]~~ who escapes or is absent without leave *from his or her placement* shall be taken into custody and returned to the custody of the Department of Juvenile Justice by any juvenile probation officer or by any peace officer on direction of the Department of Juvenile Justice.
- (2) Any child committed to the Department of Juvenile Justice who is placed on supervised placement by the Department of Juvenile Justice and who violates the terms or conditions of supervised placement may be returned to active custody of the Department of Juvenile Justice and may be taken into custody by any juvenile probation officer or by any peace officer on direction of the Department of Juvenile Justice.
- (3) A child taken into custody may be held in a Department of Juvenile Justice facility, program, or contract facility, prior to the administrative hearing, provided a preliminary hearing is held by a person designated by the Department of Juvenile Justice within five (5) days, exclusive of weekends and holidays, of the holding, unless the child or his representative request or agree to a longer period of time, to determine if there is probable cause to believe that the child violated his supervised placement conditions and, if so, to determine if the best interest of the child requires that the child be held in custody pending an administrative hearing pursuant to subsection ~~(5)~~~~(4)~~ of this section. The child and his parent or other person exercising custodial control or supervision shall be given an opportunity to be heard and to be represented by counsel at the preliminary hearing.
- (4) *A child taken into custody as provided in subsection (1) of this section shall be returned to the active custody of the Department of Juvenile Justice within three (3) days, exclusive of weekends and holidays, and no administrative hearing shall be required.*
- (5) If the child is returned to the active custody of the Department of Juvenile Justice as provided in subsection (3) of this section an administrative hearing shall be held within ten (10) days, exclusive of weekends and holidays, of the preliminary hearing unless the child and his representative request or agree to a longer period of time. The hearing shall be held by one (1) hearing officer designated by the Department of Juvenile Justice to hear such matters at which time the child and his parent or other person exercising custodial control or supervision shall be given an opportunity to be heard and be represented by counsel.
- ~~(6)~~~~(5)~~ The department shall have the power to administer oaths and to issue subpoenas compelling the attendance of witnesses as it may deem necessary to the case of any child before it. Disobedience of a subpoena may be punished as contempt of court, after a hearing before the committing juvenile court.
- ~~(7)~~~~(6)~~ Administrative hearings conducted under this section and administrative regulations promulgated under this section shall be exempt from the requirements of KRS Chapter 13B.
- ~~(8)~~~~(7)~~ The Department of Juvenile Justice shall promulgate administrative regulations to govern at least the following aspects of this section:

- (a) Commissioner's warrant;
- (b) Procedural aspects of the hearing;
- (c) Burden of proof;
- (d) Standard of proof; and
- (e) Administrative appeal process.

SECTION 7. A NEW SECTION OF KRS 635.500 TO 635.545 IS CREATED TO READ AS FOLLOWS:

Any other statute to the contrary notwithstanding, communications made in the application for or in the course of a sexual offender's diagnosis and treatment in the program, between a sexual offender or member of the sexual offender's family and any employee of the department who is assigned to work in the program, or any approved provider, shall be privileged from disclosure unless the sexual offender consents in writing to the disclosure or the communication is related to an ongoing criminal investigation. The privilege created by this section shall not extend to disclosures made for the purpose of determining whether the sexual offender should continue to participate in the program, to any communication regarding conduct in which the sexual offender was not a participant, or to any disclosure involving a homicide. The sexual offender shall be informed in writing of the limits of the privilege created by this section.

Section 8. KRS 635.505 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) The "treatment program" means a continuum of services provided in community and institutional settings designed to provide early intervention and treatment services for juvenile sexual offenders.
- (2) A "juvenile sexual offender" as used in this chapter means an individual who was at the time of the commission of the offense under the age of eighteen (18) years who is not actively psychotic or mentally retarded and who has been adjudicated guilty of or has been convicted of or pled guilty to:
 - (a) A felony under KRS Chapter 510;
 - (b) Any other felony committed in conjunction with a misdemeanor described in KRS Chapter 510;
 - (c) Any felony under KRS 506.010 when the crime attempted is a felony or misdemeanor described in KRS Chapter 510;
 - (d) An offense under KRS 530.020;
 - (e) An offense under KRS 530.064;
 - (f) An offense under KRS 531.310; or
 - (g) A misdemeanor offense under KRS Chapter 510.
- (3) *A "juvenile sexual offender assessment" means an assessment of the child's adolescent social development, medical history, educational history, legal history, family history, substance abuse history, sexual history, treatment history, and recent behaviors, which shall be prepared in order to assist the courts in determining whether the child should be declared a juvenile sexual offender, and to provide information regarding the risk for reoffending and recommendations for treatment.*
- (4) *"Mentally retarded" as used in this section means a juvenile with a full scale intelligent quotient of seventy (70) or below.*

Section 9. KRS 635.510 is amended to read as follows:

- (1) A child, thirteen (13) years of age or older, shall be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2)(a), (b), (c), (d), (e), or (f).
- (2)
 - (a) A child, less than thirteen (13) years of age, may be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2).
 - (b) Any child, thirteen (13) years of age or older, may be declared a juvenile sexual offender if the child has been adjudicated guilty of an offense listed in KRS 635.505(2)(g).

- (3) Upon final adjudication by the juvenile court *under subsection (2) of this section*, the juvenile court judge ~~or other authority designated by the juvenile court judge~~ shall order a *juvenile sexual offender* ~~mental health~~ assessment to be conducted on the child by the program or by a qualified ~~mental health~~ professional ~~as defined in KRS 600.020 and~~ approved by the program which shall recommend the appropriate course of treatment. Upon receipt of the findings of the assessment, the juvenile court judge ~~or other authority designated by the juvenile court judge~~ shall *determine whether the child shall be declared a juvenile sexual offender, and, if so, shall* initiate a referral to the program for ~~evaluation and~~ treatment ~~as indicated~~.

Section 10. KRS 635.515 is amended to read as follows:

- (1) A child declared a juvenile sexual offender shall be committed to the custody of the Department of Juvenile Justice and shall receive *sexual offender* treatment ~~in a juvenile sexual offender treatment program~~ for ~~a minimum of two (2) years but~~ not more than three (3) years, except that the juvenile sexual offender shall not remain in the care of the Department of Juvenile Justice after the age of twenty-one (21) years. If an individual in the care of the department as a juvenile sexual offender reaches the age of nineteen (19) years prior to the *completion of the sexual offender treatment program or the* expiration of *three (3)* ~~the minimum of two (2)~~ years of treatment, that individual shall be returned to the sentencing court. At that time, the sentencing court may order the individual to complete the prescribed treatment *subject to the contempt powers of the court*.
- (2) Based on the assessment and evaluation of the juvenile sexual offender and his family, the Department of Juvenile Justice shall utilize the treatment setting which provides the least restrictive alternative as defined in KRS 600.020.
- (3) The program shall develop a written treatment agreement *upon the child's placement in a community setting*, detailing the responsibilities of the juvenile sexual offender, his family, and the program to include but not be limited to: attendance; participation in education; participation in planning and completion of treatment goals; curfew; visit of appropriate staff to the home; participation in parenting groups and family counseling; continued contact with the program, schools, and courts; insurance of legal rights; and discharge criteria.
- (4) The written treatment agreement shall be presented to the court, and the court shall include the agreement as part of the order except for good cause shown.
- (5) The program shall be responsible for sending written reports every sixty (60) days to the juvenile court judge concerning the participation of the juvenile sexual offender and family in the treatment program. The written report shall include information about the treatment received by the juvenile sexual offender and family, an assessment of the *sexual* offender's current condition, and recommendations by the program staff.
- (6) The case may be called for review upon the recommendation of the program staff or by the juvenile court judge at any time during the course of treatment. The review may be called to consider documentation of noncompliance, absenteeism, or unwillingness to acknowledge responsibility for sexually-inappropriate behavior *which may be remedied through the contempt powers of the court*.
- (7) A ~~court discharge~~ review shall be requested by the program sixty (60) days prior to the recommended *program* release date. The juvenile court judge shall schedule a hearing to formally consider the recommendation of release from the program.

SECTION 11. A NEW SECTION OF KRS CHAPTER 640 IS CREATED TO READ AS FOLLOWS:

- (1) *Any other provision of KRS Chapter 640 to the contrary notwithstanding, any youthful offender ordered transferred to the Department of Corrections under KRS 640.030(2)(c) may, at the discretion of the Department of Juvenile Justice, after consultation with the Department of Corrections, remain in the custody of the Department of Juvenile Justice and in a Department of Juvenile Justice facility or program, until expiration of sentence or until the youthful offender is released on parole, but in no event past the age of twenty-one (21).*
- (2) *Any youthful offender whose custody has been retained by the Department of Juvenile Justice under subsection (1) of this section may be immediately transferred to the Department of Corrections, at such location within this state as the Department of Corrections directs, if the youthful offender causes any disruption to the program or attempts to escape.*
- (3) *Any youthful offender who attains the age of twenty-one (21) while in the custody of the Department of Juvenile Justice shall be immediately transferred to the Department of Corrections at such location within this state as the Department of Corrections directs.*

- (4) *Any youthful offender whose custody has been retained under subsection (1) of this section and who has not been released under other provision of law or delivered to the Department of Corrections under subsection (2) of this section, may, on one (1) occasion and after the completion of a minimum twelve (12) months additional service of sentence, petition the sentencing Circuit Court for reconsideration of probation and, except as provided in KRS 439.3401, may be considered for early parole eligibility.*

Section 12. KRS 640.030 is amended to read as follows:

A youthful offender, ~~who if he~~ is convicted of, or pleads guilty to, a felony offense in Circuit Court, shall be subject to the same type of sentencing procedures and duration of sentence, including probation and conditional discharge, as an adult convicted of a felony offense, except that:

- (1) The presentence investigation required by KRS 532.050 shall be prepared by the Department of Juvenile Justice or by its designated representative;
- (2) Except as provided in KRS 640.070, any sentence imposed upon the youthful offender shall be served in a ~~youth~~ facility or program operated *or contracted* by the Department of Juvenile Justice until the expiration of the sentence, the youthful offender is paroled, the youthful offender is probated, or the youthful offender reaches the age of eighteen (18), whichever first occurs. *The Department of Juvenile Justice shall take custody of a youthful offender, remanded into its custody, within sixty (60) days following sentencing.* If an individual sentenced as a youthful offender attains the age of eighteen (18) prior to the expiration of his sentence, and has not been probated or released on parole, that individual shall be returned to the sentencing court. At that time, the sentencing court shall make one (1) of the following determinations:
 - (a) Whether the youthful offender shall be placed on probation or conditional discharge;
 - (b) Whether the youthful offender shall be returned to the Department of Juvenile Justice to complete a treatment program, which treatment program shall not exceed a period in excess of six (6) months. At the conclusion of the treatment program or at the expiration of six (6) months, whichever first occurs, the individual shall be *returned to the sentencing court for a determination under paragraphs (a) or (c) of this subsection* ~~finally discharged~~; or
 - (c) Whether the youthful offender shall be incarcerated in an institution operated by the Department of Corrections;
- (3) If a *youthful offender* ~~child~~ has attained the age of eighteen (18) prior to sentencing, *that individual* ~~he~~ shall be returned to the sentencing court at the end of a six (6) month period if *that individual* ~~he~~ has been sentenced to a period of placement or treatment *with the* ~~in a~~ Department of Juvenile Justice ~~youth facility or program~~. The court shall have the same dispositional options as currently provided in subsection (2)(a) and (c) of this section, ~~except that youthful offenders shall not remain in the care of the Department of Juvenile Justice after the age of nineteen (19)); and~~
- (4) *KRS 197.420 to the contrary notwithstanding*, a youthful offender who is a sexual offender as defined by KRS 197.410(1) shall be provided a sexual offender treatment program ~~as mandated by KRS 439.340(10)~~ by the Department of Juvenile Justice pursuant to KRS 635.500 *and as mandated by KRS 439.340(11) unless* ~~if~~ the youthful offender has ~~not~~ been transferred to the Department of Corrections ~~pursuant to KRS 640.070~~.

Approved April 9, 2002

CHAPTER 264

(HB 188)

AN ACT relating to protecting the public safety when licensing an operator of a motor vehicle.

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

Section 1. KRS 186.010 is amended to read as follows:

- (1) "Cabinet," as used in KRS 186.400 to 186.640, means the Transportation Cabinet; except as specifically designated, "cabinet," as used in KRS 186.020 to 186.270, means the Transportation Cabinet only with respect to motor vehicles, other than commercial vehicles; "cabinet," as used in KRS 186.020 to 186.270, means the Department of Vehicle Regulation when used with respect to commercial vehicles.

- (2) "Highway" means every way or place of whatever nature when any part of it is open to the use of the public, as a matter of right, license, or privilege, for the purpose of vehicular traffic.
- (3) "Manufacturer" means any person engaged in manufacturing motor vehicles who will, under normal conditions during the year, manufacture or assemble at least ten (10) new motor vehicles.
- (4) "Motor vehicle" means in KRS 186.020 to 186.260, all vehicles, as defined in paragraph (a) of subsection (8) of this section, which are propelled otherwise than by muscular power. As used in KRS 186.400 to 186.640, it means all vehicles, as defined in paragraph (b) of subsection (8) of this section, which are self-propelled. "Motor vehicle" shall not include a moped as defined in this section.
- (5) "Moped" means either a motorized bicycle whose frame design may include one (1) or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a motorized bicycle with a step-through type frame which may or may not have pedals rated no more than two (2) brake horsepower, a cylinder capacity not exceeding fifty (50) cubic centimeters, an automatic transmission not requiring clutching or shifting by the operator after the drive system is engaged, and capable of a maximum speed of not more than thirty (30) miles per hour.
- (6) "Operator" means any person in actual control of a motor vehicle upon a highway.
- (7) (a) "Owner" means a person who holds the legal title of a vehicle or a person who pursuant to a bona fide sale has received physical possession of the vehicle subject to any applicable security interest.
- (b) A vehicle is the subject of an agreement for the conditional sale or lease, with the vendee or lessee entitled to possession of the vehicle, upon performance of the contract terms, for a period of three hundred sixty-five (365) days or more and with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee, or if a mortgagor of a vehicle is entitled to possession, the conditional vendee or lessee or mortgagor shall be deemed the owner.
- (c) A licensed motor vehicle dealer who transfers physical possession of a motor vehicle to a purchaser pursuant to a bona fide sale, and complies with the requirements of KRS 186A.220, shall not be deemed the owner of that motor vehicle solely due to an assignment to his dealership or a certificate of title in the dealership's name. Rather, under these circumstances, ownership shall transfer upon delivery of the vehicle to the purchaser, subject to any applicable security interest.
- (8) (a) "Vehicle," as used in KRS 186.020 to 186.260, includes all agencies for the transportation of persons or property over or upon the public highways of this Commonwealth and all vehicles passing over or upon said highways, excepting road rollers, road graders, farm tractors, vehicles on which power shovels are mounted, such other construction equipment customarily used only on the site of construction and which is not practical for the transportation of persons or property upon the highways, such vehicles as travel exclusively upon rails, and such vehicles as are propelled by electric power obtained from overhead wires while being operated within any municipality or where said vehicles do not travel more than five (5) miles beyond the city limit of any municipality.
- (b) As used in KRS 186.400 to 186.640, "vehicle" means every device in, upon or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by human and animal power or used exclusively upon stationary rails or tracks, or which derives its power from overhead wires.
- (9) KRS 186.020 to 186.270 apply to motor vehicle licenses. KRS 186.400 to 186.640 apply to operator's licenses.
- (10) "Dealer" means any person engaging in the business of buying or selling motor vehicles.
- (11) "Commercial vehicles" means all motor vehicles that are required to be registered under the terms of KRS 186.050, but not including vehicles primarily designed for carrying passengers and having provisions for not more than nine (9) passengers (including driver), motorcycles, sidecar attachments, pickup trucks and passenger vans which are not being used for commercial or business purposes, and motor vehicles registered under KRS 186.060.
- (12) "Resident" means any person who has *established Kentucky as his or her state of domicile. Proof of residency shall include, but not be limited to, a deed or property tax bill, utility agreement or utility bill, or rental housing agreement*~~taken up a place of abode within this state; or any person who has had his actual or~~

habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date on which his motor vehicle is registered or required to be registered in Kentucky; or any person maintaining a place of abode in this state for gainful employment; provided, however, that the Transportation Cabinet may promulgate administrative regulations exempting any person temporarily maintaining a place of abode in Kentucky, including a full time student at Kentucky colleges and universities, from any requirement imposed by this chapter upon residents as defined in this chapter]. The possession by an operator of a vehicle of a valid Kentucky operator's license shall be prima-facie evidence that the operator is a resident of Kentucky.

(13) *"Special status individual" means:*

- (a) *"Asylee" means any person lawfully present in the United States who possesses an I-94 card issued by the United States Department of Justice, Immigration and Naturalization Service, on which it states "asylum status granted indefinitely pursuant to Section 208 of the Immigration & Nationality Act";*
- (b) *"K-1 status" means the status of any person lawfully present in the United States who has been granted permission by the United States Department of Justice, Immigration and Naturalization Service to enter the United States for the purpose of marrying a United States citizen within ninety (90) days from the date of that entry;*
- (c) *"Refugee" means any person lawfully present in the United States who possesses an I-94 card issued by the United States Department of Justice, Immigration and Naturalization Service, on which it states "admitted as a refugee pursuant to Section 207 of the Immigration & Nationality Act"; and*
- (d) *"Paroled in the Public Interest" means any person lawfully present in the United States who possesses an I-94 card issued by the United States Department of Justice, Immigration and Naturalization Service, on which it states "paroled pursuant to Section 212 of the Immigration & Nationality Act for an indefinite period of time."*

(14) "Instruction permit" includes both motor vehicle instruction permits and motorcycle instruction permits.

(15)~~(14)~~ "Motorcycle" means any motor driven vehicle having a seat or saddle for the use of the operator and designed to travel on not more than three (3) wheels in contact with the ground, but excluding tractors and vehicles on which the operator and passengers ride in an enclosed cab and excluding a moped as defined in this section.

SECTION 2. A NEW SECTION OF KRS 186.400 TO 186.640 IS CREATED TO READ AS FOLLOWS:

- (1) *A licensed driver who becomes a Kentucky resident shall, within thirty (30) days of establishing residency, apply for a Kentucky operator's license in the office of the circuit clerk in the county where the person has established his or her domicile.*
- (2) *The circuit clerk shall, before issuing a person a Kentucky operator's license, verify through the National Drivers Register that the person applying for a Kentucky operator's license does not currently have his or her operator's license or driving privilege suspended or revoked in another licensing jurisdiction.*
- (3) *A person who is not a United States citizen but who has been granted permanent resident status by the United States Department of Justice, Immigration and Naturalization Service, and who is a Kentucky resident, shall follow the same procedures for applying for an original, renewal, transfer, or duplicate operator's license as persons who are United States citizens.*

Section 3. KRS 186.410 is amended to read as follows:

- (1) Every person except those exempted by KRS 186.420 and 186.430 shall before operating a motor vehicle, motorcycle, or moped upon a highway secure an operator's license as provided in this chapter.
- (2) *Except as provided in Section 4 of this Act*, all original, renewal, and duplicate licenses for the operation of motor vehicles, motorcycles, or mopeds shall be issued by the *circuit clerk in the county of the applicant's residence*~~Transportation Cabinet~~. Applications for renewal licenses shall be made every four (4) years within~~thirty (30) days after~~ the birth ~~month~~~~date~~ of the applicant. A license shall not be issued until the application has been certified by the cabinet *and the applicant has, if required under Section 8 of this Act, successfully completed the examinations required under Section 9 of this Act.*

- (3) All color photo nondriver identification cards shall be *issued under the provisions of Section 4 of this Act*~~[valid for four (4) years from the date of issuance]~~.
- (4) A person may, at any time between the age of sixteen (16) and *before the person's eighteenth birthday*~~[eighteen (18)]~~, enroll in one (1) of the following driver training programs:
- (a) ~~[The person may enroll in]~~ A driver's education course administered by a school district;~~[or]~~
 - (b) ~~[The person may enroll in]~~ A driver training school licensed pursuant to KRS Chapter 332 which offers a course meeting or exceeding the minimum standards established by the Transportation Cabinet; or
 - (c) ***State traffic school.*** The person may seek to enroll in state traffic school before the person's eighteenth birthday. Persons enrolling in state traffic school pursuant to this paragraph shall not be required to pay a fee.
- (5) If, for any reason, a person fails to successfully complete the required driver training pursuant to subsection (4) of this section within one (1) year of being issued an operator's license, the Transportation Cabinet shall enroll the person in state traffic school and cancel or suspend the operator's driving privileges until the person completes state traffic school.

Section 4. KRS 186.412 is amended to read as follows:

- (1) A person under the age of twenty-one (21) at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least one hundred eighty (180) days. A person who is at least twenty-one (21) years of age at the time of application for an instruction permit may apply for an operator's license to operate a motor vehicle, motorcycle, or moped if the person has possessed the valid instruction permit for at least thirty (30) days.
- (2) ***Except as provided in subsection (4) of this section, a***~~[The]~~ person shall apply for an operator's license in the office of the circuit clerk of the county where *the person*~~[he]~~ lives. The application form shall require the *person's*~~[applicant's]~~
 - (a) Full legal name and signature;~~[;]~~
 - (b) Date of birth;~~[;]~~
 - (c) Social Security number, *federal tax identification number, a letter from the Social Security Administration declining to issue a Social Security number, or a notarized affidavit from the applicant to the Transportation Cabinet swearing that the person either does not have a Social Security number, or refuses to divulge his or her Social Security number, based upon religious convictions*~~[;]~~
 - (d) Sex;~~[;]~~
 - (e) Present *Kentucky* resident address, *exclusive of a post office box address alone*~~[;]~~
 - (f) Other information necessary to permit the application *of United States citizens* to also serve as an application for voter registration;~~[; and]~~
 - (g) A brief physical description of the applicant;
 - (h) *A statement if the person has previously been licensed as an operator in another state;*
 - (i) *Proof of the person's Kentucky residency including, but not limited to, a deed or property tax bill, utility agreement or utility bill, or rental housing agreement; and*
 - (j) *Other information the cabinet may require by administrative regulation promulgated under KRS Chapter 13A.*
- (3) *A permanent resident shall present one (1) of the following documents issued by the United States Department of Justice, Immigration and Naturalization Service:*
 - (a) *An I-551 card with a photograph of the applicant; or*
 - (b) *A form with the photograph of the applicant or a passport with a photograph of the applicant on which the United States Department of Justice, Immigration and Naturalization Service has stamped*

the following: "Processed for I-551. Temporary evidence of lawful admission for permanent residence. Valid until -----, Employment authorized."

- (4) *If the person is not a United States citizen and has not been granted status as a permanent resident of the United States, the person's application for an original operator's license shall be submitted to either the Transportation Cabinet in Frankfort or a Transportation Cabinet field office.*
- (a) *The application form shall be accompanied by the person's documentation issued by the United States Department of Justice, Immigration and Naturalization Service, authorizing the person to be in the United States and, if applicable, the person's international driving permit. The application form of a special status individual with a K-1 status shall be accompanied by an original or certified copy of the person's completed marriage license signed by the official who presided over the marriage ceremony and two (2) witnesses. The application form of a special status individual with a K-1 status shall also include the person's petition to enter the United States for the purpose of marriage that contains the name of the prospective spouse. If the name of the prospective spouse on the petition does not match the name of the spouse on the marriage license, the Transportation Cabinet shall not be required to issue an operator's license.*
 - (b) *The Transportation Cabinet shall, within fifteen (15) days of receipt of the application, review the person's documentation and determine if the person will be issued a Kentucky operator's license. If the review of an application will take longer than fifteen (15) days, the cabinet shall continue the review, but the cabinet shall be required to make a determination in all cases within thirty (30) days of receipt of the application.*
 - (c) *If the cabinet determines the person may be issued an operator's license, the cabinet shall issue the person an official form that the person shall take to the office of the circuit clerk of the county where the person resides. The circuit clerk shall review the person's documentation and the official form issued by the Transportation Cabinet. If the documentation is verified as accurate, and if the person successfully completes the examinations required under Section 9 of this Act, the circuit clerk shall issue the person a Kentucky operator's license.*
 - (d) *Except as provided in paragraphs (e) and (f) of this subsection, a person who is not a United States citizen and who has not been granted status as a permanent resident of the United States shall apply to renew an operator's license, or obtain a duplicate operator's license, in the office of the circuit clerk in the county in which the person resides.*
 - (e) *If a person is renewing an operator's license or is applying for a duplicate license after the effective date of this Act, and the person's documentation issued by the United States Department of Justice, Immigration and Naturalization Service, has not been reviewed by either the Transportation Cabinet in Frankfort or a Transportation Cabinet field office under the provisions of this subsection, the person shall be required to apply for the renewal or duplicate with either the Transportation Cabinet in Frankfort or a Transportation Cabinet field office.*
 - (f) *If a person has any type of change in the person's immigration status, the person shall apply to renew an operator's license with either the Transportation Cabinet in Frankfort or a Transportation Cabinet field office.*
~~If the person is not a United States citizen, the application form shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services and, if applicable, a photographic copy of the person's international driving permit. All applications shall state:~~
 - ~~(a) If the applicant has previously been licensed as an operator and by what nation or state; and~~
 - ~~(b) Other information the cabinet may require by administrative regulation promulgated pursuant to KRS Chapter 13A.~~
- (5)(2) The *circuit clerk*~~[Transportation Cabinet]~~ shall issue *an*~~[a plastic laminated]~~ operator's license bearing a color photograph of the applicant *and other information the cabinet may deem appropriate*. The photograph shall be taken by the circuit clerk so that one (1) exposure will photograph the applicant and the application simultaneously~~[, using the process determined under provisions of KRS 186.413]~~. When taking the photograph, the applicant shall be prohibited from wearing sunglasses or any other attire that obscures any features of the applicant's face as determined by the clerk. The clerk shall require an applicant to remove

sunglasses or other obscuring attire before taking the photograph required by this subsection. Any person who refuses to remove sunglasses or other attire prohibited by this section as directed by the clerk shall be prohibited from receiving an operator's license. The ~~plastic laminated~~ operator's license issued by the cabinet shall not contain the applicant's Social Security number. The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A that develop a numbering system that uses an identification system other than Social Security numbers. ***If an applicant does not have a Social Security number, or the applicant has submitted a notarized affidavit refusing to divulge his or her Social Security number based upon religious convictions, the Transportation Cabinet shall assign the applicant a unique identifying number.*** The license shall also designate by color coding and use the phrase "under 21" if the licensee is under the age of twenty-one (21); "CDL" if the license is issued pursuant to KRS Chapter 281A; or "under 21 CDL" if the licensee holds a commercial driver's license issued pursuant to KRS Chapter 281A and is under the age of twenty-one (21).

(6)(3) Every applicant shall make oath to the circuit clerk as to the truthfulness of the statements contained in the form.

(7) (a) ***Except as provided in subsection (8) of this section,*** ~~(4) — The clerk may, after determining that the applicant has fully complied with the law governing applications, issue a temporary operator's license to be valid for not more than ninety (90) days. The temporary license shall be valid in lieu of the permanent license during the certification period and shall be destroyed upon receipt of the permanent operator's license.~~

~~(5)~~ the circuit clerk shall issue a color photo nondriver's identification card to any person who ***is a Kentucky resident and who*** resides in the county who ***complies with the provisions of this section and who*** applies in person in the office of the circuit clerk. ~~A nondriver's identification card shall be subject to the provisions of this section.~~ An application for a nondriver's identification card shall be accompanied by ***the same information as is required for an operator's license under subsection (2) of this section, except if a person does not have a fixed, permanent address, the person may use as proof of residency a signed letter from a homeless shelter, health care facility, or social service agency currently providing the person treatment or services and attesting that the person is a resident of Kentucky*** ~~a signed Social Security card and a birth certificate, or other proof of the applicant's date of birth provided under subsection (1) of this section. If the person is not a United States citizen, an application for a nondriver's identification card shall be accompanied by a photographic copy of the person's employment authorization card, visa card to enter the United States, or permanent residency card issued by the United States Department of Immigration Services.~~

(b) ***It shall be permissible for the application form for a nondriver's identification card to include as a person's most current resident address*** ~~The application shall require the applicant to provide his or her full legal name and most current resident address that may include, but is not limited to,~~ a mailing address, post office box, or an address provided on a voter registration card. ~~If an applicant for a nondriver's identification card is under the age of twenty one (21), the applicant's most current resident address shall be required unless a current resident address is not available, in which case a mailing address, post office box, or an address provided on a voter registration card may be used.~~

(c) Every applicant for a nondriver's identification card shall make an oath to the circuit clerk as to the truthfulness of the statements contained on the application form. If the applicant is not the legal ***owner or*** possessor of the address provided on the application form, the applicant shall swear that he ***or she*** has permission from the legal ***owner, authorized agent for the legal owner or*** possessor to use the address for purposes of obtaining the nondriver's identification card. The nondriver's identification card shall designate by color coding and by use of the phrase "under 21" if the applicant is under the age of twenty-one (21).

(d) ***A nondriver's identification card shall be valid for a period of four (4) years from the date of issuance. Except as provided in this subsection, an initial or renewal nondriver's identification card issued to a person who is not a United States citizen and who has not been granted status as a permanent resident of the United States and who is not a special status individual, but who is a Kentucky resident, shall be valid for a period equal to the length of time the person's documentation from the United States Department of Justice, Immigration and Naturalization Service is issued, or four (4) years, whichever time period is shorter. An initial or renewal nondriver's identification card shall be valid for a period of two (2) years if the person is not a special status individual and the person's documentation issued by the United States Department of Justice, Immigration and***

Naturalization Service, is issued for an indefinite period of time and does not have an expiration date. The fee shall be the same as for a regular nondriver's identification card.

- (e) *A nondriver's identification card may be suspended or revoked if the person who was issued the card presents false or misleading information to the cabinet when applying for the card.*
- (8) *A person shall not be eligible to be issued a nondriver's identification card if the person currently holds a valid Kentucky instruction permit or operator's license. If a person's instruction permit or operator's license has been suspended or revoked, the person may be issued a temporary nondriver's identification card. A temporary nondriver's identification shall be renewed annually and shall be surrendered when the person applies to have his or her instruction permit or operator's license reinstated.*
- ~~(9)(6)~~ ~~Licensed drivers temporarily out of county may be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature."~~
- ~~(7)}~~ If a citizen of the Commonwealth currently serving in the United States military is stationed or assigned to a base or other location outside the boundaries of the Commonwealth, the citizen may renew a Class D operator's license issued under this section by mail. If the citizen was issued an "under 21" operator's license, upon the date of his or her twenty-first birthday, the "under 21" operator's license may be renewed for an operator's license that no longer contains the outdated reference to being "under 21".
- ~~(10)(8)}~~ A citizen of the Commonwealth renewing an operator's license by mail under subsection ~~(9)(7)}~~ of this section may have a personal designee apply to the circuit clerk on behalf of the citizen to renew the citizen's operator's license. An operator's license being renewed by mail under subsection ~~(9)(7)}~~ of this section shall be issued a license without a photograph. The license shall show in the space provided for the photograph the legend "valid without photo and signature".
- ~~(11)(9)}~~ If a citizen of the Commonwealth has been serving in the United States military and has allowed his operator's license to expire, he shall, within ninety (90) days of returning to the Commonwealth, be permitted to renew his license without having to take a written test or road test. A citizen who does not renew his license within ninety (90) days of returning to the Commonwealth shall be required to comply with the provisions of this chapter governing renewal of a license that has expired. If a citizen of the Commonwealth has been issued an "under 21" or "under 21 CDL" operator's license and the person is unable to renew the license on the date of his twenty-first birthday, the "under 21" or "under 21 CDL" operator's license shall be valid for ninety (90) days beyond the date of the person's twenty-first birthday.
- ~~(12)(10)}~~ The cabinet shall provide on each license to operate motor vehicles, motorcycles, and mopeds a space for the licensed driver's:
 - (a) Blood type;
 - (b) Medical insignia if the person provides evidence that a medical identification bracelet noting specific physical ailments or a drug allergy is being worn or other proof as may be required by the cabinet; and
 - (c) A statement whereby the owner of the license may certify in the presence of two (2) witnesses his willingness to make an anatomical gift under KRS 311.195.
- ~~(13)(11)}~~ If the motor vehicle operator denotes a physical ailment or drug allergy on the operator's license, he may apply for and shall receive, for a fee of one dollar (\$1) paid to the circuit clerk, a medical insignia decal that may be affixed to the lower left side of the front windshield of a motor vehicle.
- ~~(14)(12)}~~ An operator's license pursuant to this section shall be designated a Class D license.
- ~~(15)(13)}~~ A person shall not have more than one (1) license.
- ~~(16)(14)}~~ Upon marriage, a woman applying for an operator's license or a color photo nondriver's identification card shall provide the circuit clerk with her marriage license and complete an affidavit form provided by the circuit court clerk. She shall have the following choices in regard to her full legal name as required in subsections ~~(2)(1)}~~ and ~~(7)(5)}~~ of this section:
 - (a) Use her husband's last name;
 - (b) Retain her maiden name;
 - (c) Use her maiden name hyphenated with her husband's last name;

- (d) Use her maiden name as a middle name and her husband's last name as her last name; or
- (e) In the case of a previous marriage, retain that husband's last name.

Section 5. KRS 186.430 is amended to read as follows:

- (1) ***Except as provided in subsection (2) of this section, a person over the age of sixteen (16) who is a United States citizen and who is not a resident of Kentucky may drive in Kentucky for a period of time not to exceed one (1) year from the date the person enters Kentucky if:***
 - (a) ***The person possesses a valid license issued by the person's home state;***
 - (b) ***The person has the license in his or her immediate possession at all times when operating a vehicle on the highways; and***
 - (c) ***The person's home state***~~[A nonresident over the age of sixteen (16) who has been licensed as an operator in his home state or country and who has a valid operator's license certificate in his immediate possession may drive a motor vehicle, motorcycle, or moped upon Kentucky highways without a Kentucky instruction permit or operator's license, if his own state or country]~~ ***accords similar privileges to licensed residents of Kentucky.***
- (2) ***A person who is a United States citizen but who is not a resident of Kentucky who is enrolled as a full-time or part-time student at a university, college, or technical college located in Kentucky may drive in Kentucky on a valid license issued by the person's state of domicile, and shall not be required to obtain a Kentucky operator's license under this chapter if the person has a student identification card from a university, college, or technical college located in Kentucky in his or her immediate possession at all times when driving in Kentucky.***
- (3) ***A person over the age of sixteen (16) who is not a United States citizen and who is legally visiting this country for less than one (1) year may drive in Kentucky on a valid domestic license issued by the person's country of domicile and shall not be required to obtain a Kentucky driver's license***~~[A nonresident over the age of sixteen (16) whose home state or country does not require the licensing of operators and who has registered his own motor vehicle, motorcycle, or moped for the current calendar year in his home state or country, may operate that motor vehicle, motorcycle, or moped upon Kentucky highways for not longer than thirty (30) days in any one (1) year without obtaining a Kentucky instruction permit or operator's license. The person may be required at any time or place to prove lawful ownership and the right to operate the motor vehicle, motorcycle, or moped and to establish his identity].~~
- (4)~~(3)~~ ***A person over the age of sixteen (16) who is not a United States citizen, who has not been granted status as a permanent resident of the United States, but is a resident of Kentucky, shall be issued a Kentucky operator's license if the person complies with the requirements of Section 4 of this Act. Except as provided in this subsection, an operator's license issued to a person who is not a United States citizen, who has not been granted status as a permanent resident of the United States, and who is not a special status individual but is a Kentucky resident, shall be valid for a period equal to the length of time the person's documentation from the United States Department of Justice, Immigration and Naturalization Service is issued, or four (4) years, whichever time period is shorter. An initial or renewal operator's license shall be valid for a period of two (2) years if the person is not a special status individual and the person's documentation issued by the United States Department of Justice, Immigration and Naturalization Service, is issued for an indefinite period of time and does not have an expiration date. The fee shall be the same as for a regular operator's license. The cabinet may at any time refuse or discontinue the exemptions authorized in this section for any grounds and may deny, cancel, suspend, or revoke an instruction permit or operator's license issued under this chapter.***
- (5)~~(4)~~ ***A person whose operator's license or privilege to operate a motor vehicle, motorcycle, or moped in this state has been denied, withdrawn, canceled, suspended, or revoked as provided in KRS 186.400 to 186.640 shall not operate a motor vehicle, motorcycle, or moped in this state under a license, permit, or registration certificate issued by any other jurisdiction during the period of denial, withdrawal, cancellation, suspension, or revocation.***

Section 6. KRS 186.440 is amended to read as follows:

An operator's license shall not be granted to:

- (1) ***Any person who is not a resident of Kentucky;***

- (2) Any person under the age of sixteen (16);
- ~~(3)(2)~~ Any person under the age of eighteen (18) who holds a valid Kentucky instruction permit issued pursuant to KRS 186.450, but who has not graduated from high school or who is not enrolled and successfully participating in school or who is not being schooled at home, except those persons who satisfy the District Court of appropriate venue pursuant to KRS 159.051(3) that revocation of their license would create an undue hardship. Persons under the age of eighteen (18) shall present proof of complying with the requirements of KRS 159.051;
- ~~(4)(3)~~ Any person whose operator's license has been suspended, during the period of suspension;
- ~~(5)(4)~~ Any person whose operator's license has been revoked, nor to any nonresident whose privilege of exemption under KRS 186.430 has been refused or discontinued, until the expiration of the period for which the license was revoked, or for which the privilege was refused or discontinued;
- ~~(6)(5)~~ Any applicant adjudged incompetent by judicial decree;
- ~~(7)(6)~~ Any person who in the opinion of the State Police, after examination, is unable to exercise reasonable and ordinary control over a motor vehicle upon the highways;
- ~~(8)(7)~~ Any person who is unable to understand highway warnings or direction signs in the English language;
- ~~(9)(8)~~ Any person required by KRS 186.480 to take an examination who has not successfully passed the examination;
- ~~(10)(9)~~ Any person required by KRS Chapter 187 to deposit proof of financial responsibility, who has not deposited that proof;
- ~~(11)(10)~~ Any person who has not filed a correct and complete application attested to in the presence of a person authorized to administer oaths;
- ~~(12)(11)~~ Any person who cannot meet the requirements set forth in KRS 186.411(1) or (3); or
- ~~(13)(12)~~ Any person whose operator's license has been suspended or revoked under the provisions of KRS Chapter 186, 187, or 189A until the person has forwarded to the cabinet a reinstatement fee of fifteen dollars (\$15). The fee shall be paid by certified check or money order payable to the State Treasurer who shall deposit five dollars (\$5) of the fee in a trust and agency fund to be used in defraying the costs and expenses of administering a driver improvement program for problem drivers. Ten dollars (\$10) of the fee shall be deposited by the State Treasurer in a trust and agency account to the credit of the Administrative Office of the Courts and shall be used to assist circuit clerks in hiring additional employees, providing salary adjustments for employees, providing training for employees, and purchasing additional equipment used in administering the issuance of driver's licenses. The provisions of this subsection shall not apply to any person whose license was suspended for failure to meet the conditions set out in KRS 186.411 when, within one (1) year of suspension, the driving privileges of the individuals are reinstated or to any student who has had his license revoked pursuant to KRS 159.051.

Section 7. KRS 186.570 is amended to read as follows:

- (1) The cabinet or its agent designated in writing for that purpose may deny any person an operator's license or may suspend the operator's license of any person, or, in the case of a nonresident, withdraw the privilege of operating a motor vehicle in this state, subject to a hearing and with or without receiving a record of conviction of that person of a crime, if the cabinet has reason to believe that:
 - (a) That person has committed any offenses for the conviction of which mandatory revocation of a license is provided by KRS 186.560.
 - (b) That person has, by reckless or unlawful operation of a motor vehicle, caused, or contributed to an accident resulting in death or injury or serious property damage.
 - (c) That person has a mental or physical disability that makes it unsafe for him to drive upon the highways. The Transportation Cabinet shall, by administrative regulations promulgated pursuant to KRS Chapter 13A, establish a medical review board to provide technical assistance in the review of the driving ability of these persons. The board shall consist of licensed medical and rehabilitation specialists.

- (d) That person is an habitually reckless or negligent driver of a motor vehicle or has committed a serious violation of the motor vehicle laws.
 - (e) That person has been issued a license without making proper application for it, as provided in KRS 186.412 and administrative regulations promulgated pursuant to KRS Chapter 13A.
 - (f) *That person has presented false or misleading information as to the person's residency, citizenship, religious convictions, or immigration status.*
 - (g) A person required by KRS 186.480 to take an examination has been issued a license without first having passed the examination.
 - ~~(h)(g)~~ That person has been convicted of assault and battery resulting from the operation of a motor vehicle.
 - ~~(i)(h)~~ That person has failed to appear pursuant to a citation or summons issued by a law enforcement officer of this Commonwealth or any other jurisdiction.
 - ~~(j)(i)~~ That person has failed to appear pursuant to an order by the court to produce proof of security required by KRS 304.39-010 and a receipt showing that a premium for a minimum policy period of six (6) months has been paid.
- (2) The cabinet shall deny any person a license or shall suspend the license of an operator of a motor vehicle upon receiving written notification from the Cabinet for Families and Children that the person has a child support arrearage which equals or exceeds the cumulative amount which would be owed after one (1) year of nonpayment or failure, after receiving appropriate notice, to comply with a subpoena or warrant relating to paternity or child support proceedings, as provided by 42 U.S.C. secs. 651 et seq.; except that any child support arrearage which exists prior to January 1, 1994, shall not be included in the calculation to determine whether the license of an operator of a motor vehicle shall be denied or suspended. The denial or suspension shall continue until the arrearage has been eliminated, payments on the child support arrearage are being made in accordance with a court or administrative order, or the person complies with the subpoena or warrant relating to paternity or child support. Before the license may be reinstated, proof of elimination of the child support arrearage or proof of compliance with the subpoena or warrant relating to paternity or child support proceedings as provided by 42 U.S.C. sec. 666(a)(16) from the court where the action is pending or the Cabinet for Families and Children shall be received by the Transportation Cabinet as prescribed by administrative regulations promulgated by the Cabinet for Families and Children and the Transportation Cabinet.
 - (3) The cabinet or its agent designated in writing for that purpose shall deny any person an operator's license or shall suspend the operator's license of any person, or, in the case of a nonresident, withdraw the privilege of operating a motor vehicle in this state, where the person has been declared ineligible to operate a motor vehicle under KRS 532.356 for the duration of the ineligibility, upon notification of the court's judgment.
 - (4) The cabinet or its agent designated in writing for that purpose shall provide any person subject to the suspension, revocation, or withdrawal of their driving privileges, under provisions of this section, an informal hearing. Upon determining that the action is warranted, the cabinet shall notify the person in writing by mailing the notice to the person by first-class mail to the last known address of the person. The hearing shall be automatically waived if not requested within twenty (20) days after the cabinet mails the notice. The hearing shall be scheduled as early as practical within twenty (20) days after receipt of the request at a time and place designated by the cabinet. An aggrieved party may appeal a decision rendered as a result of an informal hearing, and upon appeal an administrative hearing shall be conducted in accordance with KRS Chapter 13B.
 - (5) The cabinet may suspend the operator's license of any resident upon receiving notice of the conviction of that person in another state of an offense there which, if committed in this state, would be grounds for the suspension or revocation of an operator's license. If a person so convicted is not the holder of a Kentucky operator's license, the cabinet shall deny ~~the person~~ *him* a license *until the person resolves the matter in the other state and complies with the provisions of this chapter* ~~for the same period as if he had possessed a license and the license had been suspended~~. The cabinet may, upon receiving a record of the conviction in this state of a nonresident driver of a motor vehicle of any offense under the motor vehicle laws, forward a notice of that person's conviction to the proper officer in the state of which the convicted person is a resident.
 - (6) The Transportation Cabinet is forbidden from suspending or revoking an operator's license or assessing points or any other form of penalty against the license holder for speeding violations or speeding convictions from

other states. This subsection shall apply only to speeding violations. This section shall not apply to a commercial driver's license.

- (7) Each operator's license which has been canceled, suspended, or revoked shall be surrendered to and retained by the cabinet. At the end of the period of cancellation, suspension, or revocation, the license may be returned to the licensee after he has complied with all requirements for the issuance or reinstatement of his driving privilege.
- (8) Insurance companies issuing motor vehicle policies in the Commonwealth shall be prohibited from raising a policyholder's rates solely because the policyholder's driving privilege has been suspended or denied pursuant to subsection (2) of this section.

SECTION 8. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

The following persons shall be required to successfully complete the examinations required under Section 9 of this Act prior to being issued a Kentucky operator's license:

- (1) ***A person who has been issued a Kentucky instruction permit;***
- (2) ***A person who has applied for a Kentucky operator's license under subsection (4) of Section 4 of this Act; and***
- (3) ***Other persons as identified in an administrative regulation promulgated by the Kentucky State Police under KRS Chapter 13A.***

Section 9. KRS 186.480 is amended to read as follows:

- (1) The State Police ~~shall~~~~may~~ examine every ~~unlicensed~~ applicant for an operator's license ***as identified in Section 8 of this Act***, except as otherwise provided in this section. The examination shall be held in the county where the applicant resides unless:
 - (a) The applicant is granted written permission by the circuit clerk of the county in which he resides to take the examination in another county, and the State Police agree to arrange for the examination in the other county; or
 - (b) The applicant is tested using a bioptic telescopic device.
- (2) The examination shall include a test of the applicant's eyesight to ensure compliance with the visual acuity standards set forth in KRS 186.577. The examination shall also include a test of the applicant's ability to read and understand highway signs regulating, warning and directing traffic, the applicant's knowledge of traffic laws and an actual demonstration of the applicant's ability to exercise ordinary and reasonable control in the operation of a motor vehicle. An applicant for a motorcycle operator's license shall be required to show his ability to operate a motorcycle, in addition to other requirements of this section. The provisions of this subsection shall not apply to an applicant who:
 - (a) At the time of application, holds a valid operator's license from another state, provided that state affords a reciprocal exemption to a Kentucky resident; or
 - (b) Is a citizen of the Commonwealth who has been serving in the United States military and has allowed his operator's license to expire.
- (3) Any person whose operator's license is denied, suspended, or revoked for cause shall apply for reinstatement at the termination of the period for which the license was denied, suspended, or revoked by submitting to the examination. The provisions of this subsection shall not apply to any person whose license was suspended for failure to meet the conditions described in KRS 186.411 when, within one (1) year of suspension, the driving privileges of such individuals are reinstated.

Section 10. The following KRS section is repealed:

186.413 Commission to determine color photo process to be used.

Approved April 9, 2002

CHAPTER 265

(HB 251)

AN ACT relating to election officers.

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

Section 1. KRS 117.045 is amended to read as follows:

- (1) The county board of elections shall in the manner prescribed by this section, not later than March 20 each year, except in a year in which no primary and regular elections are scheduled, appoint for each precinct in the county two (2) judges, one (1) clerk and one (1) sheriff of election. They shall serve in all elections held in the county during the year, except as provided in KRS Chapter 242, ***and except for minors seventeen (17) years of age who will become eighteen (18) years of age on or before the day of the regular election who may only serve as election officers for the primary and regular elections as provided in subsection (9) of this section.*** If a special election is ordered to be held in a year in which no elections are scheduled, the county executive committee of each political party in each county in the territory affected by the special election shall, not later than twenty-eight (28) days preceding the date of the special election, submit a written list of nominees for precinct election officers to serve in the special election in a manner consistent with the provisions of subsection (2) of this section. The county board of elections in each county in the territory affected by the special election shall, not later than twenty-one (21) days preceding the date of the special election, appoint precinct election officers to serve in the special election in a manner consistent with the provisions of subsections (4), (5), and (6) of this section. The State Board of Elections shall promulgate an administrative regulation establishing evaluation procedures which county boards of elections may use to qualify persons nominated to serve as precinct election officers.
- (2) The county executive committees of the two (2) political parties having representation on the State Board of Elections may, on or before March 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct; except that, in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a lesser number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one (1) authorized to submit the lists. The lists shall contain the full name, address, phone number, and Social Security number, if available, of each person listed. The lists shall be accompanied by a signed statement from each person stating that he is willing to serve, has not failed to serve without excuse in the past, and has not been convicted of an election law offense or any felony, unless the person's civil rights have been restored by the Governor. The State Board of Elections shall prescribe by administrative regulation the form of the list.
- (3) The Attorney General shall notify each party state central committee of the duties of the party.
- (4) If lists are submitted, the county board of elections shall select one (1) judge at each voting place from each political party's list, and the county board shall select the sheriff from one (1) political party's list and the clerk from the other. If no lists are submitted, the two (2) members of the county board of elections who are appointed by the State Board of Elections may submit lists; and the county board shall select the sheriff and one (1) judge from one (1) list and the clerk and the other judge from the remaining list. If no lists are submitted, the county board shall select the sheriff and one (1) judge from the membership of one (1) party and the clerk and the other judge from the membership of the remaining party. The county board shall, when possible, also appoint an adequate number of alternate precinct election officers from names on the lists which were submitted but which were not selected by the county board as precinct election officers. If alternate precinct election officers are not appointed from the lists of nominees who were not selected as precinct election officers, the county board of elections shall submit its method of selecting alternate precinct election officers to the State Board of Elections for its approval.
- (5) If, after all reasonable efforts have been made, the county board of elections is unable to find two (2) qualified officers for each precinct who are affiliated with the two (2) political parties having representation on the State Board of Elections, the county board shall submit a list of emergency election officer appointments to the State Board of Elections. The county board shall also present, in writing, its efforts to recruit and appoint election officers as prescribed in subsection (4) of this section. The list of emergency appointments may include qualified voters not affiliated with the two (2) parties represented on the state board. The state board, after its

review, may approve any or all of the emergency appointments submitted by the county board or may direct the county board to take other action. Any emergency appointment shall be made for the next ensuing election only.

- (6) In addition to precinct election officers appointed under subsection (1) of this section, a county board of elections may appoint up to two (2) additional precinct election officers per precinct with the approval of the State Board of Elections. The state board shall promulgate an administrative regulation establishing conditions under which additional precinct officers may be approved.
- (7) The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems the action is necessary.
- (8) The State Board of Elections may require the county board of elections to submit its list of precinct officers for review. The State Board of Elections may, after a hearing, direct the removal of any election officer who the board finds would not fairly administer the state election laws. The state board shall replace any officer so removed. The board shall provide for the method and manner of the hearing by administrative regulation.
- (9) An election officer shall be a qualified voter of the precinct; except that, where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. ***A minor seventeen (17) years of age who will become eighteen (18) years of age on or before the day of the regular election may serve as an election officer for the primary and regular elections in which he or she is qualified to vote, however, no precinct shall have more than one (1) person serving as an election officer who is a minor seventeen (17) years of age.*** An election officer shall not be a candidate or the spouse, parent, brother, sister, or child of a candidate who is to be voted for at the election. An election officer shall not have changed his voter registration party affiliation for one (1) year prior to his appointment. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled by the county board with alternate precinct election officers and the person appointed to fill the vacancy shall be of the same political party as the vacating officer, except for emergency appointments made as provided in subsection (5) of this section.
- (10) If the county board of elections fails to appoint election officers, or if any officer is not present at the precinct at the time for commencing the election, or refuses to act, and if no alternate is available, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.
- (11) Each election officer shall be paid a minimum of sixty dollars (\$60) per election day served, and such an additional amount as compensation as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding the election officers' pay, for each election in which the election officer serves, to be paid by the county. For delivering the election packets to the polls, the precinct election officers shall receive in addition the mileage reimbursement provided for state employees, for each mile necessarily traveled in the delivery of the packets to the polls, or a flat fee if the fee equals or exceeds that amount. For delivering election returns, the precinct election judges shall receive in addition the mileage reimbursement provided for state employees for each mile necessarily traveled from the place of voting to and from the place of delivery, or a flat fee if the fee equals or exceeds that amount. The fee paid to the precinct election judges for delivering election returns shall be paid by the county.

SECTION 2. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

Students who serve as election officers under subsection (9) of Section 1 of this Act shall be granted one (1) day of excused absence for each election day served.

Approved April 9, 2002

CHAPTER 266

(HB 376)

AN ACT relating to the Kentucky Board of Nursing.

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

Legislative Research Commission PDF Version

SECTION 1. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) *If a licensee issues payment for a biennial license to the board by a bank check that is dishonored by the bank or financial institution upon which it is drawn and the licensee fails to reimburse the board for the amount of the check and any applicable fee within thirty (30) days of written notice from the board, the board may initiate action for the immediate temporary suspension of the license under Section 5 of this Act until the licensee pays the required fee and meets all requirements for reinstatement of the license. The board shall mail written notice of the dishonored check to the licensee's address on record with the board.*
- (2) *A licensee whose license is suspended under subsection (1) of this section may request an emergency hearing under the provisions of KRS 13B.125.*
- (3) *Nothing in this section shall supersede the provisions of KRS 314.091.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding any provision of law to the contrary, upon receipt of a notice from the Cabinet for Families and Children that a nurse is in violation of KRS 205.712, the board shall issue an order suspending the nurse's license. If the individual is an applicant for licensure, the board shall issue a denial of licensure. The order shall constitute disciplinary action against the nurse or individual.*
- (2) *Suspension of a license or denial of licensure under subsection (1) of this section shall continue until the Cabinet for Families and Children notifies the board that the nurse or individual is no longer in violation of KRS 205.712.*
- (3) *A nurse shall not be entitled to a hearing before the board on a suspension of a license in child support cases administered by the Cabinet for Families and Children in accordance with 42 U.S.C. secs. 651 et seq.*
- (4) *To reinstate a license suspended under this section, a nurse shall comply with all reinstatement requirements.*

Section 3. KRS 314.026 is amended to read as follows:

- (1) The board shall make nursing scholarships in schools of nursing and graduate programs in nursing available to Kentucky residents through the Kentucky nursing incentive scholarship fund, as set forth by KRS 314.025 to 314.027 and by administrative regulations of the board promulgated pursuant to KRS Chapter 13A.
- (2) The board shall administer the Kentucky nursing incentive scholarship fund and may recover reasonable costs for administering the fund. The board shall be responsible for receiving and evaluating all applications for the scholarship made by persons who are bona fide residents of the Commonwealth and who desire to become nurses. The board shall evaluate each application to determine if the applicant complies with criteria for such scholarships as set forth in KRS 314.025 to 314.027 and in administrative regulations of the board.
- (3) Applications from all persons determined to be qualified shall be forwarded to the ~~{Kentucky Nursing Incentive Scholarship Fund Committee to be comprised of six (6) members including three (3) registered nurses, one (1) of whom shall be nominated by the Kentucky Nurses Association; two (2) licensed practical nurses who shall be appointed by the board; and one (1) member of the }~~board. The ~~board{committee}~~ shall designate the persons to receive assistance and the amount thereof. Decisions of the ~~board{Kentucky Nursing Incentive Scholarship Fund Committee}~~ in these matters shall be final. Disbursement of funds shall be pursuant to a written contract between the board and the applicant.
- (4) The yearly individual nursing scholarship award granted shall be determined annually by the ~~board{Kentucky Nursing Incentive Scholarship Fund Committee}~~. In determining the amount of the award and the number of scholarships to be granted, the ~~board{committee}~~ shall use its best judgment and shall seek to maintain the scholarship funds for future use.
- (5) Each recipient of a scholarship shall agree in the written contract to practice as a nurse in Kentucky for at least one (1) year for each academic year funded.
- (6) *The board shall establish a Kentucky Nursing Incentive Scholarship Fund Grant Review Committee composed of two (2) registered nurses and one (1) licensed practical nurse appointed by the board and one (1) member of the board who shall serve as chair of the committee. The committee shall review all proposals for nursing workforce competency development grants and make recommendations to the board. The board shall make the final decision on all grant proposals.*

Section 4. KRS 314.085 is amended to read as follows:

- (1) If the board has reasonable cause to believe that any licensee; applicant for licensure by examination, endorsement, reinstatement, or change of status; or holder of a temporary work permit is unable to practice with reasonable skill and safety or has abused alcohol or drugs, it may require the person to submit to a mental **health, chemical dependency**, or physical **evaluation**~~[examination]~~ by a **licensed or certified practitioner designated by the board**~~[physician or psychologist it designated]~~. Upon the failure of the person to submit to a mental **health, chemical dependency** or physical **evaluation**~~[examination]~~, unless due to circumstances beyond the person's control, the board may initiate an action for immediate temporary suspension pursuant to KRS 314.089 or deny the application until the person submits to the required **evaluation**~~[examination]~~.
- (2) Every licensee; applicant for licensure by examination, endorsement, reinstatement, or change of status; or holder of a temporary work permit shall be deemed to have given consent to submit to a mental **health, chemical dependency**, or physical **evaluation**~~[examination]~~ when so directed in writing by the board. The direction to submit to an **evaluation**~~[examination]~~ shall contain the basis of the board's reasonable cause to believe that the person is unable to practice with reasonable skill and safety, or has abused alcohol or drugs. The person shall be deemed to have waived all objections to the admissibility of the examining **practitioner's**~~[physician's or psychologist's]~~ testimony or examination reports on the ground of privileged communication.
- (3) The licensee; applicant for licensure by examination, endorsement, reinstatement, or change of status; or holder of a temporary work permit shall bear the cost of any mental **health, chemical dependency**, or physical **evaluation**~~[examination]~~ ordered by the board.

Section 5. KRS 314.089 is amended to read as follows:

- (1) The board's president or the president's designee may determine that immediate temporary suspension of a license against which disciplinary action or an investigation is pending is necessary in order to protect the public. When it appears that this action may be necessary, the executive director or the executive director's designee shall issue an emergency order suspending the nurse's license. Upon appeal of an emergency order, an emergency hearing shall be conducted in accordance with KRS 13B.125.
- (2) No board member shall be disqualified from serving on a disciplinary action hearing panel for the reason that he has previously sat on a hearing panel considering temporary suspension of the same license.
- (3) The board shall expedite disciplinary actions in which a license has been temporarily suspended.
- (4) The order of immediate temporary suspension shall remain in effect until either **reconsidered**~~[retracted]~~ or superseded by final disciplinary action by the board. In cases where disciplinary action is imposed the board may additionally order that the temporary suspension continue in effect until the later of expiration of the time permitted for appeal or termination of the appellate process.

Section 6. KRS 314.171 is amended to read as follows:

- (1) The board may establish an **alternative to discipline program**~~[impaired nurses committee]~~ to promote the early identification, intervention, treatment, and rehabilitation of nurses who may be impaired by reason of ~~[illness,]~~ alcohol or drug abuse~~[, or as a result of any physical or mental condition]~~. **In addition, the board may include in this program nurses or applicants who have practice competency deficits.**
- (2) The board may enter into a contractual agreement with a nonprofit corporation, nursing professional organization, or similar organization for the purpose of creating, supporting, and maintaining an **alternative to discipline program**~~[impaired nurses committee]~~.
- (3) The board may promulgate administrative regulations pursuant to KRS Chapter 13A to effectuate and implement **an alternative to discipline program**~~[a committee]~~ formed pursuant to this section.
- (4) Beginning January 1, 1997, the board shall collect an assessment of five dollars (\$5) to be added to each nurse licensure renewal application fee payable to the board, proceeds from which shall be expended on the operation of an **alternative to discipline program**~~[impaired nurses committee]~~ formed pursuant to this section.
- (5) ~~[Members of an impaired nurses committee formed pursuant to this section,]~~ Any administrator, staff member, consultant, agent, volunteer, or employee of the **alternative to discipline program**~~[committee]~~ acting within the scope of their duties and without actual malice, and all other persons who furnish information to the **alternative to discipline program**~~[committee]~~ in good faith and without actual malice, shall not be liable for any claim or

damages as a result of any statement, decision, opinion, investigation, or action taken by the ***alternative to discipline program or staff***~~[committee or by any individual member of the committee]~~.

- (6) All information, interviews, reports, statements, memoranda, or other documents furnished to or produced by the ***alternative to discipline program***~~[impaired nurses committee]~~, all communications to or from the ***alternative to discipline program***~~[committee]~~, and all proceedings, findings, and conclusions of the ***alternative to discipline program***~~[committee]~~ including those relating to intervention, treatment, or rehabilitation, which in any way pertain or refer to a nurse who is or may be impaired, shall be privileged and confidential.
- (7) All records and proceedings of the ***alternative to discipline program***~~[committee]~~ which pertain or refer to a nurse who is or may be impaired shall be privileged and confidential, shall be used by the ***alternative to discipline program, board members, or board staff***~~[committee and its members]~~ only in the exercise of the proper function of the ***alternative to discipline program***~~[committee]~~, shall not be considered public records, and shall not be subject to court subpoena, discovery, or introduction as evidence in any civil, criminal, or administrative proceedings except as described in subsection (8) of this section.
- (8) The ***alternative to discipline program***~~[committee]~~ may only disclose information relative to an impaired nurse if:
 - (a) It is essential to disclose the information to persons or organizations needing the information in order to address the intervention, treatment, or rehabilitation needs of the impaired nurse;
 - (b) The release is authorized in writing by the impaired nurse; or
 - (c) The ***alternative to discipline program***~~[committee]~~ is required to make a report to the board pursuant to KRS 314.031(4).
- (9) ***The alternative to discipline program may order an examination or evaluation under Section 4 of this Act at any time following initial contact by a potential applicant to the program.***

Section 7. The following KRS section is repealed:

164.2893 Faculty of associate degree registered nurse education program.

Approved April 9, 2002

CHAPTER 267

(HB 662)

AN ACT relating to motor fuel taxes.

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

Section 1. KRS 138.210 is amended to read as follows:

As used in KRS 138.220 to 138.446, unless the context requires otherwise:

- (1) "Accountable loss" means loss or destruction of "received" gasoline or special fuel through wrecking of transportation conveyance, explosion, fire, flood or other casualty loss, or contaminated and returned to storage. The loss shall be reported within thirty (30) days after discovery of the loss to the cabinet in a manner and form prescribed by the cabinet, supported by proper evidence which in the sole judgment of the cabinet substantiates the alleged loss or contamination and which is confirmed in writing to the reporting dealer by the cabinet. The cabinet may make any investigation deemed necessary to establish the bona fide claim of the loss;
- (2) "Gasoline dealer" or "special fuels dealer" means any person who is:
 - (a) Regularly engaged in the business of refining, producing, distilling, manufacturing, blending, or compounding gasoline or special fuels in this state;
 - (b) Regularly importing gasoline or special fuel, upon which no tax has been paid, into this state for distribution in bulk to others;
 - (c) Distributing gasoline from bulk storage in this state;
 - (d) Regularly engaged in the business of distributing gasoline or special fuels from bulk storage facilities primarily to others in arm's-length transactions;

- (e) In the case of gasoline, receiving or accepting delivery within this state of gasoline for resale within this state in amounts of not less than an average of one hundred thousand (100,000) gallons per month during any prior consecutive twelve (12) months' period, when in the opinion of the cabinet, the person has sufficient financial rating and reputation to justify the conclusion that he will pay all taxes and comply with all other obligations imposed upon a dealer; or
 - (f) Regularly exporting gasoline or special fuels;
- (3) "Cabinet" means the Revenue Cabinet;
- (4) (a) "Gasoline" means all liquid fuels, including liquids ordinarily, practically, and commercially usable in internal combustion engines for the generation of power, and all distillates of and condensates from petroleum, natural gas, coal, coal tar, vegetable ferments, and all other products so usable which are produced, blended, or compounded for the purpose of operating motor vehicles, showing a flash point of 110 degrees Fahrenheit or below, using the Elliott Closed Cup Test, or when tested in a manner approved by the United States Bureau of Mines, are prima facie commercially usable in internal combustion engines. The term "gasoline" as used herein shall include casing head, absorption, natural gasoline, and condensates when used without blending as a motor fuel, sold for use in motors direct, or sold to those who blend for their own use, but shall not include: propane, butane, or other liquefied petroleum gases, kerosene, cleaner solvent, fuel oil, diesel fuel, crude oil or casing head, absorption, natural gasoline and condensates when sold to be blended or compounded with other less volatile liquids in the manufacture of commercial gasoline for motor fuel, industrial naphthas, rubber solvents, Stoddard solvent, mineral spirits, VM and P & naphthas, turpentine substitutes, pentane, hexane, heptane, octane, benzene, benzine, xylol, toluol, aromatic petroleum solvents, alcohol, and liquefied gases which would not exist as liquids at a temperature of sixty (60) degrees Fahrenheit and a pressure of 14.7 pounds per square inch absolute, unless the products are used wholly or in combination with gasoline as a motor fuel;
- (b) "Special fuels" means and includes all combustible gases ~~and~~ liquids, ~~and taxable diesel fuel~~ capable of being used for the generation of power in an internal combustion engine to propel vehicles of any kind upon the public highways, **including diesel fuel, and dyed diesel fuel used exclusively for nonhighway purposes in off-highway equipment and in nonlicensed motor vehicles**, except that it does not include gasoline, aviation jet fuel, kerosene unless used wholly or in combination with special fuel as a motor fuel, ~~nontaxable diesel fuel exclusively used for nonhighway purposes in off highway equipment and nonlicensed motor vehicles,~~ or liquefied petroleum gas as defined in KRS 234.100;
- (c) ~~"Taxable Diesel fuel"~~ "Diesel fuel" means any liquid other than gasoline that, without further processing or blending, is suitable for use as a fuel in a diesel powered highway vehicle. ~~Taxable Diesel fuel~~ Diesel fuel does not include unblended kerosene, No. 5, and No. 6 fuel oil as described in ASTM specification D 396 or F-76 Fuel Naval Distillate MILL-F-166884;
- (d) ~~"Dyed Nontaxable diesel fuel"~~ "Dyed diesel fuel" means diesel fuel that is required to be dyed under United States Environmental Protection Agency rules for high sulfur diesel fuel, or is dyed under the Internal Revenue Service rules for low sulfur fuel, or pursuant to any other requirements subsequently set by the United States Environmental Protection Agency or the Internal Revenue Service, ~~and excludes fuel used in state or local government licensed vehicles~~;
- (5) "Received" or "received gasoline" or "received special fuels" shall have the following meanings:
- (a) Gasoline and special fuels produced, manufactured, or compounded at any refinery in this state or acquired by any dealer and delivered into or stored in refinery, marine, or pipeline terminal storage facilities in this state shall be deemed to be received when it has been loaded for bulk delivery into tank cars or tank trucks consigned to destinations within this state. For the purpose of the proper administration of this chapter and to prevent the evasion of the tax and to enforce the duty of the dealer to collect the tax, it shall be presumed that all gasoline and special fuel loaded by any licensed dealer within this state into tank cars or tank trucks is consigned to destinations within this state, unless the contrary is established by the dealer, pursuant to rules and regulations prescribed by the cabinet; and
 - (b) Gasoline and special fuel acquired by any dealer in this state, and not delivered into refinery, marine, or pipeline terminal storage facilities, shall be deemed to be received when it has been placed into storage tanks or other containers for use or subject to withdrawal for use, delivery, sale, or other distribution.

Dealers may sell gasoline or special fuel to licensed bonded dealers in this state in transport truckload, carload, or cargo lots, withdrawing it from refinery, marine, pipeline terminal, or bulk storage tanks, without paying the tax. In such instances, the licensed bonded dealer purchasing the gasoline or special fuel shall be deemed to have received such fuel at the time of withdrawal from the seller's storage facility and shall be responsible to the state for the payment of the tax thereon;

- (6) "Refinery" means any place where gasoline or special fuel is refined, manufactured, compounded, or otherwise prepared for use;
- (7) "Storage" means all gasoline and special fuel produced, refined, distilled, manufactured, blended, or compounded and stored at a refinery storage or delivered by boat at a marine terminal for storage, or delivered by pipeline at a pipeline terminal, delivery station, or tank farm for storage;
- (8) "Transporter" means any person who transports gasoline or special fuel on which the tax has not been paid or assumed;
- (9) "Bulk storage facility" means gasoline or special fuel storage facilities of not less than twenty thousand (20,000) gallons owned or operated at one (1) location by a single owner or operator for the purpose of storing gasoline or special fuel for resale or delivery to retail outlets or consumers;
- (10) "Average wholesale price" shall mean:
 - (a) The weighted average per gallon wholesale tank wagon price of gasoline, exclusive of the nine cents (\$0.09) per gallon federal tax in effect on January 1, 1984, any increase in the federal gasoline tax after July 1, 1984, and any fee on imported oil imposed by the Congress of the United States after July 1, 1986, as determined by the Revenue Cabinet from information furnished by licensed gasoline dealers or from information available through independent statistical surveys of gasoline prices. Dealers shall furnish within twenty (20) days following the end of the first month of each calendar quarter, the information regarding wholesale selling prices for the previous month required by the cabinet;
 - (b) Notwithstanding the provisions of paragraph (a) of this subsection, for purposes of the taxes levied in KRS 138.220, 138.660, and 234.320, in no case shall "average wholesale price" be deemed to be less than one dollar and eleven cents (\$1.11) per gallon, and in no case shall "average wholesale price" be deemed to be more than one dollar and fifty cents (\$1.50) per gallon on or before June 30, 1982. In fiscal year 1982-83, the "average wholesale price" shall not be deemed to increase more than ten percent (10%) over the "average wholesale price" at the close of fiscal year 1981-82; in each subsequent fiscal year the "average wholesale price" shall not be deemed to increase more than ten percent (10%) over the "average wholesale price" at the close of the previous fiscal year;
- (11) "Motor vehicle" means any vehicle, machine, or mechanical contrivance propelled by an internal combustion engine and licensed for operation and operated upon the public highways and any trailer or semitrailer attached to or having its front end supported by the motor vehicles;
- (12) "Public highways" means every way or place generally open to the use of the public as a matter of right for the purpose of vehicular travel, notwithstanding that they may be temporarily closed or travel thereon restricted for the purpose of construction, maintenance, repair, or reconstruction;
- (13) "Agricultural purposes" means purposes directly related to the production of agricultural commodities and the conducting of ordinary activities on the farm;
- (14) "Retail filling station" means any place accessible to general public vehicular traffic where gasoline or special fuel is or may be placed into the fuel supply tank of a licensed motor vehicle;
- (15) ***"Financial instrument" means a bond issued by a corporation authorized to do business in Kentucky, a line of credit, or an account with a financial institution maintaining a compensating balance.***

Section 2. KRS 138.502 is amended to read as follows:

- (1) ~~A[No]~~ person shall **not** sell or deliver ~~untaxed[nontaxable]~~ diesel fuel or **dyed** diesel fuel ~~contaminated with dye~~ when the person knows or has reason to know that the fuel will be used in a motor vehicle on any public highway.
- (2) ~~A[No]~~ person shall **not** introduce ~~untaxed[nontaxable]~~ diesel fuel or **dyed** diesel fuel ~~contaminated with dye~~ into the supply tank of any motor vehicle licensed for highway use.

- (3) ~~A [No]~~ person shall **not** use ~~untaxed[nontaxable]~~ diesel fuel **or dyed diesel fuel** ~~[contaminated with dye]~~ in any motor vehicle actually used on a public highway.
- (4) The prohibitions contained in this section shall not apply to:
 - (a) Persons operating motor vehicles that have received fuel into the fuel tank outside this state in a jurisdiction that permits introduction of ~~untaxed[nontaxable]~~ diesel fuel **or dyed diesel fuel** into the fuel supply tank of highway vehicles; and
 - (b) Uses of ~~untaxed[nontaxable]~~ fuel **or dyed diesel fuel** on the highway which are lawful under the Internal Revenue Code and regulations, including state and local government vehicles, and buses, unless otherwise prohibited by this chapter.
- (5) The cabinet may assess a civil penalty as follows:
 - (a) For first offenses, one thousand dollars (\$1,000) or ten dollars (\$10) per gallon of ~~untaxed[nontaxable]~~ fuel **or dyed diesel fuel** involved, whichever is greater, against any person who violates this section. The capacity of the fuel tank shall be assumed to be the amount of fuel involved, unless a lesser amount can be adequately verified by the violator; and
 - (b) For subsequent offenses, the penalty shall be the amount determined in paragraph (a) of this subsection, multiplied by the number of separate violations by the violator.

Section 3. KRS 138.224 is amended to read as follows:

It shall be presumed that all ~~untaxed[nontaxable]~~ motor fuels are subject to the tax levied under KRS 138.220 unless the contrary is established pursuant to KRS 138.210 to 138.500 or administrative regulations promulgated thereunder by the Revenue Cabinet. The tax shall be paid by the licensed dealer to the cabinet. The burden of proving that any motor fuel is not subject to tax shall be upon the dealer or any person who imports, causes to be imported, receives, uses, sells, stores or possesses ~~untaxed[nontaxable]~~ motor fuel in this state. Any dealer or other person who imports, causes to be imported, receives, uses, sells, stores or possesses ~~untaxed[nontaxable]~~ motor fuels but fails to comply with all statutory and regulatory restrictions applicable to ~~the[such]~~ fuel shall be jointly and severally liable for payment of the tax due on ~~the[such]~~ fuel. ~~A person's[Such]~~ liability shall not be extinguished until the tax due has been paid to the cabinet.

Section 4. KRS 138.330 is amended to read as follows:

- (1) Every dealer or transporter required to be licensed under KRS 138.310 shall file with the Revenue Cabinet a **financial instrument** ~~[bond, issued by a corporation authorized to do surety business in Kentucky]~~ in an amount not to exceed three (3) months' estimated liability as computed by the cabinet or five thousand dollars (\$5,000) whichever is greater, or in the case of a new licensee in the minimum amount of five thousand dollars (\$5,000) until such time as an estimated three (3) months' liability can be established, provided that the maximum amount of any **financial instrument** ~~[such bond]~~ may be reduced to an amount sufficient in the opinion of the cabinet, considering the financial rating and reputation of the company, to insure payment to the cabinet of the amount of tax, penalties and interest for which the dealer or transporter may become liable. The **financial instrument** ~~[bond]~~ shall be on a form and with a surety approved by the cabinet. The dealer or transporter shall be the principal obligor and the state the obligee. The **financial instrument** ~~[bond]~~ shall be conditioned upon the prompt filing of true reports by the dealer and transporter and the payment by the dealer to the State Treasurer of all gasoline and special fuel excise taxes now or hereafter imposed by the state, together with all penalties and interest thereon, and generally upon faithful compliance with the provisions of KRS 138.210 to 138.340.
- (2) If liability upon the **financial instrument** ~~[bond]~~ is discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if in the opinion of the cabinet any surety on the **financial instrument** ~~[bond]~~ has become unsatisfactory or unacceptable, the cabinet may require the licensee to file a new **financial instrument** ~~[bond]~~ with satisfactory sureties in the same amount, failing which the cabinet shall cancel the license of the licensee in accordance with the provisions of KRS 138.340. If a new **financial instrument** ~~[bond]~~ is furnished as provided above, the cabinet shall cancel and surrender the **financial instrument** ~~[bond]~~ for which the new **financial instrument** ~~[bond]~~ is substituted.
- (3) If upon hearing, of which the licensee shall be given five (5) days' notice in writing, the cabinet decides that the amount of the existing **financial instrument** ~~[bond]~~ is insufficient to insure payment to the state of the amount

of tax, penalties, and interest for which the licensee is or may become liable, the licensee shall, upon the written demand of the cabinet, file an additional **financial instrument**~~bond~~ in the same manner and form with a surety thereon approved by the cabinet, in any amount determined by the cabinet to be necessary, failing which the cabinet shall cancel the license of the licensee in accordance with the provisions of KRS 138.340.

- (4) Any surety on a **financial instrument**~~bond~~ furnished as required by this section shall be released from all liability to the state accruing on the **financial instrument**~~bond~~ after the expiration of sixty (60) days from the date upon which the surety has lodged with the cabinet a written request to be released, but this request shall not operate to release the surety from any liability already accrued or which shall accrue before the expiration of the sixty (60) day period. The cabinet shall promptly, upon receipt of a request, notify the licensee who furnished the **financial instrument**~~bond~~, and unless the licensee, before the expiration of the sixty (60) day period, files with the cabinet a new **financial instrument**~~bond~~ with a surety satisfactory to the cabinet in the amount and form prescribed in this section, the cabinet shall cancel the license of the licensee in accordance with the provisions of KRS 138.340. If an approved new **financial instrument**~~bond~~ is filed, the cabinet shall cancel and surrender the **financial instrument**~~bond~~ for which the new bond is substituted.

SECTION 5. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

- (1) *A dealer may elect to be exempted from the provisions of Section 4 of this Act, subject to the following provisions:*
- (a) *An election for exemption shall be made on an annual basis and shall be for a calendar year;*
 - (b) *At the conclusion of the year, the election for exemption shall continue for the next calendar year unless the dealer notifies the Revenue Cabinet of the dealer's intention to void the election for exemption by January fifteenth of the next calendar year; and*
 - (c) *If the election for exemption is voided, the provisions of Section 4 of this Act immediately apply.*
- (2) (a) *A dealer electing to be exempted from the provisions of Section 4 of this Act shall file with the cabinet a financial instrument in an amount not to exceed two (2) months' estimated liability, as calculated by the cabinet, or five thousand dollars (\$5,000), whichever is greater.*
- (b) *The financial instrument shall be on a form and with a surety to do business in this state.*
 - (c) *The dealer shall be the principal obligor and the state the obligee.*
 - (d) *The financial instrument shall be conditioned upon the prompt filing of true reports and the payment by the dealer to the State Treasurer of all gasoline and special fuel excise taxes now or hereafter imposed by the state, together with all penalties and interest thereon, and generally upon faithful compliance with the provisions of KRS 138.210 to 138.340.*
- (3) (a) *In addition to the provisions of KRS 138.210 to 138.340 the dealer shall certify to the cabinet no later than the fifteenth day of each month the amount of gasoline and special fuels tax due the Commonwealth by the twenty-fifth day of that month.*
- (b) *The certification shall be submitted via an electronic method acceptable by both the dealer and the cabinet.*
 - (c) *By certifying the amount of tax which is to be remitted to the cabinet, the dealer agrees to initiate an Automated Clearing House credit transaction to electronically transfer the amount of tax from the dealer's account to the Kentucky State Treasurer on the twenty-fifth day of that month.*
 - (d) *If the dealer fails to certify the amount of tax collected as prescribed by this section or does not perform the electronic fund transfer, the cabinet may immediately make demand on the financial instrument and revoke the license of the dealer notwithstanding the provisions of KRS 138.340.*

Approved April 9, 2002

CHAPTER 268

(HB 473)

AN ACT relating to amusement rides and attractions.

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

Section 1. KRS 247.232 is amended to read as follows:

As used in KRS 247.234 and 247.236:

- (1) "Amusement ride" means any mechanized device or combination of devices which carry passengers along, around, or over a fixed or restricted course for the purpose of giving its passengers amusement, pleasure, thrills, or excitement. "Amusement ride" does not include coin-operated amusement devices, ***unless designated by administrative regulation promulgated by the Commissioner,*** ~~that carry no more than two (2) persons~~ and devices regulated by the Federal Aviation Administration, the Kentucky Transportation Cabinet, the federal railroad commission, and vessels under the jurisdiction of the United States Coast Guard or the Kentucky Department of Fish and Wildlife Resources;
- (2) "Amusement attraction" means any building or structure around, over, or through which people may walk, climb, slide, jump, or move that provides amusement, pleasure, thrills, or excitement. "Amusement attraction" does not include tractor pulls, auto or motorcycle events, horse shows, rodeos and other animal shows, games and concessions, nonmechanical playground equipment, such as swings, ~~slides, seesaws, climbers, trampolines,~~ rider-propelled merry-go-rounds, stationary spring-mounted animal devices, and physical fitness equipment, unless designated by ***administrative regulation promulgated by*** ~~of~~ the Commissioner;
- ~~(3) "Carnival" means an enterprise offering amusement or entertainment to the public by means of one (1) or more amusement rides and attractions;~~
- ~~(4) "Fair" means an enterprise principally devoted to the exhibition of products of agriculture, science, or industry in conjunction with the operation of one (1) or more amusement rides or attractions;~~
- ~~(5) "Owner" means any person who owns an amusement ride or attraction or, in the event that the amusement ride or attraction is leased, the lessee;~~ and
- ~~(4)~~~~(6)~~ "Commissioner" means the Commissioner of Kentucky Department of Agriculture or his authorized representative.

Section 2. KRS 247.234 is amended to read as follows:

- (1) No amusement ride or attraction shall be operated ~~at a fair or carnival~~ in this state without a permit of operation issued by the Commissioner to the owner ~~or operator~~ of ~~the~~ ~~such~~ equipment. ***The permit shall be kept on site and viewable upon request.***
- (2) (a) The permit of operation required by this section shall be valid for a period of one (1) year and shall be issued in accordance with administrative regulations promulgated by the Commissioner;
- (b) ***A permit shall be issued to each owner to operate any amusement ride or attraction in this state. A fee of fifty dollars (\$50) shall be levied for each amusement ride or attraction*** ~~The fee for such permit of operation shall be fifty dollars (\$50) for each ride or attraction owned or operated in this state;~~
- (c) The applicant shall furnish proof of liability insurance in effect on the operation of each amusement ride or attraction providing coverage, with an insurer authorized to issue ~~such~~ a policy in this state, in the amount of three hundred thousand dollars (\$300,000) due to all bodily injuries or deaths per occurrence, or in lieu thereof, if the applicant's amusement ride or amusement attraction is one that is permanently located or erected on a site in this state, the applicant shall be required only to provide proof of liability insurance in the sum of one hundred thousand dollars (\$100,000) or proof of financial responsibility in the sum of one hundred thousand dollars (\$100,000). Every insurance carrier of ~~these~~ ~~such~~ policies shall notify the Commissioner at least thirty (30) days prior to cancellation of ~~a~~ ~~the~~ policy ***for mobile amusement rides or attractions and at least ten (10) days prior to cancellation of a policy for permanent amusement rides or attractions.*** In addition to proof of adequate insurance coverage, the applicant shall furnish any other information the Commissioner may require, including, but not limited to, written notice of each intended operating site to be received by the Commissioner at least fourteen (14) days prior to operation at that site. ~~However,~~ In cases of emergency, notice of a change in future plans may be given to the Commissioner by telephone. Insurance requirements for amusement rides and attractions operated at the Kentucky State Fair may be adjusted by the Commissioner to any amount reasonably necessary to ensure adequate coverage;
- (d) ~~Before issuing any permit,~~ The Commissioner shall provide for an inspection of each amusement ride or attraction ***before it may be*** operated in this state. The Commissioner shall designate persons qualified

by education or experience, who are capable of determining amusement safety in accordance with *administrative* regulations *promulgated in accordance with*~~adopted pursuant to~~ KRS 247.232 to 247.236, as amusement safety inspectors; and

- (e) *A Kentucky inspection seal shall be affixed to every individual amusement ride or attraction, or other location as determined by the Commissioner, before it may be operated in this state*~~permit of operation shall be posted in full public view on or near the amusement ride or attraction~~.
- (3) (a) In addition to a mandatory initial inspection, required in subsection (2)(d) of this section, the Commissioner may inspect amusement rides and attractions without notice at any time while operating in this state. There will be no charge for additional inspections in which safety violations are not found~~and for additional inspections in which safety violations are found and corrected immediately~~.~~However,~~ In regard to situations in which safety violations are found~~that cannot be corrected immediately~~, the Commissioner ~~may~~~~shall~~ charge an inspection fee *not to exceed five hundred dollars (\$500)*~~in the amount of one hundred dollars (\$100)~~ for any future inspection necessary. *The corrections of these safety violations shall comply with accepted standards of safety, and shall be accomplished prior to operating the equipment in this state*~~to determine if that particular amusement ride or attraction complies with accepted standards of safety~~; ~~or~~
- (b) In regard to situations in which safety violations are found that cannot be corrected immediately, the amusement ride or attraction shall cease to operate in this state by order of the amusement safety inspector. In addition, the amusement safety inspector shall conspicuously post a public notice on or near the amusement ride or attraction. The notice shall adequately inform the public of the safety violation present. *Only an amusement safety inspector employed by the department may remove the public notice;*
- (c) Any owner who continues to operate an amusement ride or attraction after an order to cease operation has been issued shall have his permit of operation revoked and may be subject to further penalties provided in KRS 247.990 and this section. In addition, the county attorney of each county and the Commissioner of Agriculture or his agents are hereby authorized to seek an injunction against the owner or operator of any amusement ride or attraction being operated in violation of KRS 247.232 to 247.236; and
- (d) Revenue generated by this section shall be used for the implementation and administration of KRS 247.232 to 247.236; the balance, if any, shall be paid into the general fund of this state.

Section 3. KRS 247.990 is amended to read as follows:

- (1) Any person who violates subsection (3) of KRS 247.270 or who diverts the funds or profits of a farm bureau to any purpose except the purposes of the farm bureau shall be guilty of theft and be punished as provided by law.
- (2) Any officer who makes a certificate required by subsection (2) of KRS 247.270 or by KRS 247.300 knowing it to be false or incorrect in any particular, shall be fined not more than one hundred dollars (\$100).
- (3) Any owner of an amusement ride or attraction who violates any provision of KRS 247.234 or 247.236 or any *administrative* regulation *promulgated in accordance with*~~pursuant to~~ KRS 247.234 or 247.236, and ~~the~~~~such~~ violation is specifically determined not to be of a serious nature, is subject to a civil fine not to exceed *one thousand dollars (\$1,000)*~~one hundred dollars (\$100)~~ for each offense.
 - (a) Any owner of an amusement ride or attraction who knowingly operates an amusement ride or attraction without a permit of operation as required by KRS 247.234, shall be fined not more than *one thousand dollars (\$1,000)*~~two hundred fifty dollars (\$250)~~ or be imprisoned in the county jail for not more than ninety (90) days, or both.
 - (b) Any person who knowingly makes any false statement, representation, or certification in an application for a permit as required by KRS 247.234, shall be fined not more than *one thousand dollars (\$1,000)*~~two hundred fifty dollars (\$250)~~ or be imprisoned in the county jail for not more than ninety (90) days, or both.

- (c) Any owner of an amusement ride or attraction who knowingly violates any provision of KRS 247.234 or 247.236 or any *administrative* regulation promulgated *in accordance with* ~~[pursuant to]~~ KRS 247.234 or 247.236, and ~~the [such]~~ violation is determined to be the cause of a serious injury or death, shall be fined not more than *one thousand dollars (\$1,000)* ~~five hundred dollars (\$500)~~ or be imprisoned in the county jail for not more than one (1) year, or both.

Approved April 9, 2002

CHAPTER 269

(SB 139)

AN ACT relating to private investigators.

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

SECTION 1. KRS CHAPTER 329A IS ESTABLISHED AND A NEW SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 17 of this Act:

- (1) *"Board" means the Kentucky Board of Licensure for Private Investigators;*
- (2) *"Company" means a firm, association, sole proprietorship, partnership, corporation, nonprofit organization, institution, or similar enterprise;*
- (3) *"Investigating company" or "company licensee" means a company engaged in private investigating that is licensed under Sections 1 to 17 of this Act;*
- (4) *"Private investigating" means the act of any individual or company engaging in the business of obtaining or furnishing information with reference to:*
 - (a) *Crime or wrongs done or threatened against the United States or any state or territory of the United States;*
 - (b) *The identity, habits, conduct, business, occupation, honesty, integrity, credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movement, whereabouts, affiliations, associations, transactions, acts, reputations, or character of any person;*
 - (c) *The location, disposition, or recovery of lost or stolen property;*
 - (d) *The cause or responsibility for fires, losses, accidents, damages, or injuries to persons or to property;*
- (5) *"Private investigator" or "individual licensee" means a person who is engaged in private investigating and licensed in accordance with the provisions of Sections 1 to 17 of this Act; and*
- (6) *"Qualifying agent" means a principal corporate officer, such as the chief executive officer, president, vice president, treasurer-secretary, comptroller, or any other responsible officer or executive employee, who is designated by the corporation to represent it in matters relating to Sections 1 to 17 of this Act.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

No person or company shall hold himself or herself out to the public as a private investigator or use any terms, titles, or abbreviations that express, infer, or imply that the person is licensed as a private investigator unless the person at the time holds a license to practice private investigating issued and validly existing under the laws of this Commonwealth as provided in this chapter. All applicants shall pass a criminal background check based on criteria established under Section 6 of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky Board of Licensure for Private Investigators is hereby created.*
- (2) *The board shall consist of seven (7) members appointed by the Governor.*
 - (a) *One (1) member shall be an attorney from the office of the Attorney General to be designated by the Attorney General;*

- (b) *One (1) member shall be a municipal police officer of the rank of captain or above;*
- (c) *One (1) member shall be a county sheriff;*
- (d) *Three (3) members shall each have been private investigators for at least five (5) years prior to the date of their appointment and shall be of recognized business standing; and*
- (e) *One (1) member shall be a citizen at large who is not associated with or financially interested in the practice of private investigating.*
- (3) *All members shall be residents of this state and possess good moral character.*
- (4) *The original members of the board shall be appointed by no later than January 1, 2003, as follows:*
 - (a) *One (1) member to a one (1) year term;*
 - (b) *Two (2) members to a two (2) year term;*
 - (c) *Two (2) members to a three (3) year term; and*
 - (d) *Two (2) members to a four (4) year term.*
- (5) *After the initial appointments to the board, all members shall serve a two (2) year term.*
- (6) *Any vacancy occurring on the board shall be filled by the Governor.*
- (7) *No member may serve more than two (2) full consecutive terms.*
- (8) *The three (3) board members who are private investigators and the member at large shall receive the sum of one hundred dollars (\$100) per day for each day the board meets. All members shall receive reimbursement for actual and necessary expenses incurred in the performance of their official duties.*
- (9) *The board shall annually elect a chairman, a vice chairman, and a secretary-treasurer from the membership of the board.*
- (10) *The board shall hold at least two (2) meetings annually and additional meetings as the board may deem necessary. Additional meetings may be held upon call of the chairman or upon written request of a quorum. Four (4) members of the board shall constitute a quorum to conduct business.*
- (11) *Upon recommendation of the board, the Governor may remove any member of the board for neglect of duty or malfeasance in office.*
- (12) *The board may purchase professional liability insurance for the board members and agents and staff of the board.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall administer and enforce the provision of Sections 1 to 17 of this Act and shall evaluate the qualifications of applicants for licensure and issue licenses.*
- (2) *The board shall:*
 - (a) *Implement the provisions of Sections 1 to 17 of this Act through the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A;*
 - (b) *Promulgate administrative regulations to establish fees which shall not exceed the amounts necessary to generate sufficient funds to effectively carry out and enforce the provisions of Sections 1 to 17 of this Act;*
 - (c) *Promulgate by administrative regulation an examination to be administered at least twice annually to license applicants. The examination shall be designed to measure knowledge and competence in private investigating including, but not limited to, the following subject areas:*
 - 1. *Federal and state constitutional principles;*
 - 2. *Court decisions related to activities which could result in liability for the invasion of privacy or other activities;*
 - 3. *Eavesdropping and related offenses, assault and related offenses, search and seizure laws, and laws regarding unlawful access to a computer;*
 - 4. *General weapons use and concealed weapons laws;*

- 5. *Additional state criminal laws and related procedures that are relevant to the practice of private investigating; and*
- 6. *Additional subject areas as determined by the board; and*
- (d) *Promulgate by administrative regulation a code of professional practice and conduct that shall be based upon generally recognized principles of professional ethical conduct and be binding upon all licensees.*
- (3) *The board may:*
 - (a) *Contract with the Division of Occupations and Professions within the Finance and Administration Cabinet for the provision of administrative services;*
 - (b) *Employ any persons it deems necessary to carry on the work of the board. The board may define their duties and fix their compensation;*
 - (c) *Develop or sponsor at least six (6) hours of continuing professional education annually;*
 - (d) *Approve and certify a forty (40) hour training class covering the subject areas of the licensing examination;*
 - (e) *Renew licenses and require continuing professional education as a condition for renewal;*
 - (f) *Suspend or revoke licenses, impose supervisory or probationary conditions upon licensees, impose administrative disciplinary fines, or issue written admonishments or reprimands, or any combination thereof;*
 - (g) *Issue subpoenas, examine witnesses, pay appropriate witness fees, administer oaths, and investigate allegations of practices violating the provisions of Sections 1 to 17 of this Act;*
 - (h) *Conduct hearings pursuant to KRS Chapter 13B and keep records and minutes necessary to carry out the board's functions;*
 - (i) *Organize itself into two (2) panels to separate the functions of inquiry and hearings. Each panel shall have the power to act as either an inquiry or hearing panel. No member serving on the inquiry panel shall serve on the hearing panel for any one (1) particular case. Any final decision of the hearing panel shall be considered as the final decision of the board and the hearing panel may exercise all powers granted to the board pursuant to KRS Chapter 13B;*
 - (j) *Utilize mediation as a technique to resolve disciplinary matters;*
 - (k) *Seek injunctive relief in the Circuit Court of the county where the alleged unlawful practice occurred to stop the unlawful practice of private investigating by unlicensed persons or companies; and*
 - (l) *Negotiate and enter into reciprocal agreements with appropriate officials in other states to permit licensed investigation companies and private investigators who meet or exceed the qualifications established in Sections 1 to 17 of this Act to operate across state lines under mutually acceptable terms.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *All fees and other moneys received by the board pursuant to the provisions of Sections 1 to 17 of this Act shall be deposited in the State Treasury to the credit of a revolving fund for the use of the board.*
- (2) *No part of this revolving fund shall revert to the general fund of this Commonwealth.*
- (3) *The revolving fund may be used to pay for:*
 - (a) *The compensation and reimbursement of board members for actual and necessary expenses incurred in the performance of official duties;*
 - (b) *The compensation of all of the employees of the board;*
 - (c) *Those operational and capital expenses incurred in fulfilling the board's duties as described in Sections 1 to 17 of this Act and in administrative regulations; and*

- (d) *The development or sponsorship of at least six (6) hours of continuing education courses annually, to be conducted in various areas of the state.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *An application for a private investigator license shall be filed with the board on the prescribed form.*

- (a) *The application shall include the following information regarding the applicant:*

1. *Full name and address;*
2. *Date and place of birth;*
3. *Social Security number;*
4. *All residences during the past five (5) years;*
5. *All employment or occupations engaged in during the past five (5) years;*
6. *Three (3) sets of classifiable fingerprints;*
7. *Three (3) credit references from lending institutions or business firms with whom the subject has established a credit record; and*
8. *Any other information as the board may reasonably require by administrative regulation.*

- (b) *The application shall be subscribed and sworn to by the applicant.*

- (2) *An application for an investigating company license shall be filed with the board on the prescribed form.*

- (a) *The application shall include:*

1. *The information required in subsection (1)(a) of this section for:*
 - a. *The owner, if the company is a sole proprietorship;*
 - b. *Each partner, if the company is a partnership; or*
 - c. *The qualifying agent, if the company is a corporation;*
2. *The name under which the company intends to do business;*
3. *The address of the principal place of business and any branch offices of the company within this state; and*
4. *Other information as the board may reasonably require by administrative regulation.*

- (b) *If the company is a corporation, the following information is also required:*

1. *The correct legal name of the corporation;*
2. *The state and date of incorporation;*
3. *The date the corporation qualified to do business in this state;*
4. *The address of the corporate headquarters, if located outside of this state;*
5. *The names of two (2) principal corporate officers other than the qualifying agent, their business addresses, residence addresses, and the office held by each in the corporation; and*
6. *The identity and license number of all private investigators employed by or affiliated with the company.*

- (c) *The application shall be subscribed and sworn to by:*

1. *The owner, if the applicant is a sole proprietorship;*
2. *Each partner, if the applicant is a partnership; or*
3. *The qualifying agent, if the applicant is a corporation.*

- (3) *Each applicant for an individual license or owner, partner, or qualifying agent for a company license shall:*

- (a) *Be at least twenty-one (21) years of age;*

- (b) *Be a citizen of the United States or a resident alien;*
- (c) *Have a high school education or its equivalent;*
- (d) *Not receive a license until the earlier of:*
 - 1. *The expiration of ten (10) years from the applicant's release from a sentence imposed by any state or territory of the United States or the federal government for the commission of a felony, including a sentence of confinement or time served on probation, parole, or other form of conditional release or discharge; or*
 - 2. *The date the applicant received a restoration of the applicant's civil rights;*
- (e) *Not have been convicted of a misdemeanor involving moral turpitude or for which dishonesty is a necessary element within the previous five (5) years;*
- (f) *Not have been dishonorably discharged from any branch of the Armed Forces of the United States;*
- (g) *Not have had his or her certification as a peace officer revoked in this or another state;*
- (h) *Not have been declared by any court of competent jurisdiction to be incompetent by reason of mental defect or disease unless a court of competent jurisdiction has since declared the applicant to be competent;*
- (i) *Not have been voluntarily or involuntarily committed to a facility or outpatient program for the abuse of a controlled substance or been convicted of a misdemeanor violation of KRS Chapter 218A or similar laws of any other state relating to controlled substances within the three (3) year period immediately preceding the date on which the application is submitted;*
- (j) *Not chronically and habitually use alcoholic beverages as evidenced by:*
 - 1. *The applicant having two (2) or more convictions for violating KRS 189A.010 within the three (3) year period immediately preceding the date on which the application is submitted; or*
 - 2. *The applicant having been committed as an alcoholic pursuant to KRS Chapter 222, or similar laws of any other state, within the three (3) year period immediately preceding the date on which the application is submitted;*
- (k) *Not chronically and habitually use alcoholic beverages or drugs to the extent that his or her normal faculties are impaired;*
- (l) *Be of good moral character;*
- (m) *Pass an examination administered by the board in accordance with subsection (2)(c) of Section 4 of this Act; and*
- (n) *Submit proof of coverage which meets the following requirements:*
 - 1. *Is written by an insurance company which is lawfully engaged to provide insurance coverage in Kentucky;*
 - 2. *Provides for a combined single-limit policy in the amount of at least two hundred fifty thousand dollars (\$250,000); and*
 - 3. *Insures for liability all of the applicant's employees while acting in the course of their employment.*

Private investigators who limit their practice exclusively to working under the supervision of an attorney who is licensed to practice law in this state are exempted from the requirement of this paragraph.

- (4) *The board shall maintain the confidentiality of information relating to the licensee, except that the board may provide this information to local, state, or federal law enforcement agencies.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *Upon receipt of a license application, accompanied by a nonrefundable, nonproratable fee of not less than one hundred dollars (\$100) and not more than five hundred dollars (\$500), as established by the board by promulgation of administrative regulations, the board shall:*
 - (a) *Conduct an investigation to determine whether the statements made in the application are true; and*
 - (b) *Submit the application, including fingerprints as appropriate, to the Kentucky State Police and the Administrative Office of the Courts for a state criminal history background check. The Kentucky State Police may submit fingerprints of any applicant to the Federal Bureau of Investigation for a national criminal history background check. The board may by administrative regulation impose additional qualifications to meet the requirements of Pub. L. No. 92-544. The applicant for licensure shall bear the additional cost, in an amount not to exceed the actual cost, incurred for the criminal background check.*
- (2) *Following the investigation process, the board shall either deny or approve the application.*
 - (a) *If the application for a license is denied, the board:*
 1. *Shall notify the applicant in writing and set forth the grounds for denial. If the grounds are subject to correction by the applicant, the notice of denial shall so state and specify a reasonable period of time within which the applicant must make the correction; and*
 2. *Shall grant a hearing to the denied applicant in accordance with the provisions of KRS Chapter 13B.*
 - (b) *If the application for a license is approved, the board shall issue:*
 1. *A license to be posted conspicuously in the licensee's principal place of business; and*
 2. *A wallet-sized laminated identification card to each individual licensee to be carried while engaged in private investigation. Information on the card shall include the expiration date of the license and the licensee's:*
 - a. *Name;*
 - b. *Photograph;*
 - c. *Physical characteristics; and*
 - d. *License number.*
- (3) *A license or identification card issued under subsection (2) of this section is not assignable and is personal to the licensee.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *A license or renewal issued under Sections 1 to 17 of this Act shall be valid for two (2) years from the date of issuance. No later than May 1 in the license renewal year, the board shall send a renewal application form to the address on file for each licensee. The renewal application shall indicate if the licensee is required to submit passport-sized photographs for a new identification card.*
- (2) *All renewal applications shall be received by the board on or before June 30 in the year of renewal.*
- (3) *Each company license renewal shall include a notarized statement sworn to by the representative prescribed in subsection (2)(c) of Section 6 of this Act stating the identity and license number of each private investigator employed by or affiliated with the company.*
- (4) *The fee for the timely renewal of a license shall be not less than fifty dollars (\$50) and not more than two hundred fifty dollars (\$250), as established by the board by promulgation of administrative regulations.*
- (5) *For individual licensees, the board shall, at its discretion, issue either a new identification card or a renewal stamp or sticker to be affixed to the existing card.*
- (6) *A grace period shall be allowed until September 1 of the license renewal year, during which time licensees may continue to practice and may renew their licenses upon payment of the renewal fee plus a late fee as promulgated by administrative regulation of the board.*
- (7) *All licenses not renewed by September 1 of the renewal year shall terminate based on the failure to renew in a timely manner. Upon termination, the licensee is no longer eligible to practice in this state.*

- (8) *After September 1 of the renewal year, former licensees with a terminated license may have their licenses reinstated upon payment of the renewal fee plus a reinstatement fee as promulgated by administrative regulation of the board. If the reinstatement application is made within five (5) years from the date of termination, applicants shall not be required to submit to any examination as a condition for reinstatement.*
- (9) *A revoked license may not be renewed. If it is reinstated, the licensee shall pay the reinstatement fee as set forth in subsection (8) of this section and the renewal fee as set forth in subsection (4) of this section.*
- (10) *A former licensee who fails to reinstate a license within five (5) years after termination may not have it renewed, restored, or reinstated. A person may apply for and obtain a new license by meeting the current requirements for licensure.*
- (11) *The board may require that a person applying for a renewal or reinstatement of licensure show evidence of completion of continuing professional education as prescribed by the board in administrative regulations.*
- (12) *A valid license may be put on inactive status by the licensee at the time of renewal, at a cost to be determined by the board.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *If the ownership of an investigating company changes, the new owner, if not already a licensee, shall not operate that company more than thirty (30) days after the date of the ownership change unless, within the thirty (30) day period, the new owner submits an application for a license.*
 - (a) *If the application is submitted, the new owner may continue to operate the company until the application has been finally determined by the board.*
 - (b) *The board may extend for a reasonable time the period for submitting an application under this subsection.*
- (2) *If the qualifying agent of a company ceases to perform the duties of an agent on a regular basis, the licensee shall notify the board by certified or registered mail within thirty (30) days and substitute a new qualifying agent within ninety (90) days. The board may extend for a reasonable time the period for obtaining a substitute qualifying agent.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

No licensee shall:

- (1) *Use a badge for identification or make any statement which would reasonably cause another person to believe that the licensee functions as a sworn peace officer or other official of the state, any of its political subdivisions, or an agency of the federal government;*
- (2) *Divulge to anyone, other than his or her client, or to such persons as his or her client may direct, or as may be required by law, any information acquired during such employment that may compromise the client, the person who is the subject of the investigation, or the investigation to which the licensee has been assigned;*
- (3) *Knowingly make a material misrepresentation as to his or her ability to perform the investigation required by a potential client in order to obtain employment;*
- (4) *Knowingly make a material misrepresentation to the client regarding the investigation; or*
- (5) *Continue an investigation for a client when it becomes obvious to the licensee that a successful completion of an investigation is unlikely, unless the licensee advises the client and obtains the client's approval for continuation of the investigation.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *The board may investigate allegations of licensee wrongdoing upon complaint or upon its own volition. The board shall promulgate administrative regulations regarding the receiving and investigating of complaints.*
- (2) *If the board's investigation reveals evidence supporting the complaint, the board shall set the matter for hearing pursuant to the provisions of KRS Chapter 13B before suspending, revoking, imposing probationary or supervisory conditions or an administrative fine, issuing a written reprimand, or any other combination of actions regarding any license under the provisions of Sections 1 to 17 of this Act.*

- (3) *If, after an investigation that includes an opportunity for the licensee to respond, the board determines that a violation took place but was not of a serious nature, it may issue a written admonishment to the licensee. A copy of the admonishment shall be placed in the board's permanent licensure file. The licensee shall have the right to file a response to the admonishment within thirty (30) days of its receipt and to have that response placed in the board's permanent licensure file. The licensee may, within thirty (30) days of receipt, file a request for hearing with the board. Upon receipt of this request the board shall set aside the written admonishment and set the matter for hearing under the provisions of KRS Chapter 13B.*

SECTION 12. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *The board may refuse to issue a license, or suspend, revoke, impose probationary conditions, impose an administrative fine, issue a written reprimand, or any combination thereof regarding any licensee upon proof that the licensee or applicant has:*
- (a) *Violated any provision of Sections 1 to 17 of this Act or any administrative regulation promulgated by the board;*
 - (b) *Knowingly and willfully made a material misstatement in connection with an application for license or renewal;*
 - (c) *Been convicted of a felony;*
 - (d) *Practiced fraud, deceit, or misrepresentation;*
 - (e) *Committed any act that would have been cause for refusal to issue the license had it existed and been known to the board at the time of issuance;*
 - (f) *Been incompetent or negligent in the practice of private investigating; or*
 - (g) *Violated the code of ethics promulgated by administrative regulation by the board.*
- (2) *In addition to or in lieu of any other lawful disciplinary action under this section, the board may assess a civil penalty not exceeding two thousand dollars (\$2,000).*
- (3) *When the board issues a written reprimand to the licensee a copy of the reprimand shall be placed in the permanent file of the licensee. The licensee shall have the right to submit a response within thirty (30) days of its receipt and to have that response filed in the permanent file.*
- (4) *At any time during the investigative or hearing processes, the board may accept an assurance of voluntary compliance from the licensee if the assurance effectively deals with the complaint.*
- (5) *The board may reconsider, modify, or reverse its probation, suspension, or other disciplinary action.*
- (6) *Any party aggrieved by a disciplinary action of the board may bring an action in Franklin Circuit Court pursuant to the provisions of KRS Chapter 13B.*
- (7) *A license shall be subject to expiration and renewal during any period in which the license is suspended.*

SECTION 13. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

The provisions of Sections 1 to 17 of this Act do not apply to:

- (1) *An officer or employee of the United States, this state, another state, or any political subdivision thereof, performing his or her official duties within the course and scope of his or her employment;*
- (2) *A public accountant, certified public accountant, or the bona fide employee of either, performing duties within the scope of public accountancy;*
- (3) *A person engaged exclusively in the business of obtaining and furnishing information regarding the financial rating or standing and credit of persons;*
- (4) *An attorney-at-law, or an attorney's bona fide employee, performing duties within the scope of the practice of law;*
- (5) *An insurance company, licensed insurance agent, or staff or independent adjuster if authorized to do business in Kentucky, performing investigative duties limited to matters strictly pertaining to an insurance transaction;*
- (6) *A person engaged in compiling genealogical information, or otherwise tracing lineage or ancestry, by primarily utilizing public records and historical information or databases;*

- (7) *A private business employee conducting investigations relating to the company entity by which he or she is employed;*
- (8) *An individual obtaining information or conducting investigations on his or her own behalf; or*
- (9) *An employee of a private investigator or a private investigating firm who works under the direction of the private investigator or the private investigating firm for less than three hundred fifty (350) hours per year.*

SECTION 14. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

- (1) *A licensee shall notify the board in writing within thirty (30) days of:*
 - (a) *Any material change in the information previously furnished or required to be furnished to the board;*
 - (b) *Any occurrence that could reasonably be expected to affect the licensee's right to a license under Sections 1 to 17 of this Act, including but not limited to any criminal charges placed against the licensee or employees of the licensee;*
 - (c) *Any change in insurance coverage required under Section 6 of this Act; and*
 - (d) *Any claims, judgments, or settlements against the licensee, the licensee's employees, or the licensee's insurance company.*
- (2) *An investigative company shall notify the board in writing within thirty (30) days of any criminal charges filed against an investigator employed by or affiliated with the company.*

SECTION 15. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

Any person violating Section 2 of this Act shall be guilty of a Class A misdemeanor.

SECTION 16. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

The General Assembly intends, by the provisions of this chapter, to occupy the entire field of regulation and licensing of private investigators. No cities, counties, urban-county governments, charter counties, consolidated local governments, or other political subdivisions of the Commonwealth may adopt or continue in effect any ordinance, resolution, regulation, or rule regarding the regulation of private investigators. Nothing in this section shall be construed to abrogate any authority afforded by this chapter to the Kentucky Board of Licensure of Private Investigators.

SECTION 17. A NEW SECTION OF KRS CHAPTER 329A IS CREATED TO READ AS FOLLOWS:

Sections 1 to 17 of this Act may be cited as the Kentucky Private Investigators Licensing Act.

Section 18. (1) Any private investigating firm that has had its headquarters in the Commonwealth of Kentucky for at least two (2) years prior to the effective date of this Act shall receive a license automatically upon filing the appropriate application and paying the appropriate fee by April 1, 2003.

(2) Any person actively engaged in full-time or part-time investigatory work in this state as a private investigator or as an investigator for a law enforcement agency for a continuous period of at least two (2) years prior to the effective date of this Act shall receive a license upon:

- (a) Filing an application with the board prior to April 1, 2003, including supporting documentation;
- (b) Paying the licensure fee; and
- (c) Passing the examination administered by the board in accordance with Section 4 of this Act unless the board, in its discretion and on a case by case basis, waives the examination requirement.

Approved April 9, 2002

CHAPTER 270

(HB 801)

AN ACT relating to retirement and declaring an emergency.

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

Section 1. KRS 78.530 is amended to read as follows:

- (1) (a) Each county and school board, as defined in KRS 78.510, will participate in the system by appropriate order authorizing such participation which has been entered and duly recorded in the records of the governing body of the county or school board. In cases where general purpose county government does not participate, but the sheriff and his employees or the county clerk and his employees do, the sheriff or the clerk shall retain the order in his office. The authority to issue and properly record such order of participation being hereby granted, permits such county to participate in the system. The effective date of such participation shall be fixed in the order.

(b) ***Notwithstanding any statute to the contrary, after the effective date of this Act, the systems shall deny the request for participation of any agency which does not have an irrevocable contract with the state Personnel Cabinet for health insurance coverage under KRS 18A.225 for its active employees, except that county governments entering the system between the effective date of this Act and July 1, 2003, under this section shall be excluded from this requirement.***
- (2) Once a county or school board participates, it shall thereafter continue to participate, except as provided in KRS 78.535.
- (3) (a) Concurrent with the adoption of the appropriate resolution to participate in the system, a county may elect the alternate participation plan which will require the county to purchase on behalf of each employee electing coverage, at the time the county elected to participate in the system as provided under KRS 78.540(2), current service credit for employment in regular full-time positions between July 1, 1958, and the participation date of the county. Cities which participate in the system pursuant to subsection (7) of this section, KRS 79.080, 90.400, 90.410, 95.520, 95.621, 95.761, 95.768, 95.852, or 96.180 shall be required to purchase on behalf of each employee electing coverage only as much service credit as the employee has accumulated in the city-administered plan, up to the participation date of the city. Accumulated service shall include service for which an employee received a refund pursuant to KRS 95.620 or 95.866, if such refund has been repaid. If the employee has not yet repaid the refund, he may make payment to the system by any method acceptable to the system, and the requirement of five (5) years of continuous reemployment prior to repayment of refunds shall not apply. Upon the employee's repayment, the city shall purchase the associated service credit for the employee. Cost of such service credit over and above that which would be funded within the existing employer contribution rate shall be determined by the board's consulting actuary. The expense of such actuarial service shall be paid by the county;

(b) The county shall establish a payment schedule subject to approval by the board for payment of the cost of such service over and above that which would be funded within the existing employer contribution rate. The maximum period allowed in a payment schedule shall be thirty (30) years, with interest at the rate actuarially assumed by the board. A shorter period is desirable and the board may approve any payment schedule provided it is not longer than a thirty (30) year period, except that cities which participate in the system pursuant to subsection (7) of this section, KRS 79.080, 90.400, 90.410, 95.520, 95.621, 95.761, 95.768, 95.852, or 96.180 may, at their option, extend the payment schedule to a maximum of thirty (30) years, may choose to make level payments at the interest rate actuarially assumed by the board over the life of the payment schedule chosen, and may retain employer contributions and the earnings thereon attributable to employees electing coverage;

(c) A city entering the system under the alternate participation plan, may, by ordinance, levy a special property tax to pay for current service credit purchased for the period between July 1, 1958, and the participation date of the city. The special tax shall be to pay, within a period of no more than fifteen (15) years, for the cost of such service credit over that which would be funded within the existing employer contribution rate, as determined by the board's consulting actuary. The reason for levying the special tax and the disposition of the proceeds shall be part of the ordinance levying the tax. The special tax shall be rescinded when the unfunded prior service liability has been amortized, and shall not be subject to the provisions of KRS 132.017 or 132.027. In addition, the city may maintain any tax, the proceeds of which had been devoted to funding pension obligations under the locally administered plan prior to participation in the system, for the purpose of funding current service costs incurred after the date of participation. The city may increase the tax to pay current service costs which exceed the local pension system costs to which the tax had been devoted, but the city shall not collect from the tax more revenues than are necessary to pay current service costs incurred after the date of participation. The city may continue the tax so long as it participates in the system, and the tax shall not be subject to the provisions

of KRS 132.017 or 132.027. The city shall not collect either tax authorized by this paragraph if its participation has been terminated pursuant to KRS 78.535;

- (d) The county may at a later date purchase current service credit from July 1, 1958, to the participation date of the county by alternate participation plan for those employees who rejected membership in the system at the time the county first participated. In addition, the employer shall pay the employer contributions on the creditable compensation of the employees who later elect membership from the participation date of the county to the date the member elects participation. The employee shall pay the employee contributions on his creditable compensation from the participation date of the county to the date he elects membership plus interest at the current actuarial rate compounded annually on the employee and employer contributions. Cost of the service credit over and above that which would be funded within the existing employer contribution rate shall be determined by the board's consulting actuary. The expense of the actuarial service shall be paid by the county. The county shall pay the cost of the service by lump sum or by adding it to the existing payment schedule established under paragraph (b) of this subsection;
 - (e) A county which did not participate by alternate participation may, until July 1, 1991, purchase current service credit for those employees who rejected membership in the system at the time the county first participated. The employer shall pay the employer contributions on the creditable compensation of the employees who later elect membership from the participation date of the county to the date the member elects participation. The employee shall pay the employee contributions on his creditable compensation from the participation date of the county to the date he elects membership plus interest at the current actuarial rate compounded annually on the employee and employer contributions. The county shall pay the cost of the service credit by lump sum or by establishing a payment schedule under paragraph (b) of this subsection; and
 - (f) A county which participated in the system but did not elect the alternate participation plan may at a later date elect the alternate participation plan. In this case, the county shall purchase on behalf of each employee participating in the system current service credit for employment in regular full-time positions between July 1, 1958, or a later date selected by the county government, and the participation date of the county. The county shall also purchase, for employees who decide to participate when the county elects the alternate participation plan, current service credit for employment in regular full-time positions between July 1, 1958, or the later date selected by the county government, and the participation date of the county. In addition, the county shall pay the employer contributions on the creditable compensation of the employees who later elect membership from the participation date of the county to the date the member elects participation. The employee shall pay the employee contributions on his creditable compensation from the participation date of the county to the date he elects membership plus interest at the current actuarial rate compounded annually on the employee and employer contributions. Cost of the service credit over that which would be funded within the existing employer contribution rate shall be determined by the board's consulting actuary. The expense of the actuarial service shall be paid by the county. The county shall pay the cost of the service by lump sum or by a payment schedule established under paragraph (b) of this subsection.
- (4) Every school board not participating on June 21, 1974, shall enact a resolution of participation no later than July 1, 1976.
 - (5) The order of the governing body of a county, as provided for in subsection (1) of this section, may exclude from participation in the system hospitals and any other semiindependent agency. Each such excluded agency shall be identified in the order authorizing participation and such excluded agency may participate in the system as a separate agency.
 - (6) An agency whose participation in the County Employees Retirement System has been terminated by the board of trustees in accordance with KRS 78.535 may at a later date request participation in the retirement system by the adoption of an appropriate order as authorized by subsection (1) of this section. The board may accept the participation of such agency provided it is determined that such participation is in the best interest of the agency, the employees thereof and the County Employees Retirement System.
 - (7) (a) After August 1, 1988, except as permitted by KRS 65.156, no local government retirement system shall be created pursuant to KRS 70.580 to 70.598 and any local government retirement systems created pursuant to KRS 79.080, 90.400, 90.410, 95.768, and KRS Chapter 96 shall be closed to new members.

New employees who would have been granted membership in such retirement systems shall instead be granted membership in the County Employees Retirement System. Employees who would have been granted membership in retirement systems created pursuant to KRS 95.768, or any other policemen or firefighters who would have been granted membership in retirement systems created pursuant to KRS 79.080, 90.400, or 90.410, or any such policemen or firefighter members employed on or prior to August 1, 1988, who transfer to the County Employees Retirement System, shall be certified by their employers as working in hazardous positions. Each city participating in the County Employees Retirement System pursuant to this subsection shall execute the appropriate order authorizing such participation, shall select the alternate participation plan as described in subsection (3) of this section, and shall pay for the actuarial services necessary to determine the additional costs of alternate participation. Cities which closed their local pension systems to new members and participated in the system prior to July 15, 1988, whose employees at the time of transition were given the option to join the system shall not be required to offer said employees a second option to join the system.

(b) Notwithstanding any statute to the contrary, after the effective date of this Act, the systems shall deny the request for participation of any agency which does not have an irrevocable contract with the state Personnel Cabinet for health insurance coverage under KRS 18A.225 for its active employees.

- (8) Any city which closed a police and firefighter pension plan to new members between January 1, 1988, and July 15, 1988, and participated in the system under the alternate participation plan shall, if its police and firefighters were not covered by Social Security, or any city which operates a pension under KRS 90.400 or 90.410, shall be required to certify that its police and firefighters are working in hazardous positions, and shall offer its police and firefighters in service at the time of entry a second option to participate under hazardous duty coverage if they were not offered hazardous duty coverage at the time of their first option. The provisions of subsection (3)(b) of this section notwithstanding, a city affected by this subsection may, at its option, extend its payment schedule to the County Employees Retirement System for alternate participation to thirty (30) years at the rate actuarially assumed by the board.

Section 2. KRS 78.540 is amended to read as follows:

Membership in the system shall consist of the following:

- (1) All persons who become employees of a participating county after the date the county first participates in the system, except a person who did not elect membership pursuant to KRS 61.545(3), and except that mayors and members of city legislative bodies may decline prior to their participation in the system and city managers or other appointed local government executives who participate in a retirement system, other than Social Security, which operates in more than one (1) state, may decline prior to their participation in the system;
- (2)
 - (a) All persons who are employees of a county on the date the county first participates in the system, either in service or on authorized leave from service, and who elect within thirty (30) days next following the county's participation, or in the case of persons on authorized leave, within thirty (30) days of their return to active service, to become members and thereby agree to make contributions as provided in KRS 78.520 to 78.852;
 - (b) All persons who are employees of a county who did not elect to participate within thirty (30) days of the date the county first participated in the system or within thirty (30) days of their return to active service and who subsequently elect to participate the first day of a month after the county's date of participation;~~and~~
- (3) All persons ***who declined participation in subsection (1) of this section and who later elect to participate. Persons who elect to participate under this subsection may purchase service credit for any prior years by paying a delayed contribution payment. The service shall not be included in the member's total service for purposes of determining benefits under KRS. 61.702; and***
- (4) ***All persons*** electing coverage in the system under KRS 78.530(3)(d).
- ~~(5)~~~~(4)~~ The provisions of subsections (1) and (2) of this section notwithstanding, cities which participate in the CERS and close existing local pension systems to new, or all members pursuant to the provisions of KRS 78.530, 95.520, 95.621, or 95.852 shall not be required to provide membership in the County Employees Retirement System to employees in any employee category not covered by a city pension system at the date of participation.

- ~~(6)(5)~~ Membership in the system shall not include those employees who are simultaneously participating in another state-administered defined benefit plan within Kentucky other than those administered by the Kentucky Retirement Systems, except for employees who have ceased to contribute to one (1) of the state-administered retirement plans as provided in KRS 21.360.

Section 3. KRS 61.552 is amended to read as follows:

- (1) Any employee participating in one (1) of the state-administered retirement systems who has been refunded his accumulated contributions under the provisions of KRS 16.645(22), 61.625, or 78.545(15), thereby losing service credit, may regain the credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system. If the participating employee dies before regaining lost service credit, the employee's beneficiary, as designated according to the requirements of the employee's retirement system, may regain the credit by paying the amount refunded with interest at a rate determined by the board of the respective retirement system. Thereafter the beneficiary shall be entitled to the benefits that are payable based upon the deceased employee's total service credit. The provisions of KRS 161.470 shall be met in order to regain the credit in the Teachers' Retirement System. KRS 21.460 shall govern with respect to regaining credit in the Judicial Retirement Plan or Legislators' Retirement Plan. The beneficiary shall make the payment within one (1) year of the date of the employee's death. The payment, including interest as determined by the board, shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.
- (2) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the County Employees Retirement System, as provided in KRS 78.540(2), may obtain credit in the County Employees Retirement System for prior service and for current service by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.
- (3) Any employee participating in one (1) of the state-administered retirement systems who did not elect membership in the Kentucky Employees Retirement System, as provided in KRS 61.525(2), may obtain credit in the Kentucky Employees Retirement System for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments.
- (4) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the Kentucky Employees Retirement System for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum or the employee may pay by increments. Effective August 1, 1988, each employee of the Kentucky Racing Commission who was employed by the racing commission on the date that agency first participated in the Kentucky Employees Retirement System, whether or not the employee was eligible to participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.
- (5)
 - (a) An employee participating in one (1) of the state-administered retirement systems may obtain credit in the County Employees Retirement System for current service between July 1, 1958, and the effective date of participation of his county by paying to the County Employees Retirement System a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.
 - (b) An employee participating in the Kentucky Employees Retirement System or the County Employees Retirement System, who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for the period of his service with an area development district created pursuant to KRS 147A.050 or with a business development

corporation created pursuant to KRS 155.001 to 155.230 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system in which he participates the full cost of the service credit purchased, as determined by the board's actuary. The employee may obtain credit for employment with a business development corporation only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. Payment may be by lump sum or the employee may pay by increments.

- (6) After August 1, 2000, service credit obtained under the subsections of this section which do not require the employee to have a minimum number of years of service credit to be eligible to make a purchase shall be disallowed and the recontribution of refund, including interest as determined by the board or other payment, if any, shall be paid to the member if the member does not obtain for service performed six (6) months' additional current service credit in one (1) of the state-administered retirement systems. The service requirement shall be waived if the member dies or becomes disabled as provided for by KRS 16.582 or 61.600.
- (7) The members shall not receive benefit of service for the same period of time in another public defined benefit retirement fund.
- (8) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65) in one (1) of the retirement systems administered by the Kentucky Retirement Systems, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by a defined benefit retirement program, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the County Employees Retirement System, the Kentucky Employees Retirement System, or the State Police Retirement System for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the County Employees, Kentucky Employees Retirement System, or State Police Retirement System. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. Payment may be by lump sum, or the employee may pay by increments.
- (9)
 - (a) Effective August 1, 1980, any county participating in the County Employees Retirement System may purchase current service, between July 1, 1958, and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);
 - (b) Effective July 1, 1973, any department participating in the Kentucky Employees Retirement System may purchase current service between July 1, 1956, and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);
 - (c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for the service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of the service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period;
 - (d) If a county or department elects the provisions of this subsection, any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for the service credit refunded with interest at the rate paid under KRS 61.575 or 78.640;
 - (e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.
- (10) Interest paid by a member of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System under this section or other similar statutes under KRS 16.510 to 16.652, KRS 61.515 to 61.705, or KRS 78.520 to 78.852 prior to June 19, 1976, shall be credited to the

individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

- (11) Employees who served as assistants to officers and employees of the General Assembly who were unable to acquire service under KRS 61.510(20) may purchase credit for the service performed after January 1, 1960, if the service purchased when added to other accumulated service will total at least forty-eight (48) months. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).
- (12)
 - (a) Effective August 1, 1988, any employee participating in one (1) of the state-administered retirement systems may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on a calendar or fiscal year basis. If the average number of hours of work is less than one hundred (100) per month, the member shall be allowed credit only for those months he receives creditable compensation for one hundred hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).
 - (b) Any noncertified employee of a school board may purchase service credit for part-time employment prior to the 1990-91 school year which averaged eighty (80) or more hours of work per month on a calendar or fiscal year basis by paying to the County Employees Retirement System a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 78.610(4), by the employer. Payment may be by lump sum or the employee may pay by increments. If the average number of hours of work is less than eighty (80) per month, the noncertified employee of a school board shall be allowed credit only for those months he receives creditable compensation for eighty (80) hours of work. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 78.610(4).
- (13) A retired member, who is contributing to one (1) of the state-administered retirement programs and purchases service credit under this section in the system or systems from which he is retired, shall have his retirement allowance recomputed:
 - (a) Upon termination from employment, if the member is contributing to the same system or systems from which he was retired; or
 - (b) Upon completion of six (6) months' service credit as required under subsection (6) of this section, if the member is contributing to a system other than the system or systems from which he is retired.
- (14) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may obtain credit for prior or current service for any period of approved educational leave, or for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, by paying to the respective retirement system a delayed contribution payment. The employee may also obtain credit for agency-approved leave to work for a work-related labor organization if the agency subsequently participated in the County Employees Retirement System, but only if the Kentucky Retirement Systems receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.
- (15) Any employee participating in one (1) of the state-administered retirement systems may obtain credit for prior or current service for any period of approved maternity leave, or for any period of approved sick leave without pay, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.
- (16) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by making installment payments in lieu of a lump-sum payment.

- (a) The cost of the service shall be computed in the same manner as for a lump-sum payment which shall be the principal; and interest, at the actuarial rate in effect at the time the member elects to make the purchase compounded annually, shall be added for the period that the installments are to be made. Multiple service purchases may be combined under a single installment purchase; however, no employee may make more than one (1) installment purchase at the same time. Once multiple service purchases have been combined in an installment purchase, the employee may not separate the purchases or pay a portion of one (1) of the purchases. The employee may elect to stop the installment payments by notifying the retirement system; may have the installment purchase recalculated to add one (1) or more additional service purchases; or may pay by lump sum the remaining principal.
 - (b) Twelve (12) consecutive monthly installment payments shall be made for each one thousand dollars (\$1,000) or any part thereof of the total cost, except that the total number of installments shall not be less than twelve (12) and shall not exceed sixty (60).
 - (c) The employee shall pay the installments by payroll deduction each pay period. Upon notification by the retirement system, the employer shall report the installment payments separate from regular employee contributions on the forms or by the computer format specified by the board. The payments made under this subsection shall be considered accumulated contributions of the member and shall not be picked up by the employer pursuant to KRS 61.560(4) and no employer contributions shall be paid on the installments.
 - (d) The retirement system shall determine how much of the total cost represents payment for one (1) month of the service to be purchased and shall credit one (1) month of service to the member's account each time this amount has been paid. The first service credited shall represent the first calendar month of the service to be purchased and each succeeding month of service credit shall represent the succeeding months of that service.
 - (e) If the employee elects to stop the installment payments, dies, retires, or does not continue employment in a position required to participate in the retirement system, the member, or in the case of death, the beneficiary, shall have sixty (60) days to pay the remaining principal of the purchase by lump sum. If the member or beneficiary does not pay the remaining cost, the retirement system shall refund to the member or the beneficiary the payment, payments, or portion of a payment that does not represent a full month of service purchased.
 - (f) If the employer does not report installment payments on an employee for sixty (60) days, the installment purchase shall cease and the retirement system shall refund to the employee the payment, payments, or portion of a payment that does not represent a full month of service purchased.
 - (g) If payments have ceased under paragraph (e) or (f) of this subsection and the member later becomes a participating employee in one (1) of the three (3) systems administered by Kentucky Retirement Systems, the employee may complete the adjusted original installment purchase by lump sum or installment payments. If the employee elects to renew the installment purchase, the cost of the remaining service shall be recalculated in accordance with paragraph (a) of this subsection. If the original installment purchase was for multiple service purchases, the employee may not separate those purchases under a new installment purchase.
 - (h) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems may purchase service credit under any of the provisions of KRS 16.510 to 16.652, 61.515 to 61.705, or 78.520 to 78.852 by transferring funds pursuant to the rules in 26 U.S.C. sec. 401(a)(31) directly from a retirement plan or a deferred compensation arrangement maintained by his employer which is a qualified plan pursuant to 26 U.S.C. sec. 401(a). Service credit may also be purchased by a rollover of funds from a qualified retirement plan pursuant to the rules specified in 26 U.S.C. sec. 402(c). The Kentucky Retirement Systems shall accept the transfer or rollover to the extent permitted under the rules specified in 26 U.S.C. secs. 402(c) and 401(a)(31). The amount shall be credited to the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member.
- (17) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems who is age sixty-five (65) or older and has forty-eight (48) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System or, if younger, who has sixty (60) months' service credit in the Kentucky Employees Retirement System or the County Employees Retirement System may purchase credit in the system in which the employee has the service credit for up to ten (10) years service

in a regular full-time position that was credited to a state or local government-administered public defined benefit plan in another state other than a defined benefit plan for teachers. The employee shall pay the full cost of the service as determined by the system. Payment may be by lump sum, or the employee may pay by increments. The employee may transfer funds directly from the other state's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws and shall provide proof that he is not eligible for a retirement benefit for the period of service from the other state's plan.

- (18) After August 1, 1998, any employee participating in one (1) of the state-administered retirement systems, who has sixty (60) or more months of service in the State Police Retirement System or in a hazardous position in the Kentucky Employees Retirement System or the County Employees Retirement System, may purchase credit in the system in which the employee has the sixty (60) months of service credit for up to ten (10) years of service in a regular full-time position that was credited to a defined benefit retirement plan administered by a state or local government in another state, if the service could be certified as hazardous pursuant to KRS 61.592. The employee shall pay the full cost of the service credit as determined by the system. Payment may be by lump sum or by increments. The employee may transfer funds directly from the other unit of government's plan if eligible to the extent permitted under subsection (16)(h) of this section and to the extent permitted by the other state's laws, and the employee shall provide proof that he is not eligible for a retirement benefit for the period of service from the other unit of government's plan.
- (19) Any employee participating in one (1) of the state-administered retirement systems who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) who has completed service as a volunteer in the Kentucky Peace Corps, created by KRS 154.01-720, may purchase service credit for the time served in the corps by making delayed contribution payments.
- (20) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65), or at least sixty (60) months' service if under age sixty-five (65), and who was formerly employed in a regional community mental health and mental retardation services program, organized and operated under the provisions of KRS 210.370 to 210.480, which does not participate in a state-administered retirement system may obtain credit for the period of his service in the regional community mental health and mental retardation program, by paying to the state retirement system in which he participates the full cost of the service credit purchased, as determined by the system. Payment to one (1) of the retirement systems administered by the Kentucky Retirement Systems may be made by lump sum or in increments.
- (21) An employee participating in any state-administered retirement system who has at least forty-eight (48) months' service if age sixty-five (65) or at least sixty (60) months' service if under age sixty-five (65), who was employed by a vocational technical school in a noncertified part-time position averaging eighty (80) or more hours per month, determined by using the number of months actually worked within a calendar or fiscal year, may purchase service credit in the Kentucky Employees Retirement System. The cost of the service shall be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).
- (22) Any employee participating in one (1) of the state-administered retirement systems on June 30, 2000, may obtain credit for subsequent service with a parted employer from the Commonwealth operating for the purposes of KRS 163.475, by paying to the respective retirement system a delayed contribution payment if the respective retirement system receives a favorable private letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor. The delayed contribution payment shall be deposited to the individual member's account. The delayed contribution payment shall not be picked up by the employer as described in KRS 61.560(4).
- (23) Any employee participating in the County Employees Retirement System who has at least forty-eight (48) months of service if age sixty-five (65) or at least sixty (60) months of service if under age sixty-five (65) may purchase service credit for service with a city, county, or joint city-county planning commission, if that service was not covered by a state-administered retirement system. Notwithstanding any statute to the contrary, the employee shall be entitled to a full month of service for each month or portion of month that the employee occupied the position whether or not the employee would have qualified, at the time of planning commission service, for the service under KRS 6.525. The employee shall pay to the retirement system the full cost of the service credit purchased, as determined by the board's actuary. The payment shall not be picked up, as described in KRS 78.610(4), by the employer and shall be deposited to the member's account. Payment may be by lump sum or in increments. The employee may obtain credit for service with a city, county, or joint city-

county planning commission only if the Kentucky Retirement Systems receives a favorable letter ruling from the United States Internal Revenue Service or a favorable opinion letter from the United States Department of Labor.

- (24) (a) Any member or retired member of one (1) of the retirement systems administered by the Kentucky Retirement Systems who is entitled to service credit for employment which was not reported in accordance with KRS 16.543, 61.543, or KRS 78.615 may obtain credit for the service by paying the employee contributions due within six (6) months of notification by the system. No interest shall be added to the contributions. The service credit shall not be credited to the member's account until the employer contributions are received. If a retired member makes the payment within six (6) months, the retired member's retirement allowance shall be adjusted to reflect the added service after the employer contributions are received by the retirement system.
- (b) Any employee participating in one (1) of the retirement systems administered by Kentucky Retirement Systems who is entitled to service credit under paragraph (a) of this subsection and who has not repaid the employee contributions due within six (6) months of notification by the system may regain the credit after the six (6) months by paying to the system the employee contributions plus interest at the actuarially assumed rate from the date of initial notification under paragraph (a) of this subsection. Service credit shall not be credited to the member's account until the employer contributions are received by the retirement system. The payments shall not be picked up, as described in KRS 61.560(4), by the employer.
- (25) Any employee participating in one (1) of the state-administered retirement systems may purchase service credit for employment with a public agency that would have been eligible to participate under KRS 61.520 but which did not participate in the Kentucky Employees Retirement System or a political subdivision that would have been eligible to participate under KRS 78.530 but which did not participate in the County Employees Retirement System if the former public agency or political subdivision has merged with or been taken over by a participating department or county. The cost of the service shall be determined as a delayed contribution payment for the respective retirement system. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or KRS 78.610(4), by the employer.
- (26) Any employee participating in one (1) of the retirement systems administered by the Kentucky Retirement Systems *prior to the effective date of this Act* ~~on or after August 1, 1998~~, who has *accrued* at least *one hundred and eighty (180)* ~~two hundred forty (240)~~ months of service credit may purchase a combined maximum total of five (5) years of retirement service credit which is not otherwise purchasable under any of the provisions of KRS 16.510 to 16.652, KRS 61.510 to 61.705, and KRS 78.510 to 78.852. The purchase price for the retirement service credit shall be calculated and paid for based on the full actuarial cost as determined by the system. The payment shall not be picked up, as described in KRS 16.545(4), KRS 61.560(4), KRS 78.610(4), by the employer, and the employee's payment shall be paid into the individual member's contribution account in the appropriate retirement system and shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by increments.
- (27) An employee participating in one (1) of the state-administered retirement systems, who has at least forty-eight (48) months of service if age sixty-five (65), or at least sixty (60) months of service if under age sixty-five (65), may obtain credit in the County Employees Retirement System for the period of that employee's service with a community action agency created under KRS 273.405 to 273.453 if that service was not covered by a state-administered retirement system. The member shall pay to the retirement system the full actuarial cost of the service credit purchased. Payment may be made by lump sum or in increments. The payment shall not be picked up, as described in KRS 61.560(4) or 78.610(4), by the employer.
- (28) *The Board of Trustees is authorized to establish a program, subject to a favorable ruling from the Internal Revenue Service, to provide for the purchase of service credit under any of the provisions of KRS 16.510 to 16.652 and KRS 61.515 to 61.705 and KRS 78.520 to 78.852 pursuant to the employer pick up provisions in 26 U.S.C. sec. 414(h)(2).*

Section 4. Whereas the cost of health insurance for state and local employees within the state group is expected to rise at least eleven percent (11%) annually and the cost is dramatically affected by agencies whose retirees are in the state group but whose active employees are not, an emergency is declared to exist, and Sections 1 and 2 of this Act shall take effect upon this Act's passage and approval by the Governor or upon its otherwise becoming a law.

CHAPTER 271**(HB 729)**

AN ACT relating to the salaries of nonelected city officers.

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

Section 1. KRS 83A.070 is amended to read as follows:

- (1) The legislative body of each city shall by ordinance fix the compensation of every elected city officer not later than the first Monday in May in the year the officer is elected. An elected officer's compensation shall not be changed after his election or during his term of office.
- ~~(2) The legislative body of each city shall fix the compensation of each appointed city officer by ordinance and may change it by ordinance.~~
- ~~(3)~~ The legislative body of each city shall fix the compensation of city employees **and nonelected city officers** in accordance with a personnel and pay classification plan which shall be adopted by ordinance.
- ~~(3)~~~~(4)~~ All fees and commissions authorized by law shall be paid into the city treasury for the benefit of the city and shall not be retained by any officer or employee.
- ~~(4)~~~~(5)~~ The legislative body of each city may, by ordinance, establish the compensation for any elective ~~or appointive~~ city office on a salaried or per diem basis.

Section 2. KRS 83A.080 is amended to read as follows:

- (1) All nonelected city offices shall be created by ordinance which shall specify:
 - (a) Title of office;
 - (b) Powers and duties of office;
 - (c) Oath of office; **and**
 - (d) Bond, if required~~; and~~
 - ~~(e) Compensation which may be specifically established or set by reference to another ordinance in which the compensation is specifically established.~~
- (2) A city may create nonelected offices other than those referred to in this subsection. For purposes of the requirements of this section, the following shall be considered nonelected offices:
 - (a) City clerk;
 - (b) City manager;
 - (c) City administrator;
 - (d) Chief of police; and
 - (e) Fire chief, other than a volunteer fire chief.
- (3) All nonelected city officers shall be appointed by the executive authority of the city and, except in cities of the first class, all these appointments shall be with approval of the city legislative body if separate from the executive authority. The officers may be removed by the executive authority at will unless otherwise provided by statute or ordinance. Upon removal of a nonelected officer at will, the executive authority shall give the officer a written statement setting forth the reason or reasons for the removal. However, this requirement shall not be construed as limiting in any way the at-will dismissal power of the executive authority.
- (4) Each appointed and elected city office existing upon adoption of this chapter shall continue until abolished by ordinance, except that the offices of mayor and legislative body members may not be abolished. No abolition of any elected office shall take effect until expiration of the term of the current holder of the office. No ordinance abolishing any elected office shall be enacted later than two hundred forty (240) days preceding the regular election for that office, except in the event of a vacancy in the office.

- (5) No city may create any elected office. Existing elected offices may be continued under provision of subsection (4) of this section, but no existing elected office may be changed.

Approved April 9, 2002

CHAPTER 272

(SB 289)

AN ACT relating to the Nursing Workforce Foundation.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

The General Assembly hereby finds and declares that:

- (1) *Kentucky is experiencing a nursing shortage that, without proactive intervention, could have serious consequences for the delivery of health care in the state;*
- (2) *With the average age of registered nurses in Kentucky at forty-four (44) years and the average age for licensed practical nurses at forty-nine (49) years, an adequate number of new nurses will be needed to replace the aging nursing workforce;*
- (3) *The current number of students will not be enough to meet the state's future needs for nurses;*
- (4) *The age of nursing educators continues to rise and nursing schools are finding it increasingly more difficult to attract qualified educators;*
- (5) *Changes in the delivery of care and more employment options becoming available to nurses that did not exist previously are making it difficult for employers of nurses to recruit and retain an adequate number of qualified nursing personnel;*
- (6) *Educational institutions must be involved in addressing the shortage but require financial assistance to support the costs associated with program changes, expansions, or both;*
- (7) *Financial assistance is needed to help employers provide scholarships and develop and implement innovative recruitment and retention strategies;*
- (8) *The state has a role in helping to support and finance activities directed toward increasing the supply of nurses; and*
- (9) *A foundation should be established to receive grants, contributions, federal funding, and appropriations for the purpose of making awards to educational institutions, nurses seeking graduate degrees, nursing employers, nursing employer consortiums, and nursing employer associations to meet the workforce needs for licensed nurses in the state.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in Sections 1 to 8 of this Act, "board" means the board of the Nursing Workforce Foundation.*
- (2) *The Nursing Workforce Foundation is created and shall be governed by a board comprised of members who are residents of Kentucky appointed by the Governor.*
- (3) *The foundation shall be governed by a board, the membership of which shall consist of the following:*
 - (a) *President, or a designee, of the Kentucky Community and Technical College System;*
 - (b) *President, or a designee, of the Association of Independent Kentucky Colleges and Universities;*
 - (c) *President, or a designee, of the Council on Postsecondary Education;*
 - (d) *Secretary, or a designee, of the Kentucky Cabinet for Workforce Development;*
 - (e) *Executive Director, or a designee, of the Kentucky Board of Nursing;*
 - (f) *President, or designee, of the Kentucky Nurses Association;*
 - (g) *President, or a designee, of the Kentucky Coalition of Nurse Practitioners and Nurse Midwives;*

- (h) *President, or a designee, of the Kentucky Council of Associate Degree Nursing Programs;*
 - (i) *Chair, or a designee, of the Kentucky Association of Baccalaureate and Higher Degree Nursing Programs; and*
 - (j) *Two (2) members from a list of three (3) individuals recommended by the Kentucky Hospital Association, with one (1) representing a rural hospital and one (1) representing an urban hospital.*
- (4) *The board shall elect a chairman from its members. The board shall meet at least four (4) times a year and at the call of the chairman or a majority of the board members. A majority of the board membership shall constitute a quorum.*
 - (5) *Each hospital representative appointment shall be for a term of four (4) years. A vacancy on the board shall be filled by the Governor as provided under this section.*
 - (6) *Members of the board shall be entitled to reimbursement for expenses when carrying out official duties of the board in accordance with state administrative regulations relating to travel reimbursement.*
 - (7) *The board shall employ or contract with a qualified person or nonprofit organization to serve as executive director to the board and shall fix the compensation and define the duties. The executive director shall be responsible for the performance of the administrative functions of the board and such other duties as the board may direct. The board may employ or contract with other persons as may be necessary to carry on the work of the board.*
 - (8) *The board shall be a nonprofit, quasi-governmental corporation subject to the Kentucky Open Records Law and Kentucky Open Meetings Law. The board shall have any and all general corporate, trust, or other powers reasonable or necessary to fulfill the requirements and purposes of Sections 1 to 8 of this Act.*
 - (9) *The provisions of Sections 1 to 8 of this Act shall be funded by any grants, gifts, and contributions received by the board or other general funds appropriated by the General Assembly.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall:*
 - (a) *Solicit grants, gifts, and contributions from public or private sources, including federal funding, to carry out the purposes of Sections 1 to 8 of this Act;*
 - (b) *Make disbursements as set forth under Sections 1 to 8 of this Act;*
 - (c) *Establish and administer an application process, criteria, and procedures for making awards of grants to nursing education programs, nursing employer consortiums, and nursing employer associations for the recruitment of students and training of registered nurses and licensed practical nurses;*
 - (d) *Establish and administer an application process, criteria and procedures for awarding scholarships or loan repayment assistance to registered nurses pursuing advanced degrees to become nursing faculty;*
 - (e) *Establish and administer an application process, criteria and procedures for hospitals that provide nursing scholarships to receive matching funds;*
 - (f) *Obtain an annual audit of the funds received and disbursed;*
 - (g) *Allocate the funding received in a manner that the board determines to best promote the assurance of an adequate number of licensed nurses to meet the health care needs of the residents of Kentucky; and*
 - (h) *Report annually to the Legislative Research Commission on its activities, the plans it receives from nursing schools to address the nursing shortage, and summary information on the disbursement of funds.*
- (2) *The board may structure scholarship, matching funds, and loan repayment programs as necessary to secure funds available under federal matching programs.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

All funds allocated to and received by the board under the provisions of Sections 1 to 8 of this Act shall be paid into the State Treasury and credited to a trust and agency account that shall not lapse. No part of this fund shall revert to the general fund of the Commonwealth. All investment earnings of the fund shall be credited to the fund. The fund shall be used solely by the board for the purposes set out in Sections 1 to 8 of this Act and for meeting reasonable and necessary expenses incurred by the board in the performance of its duties in carrying out the purposes.

SECTION 5. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall make grants available to public and private nursing education programs located in Kentucky and employer organizations for recruitment of students and for training registered nurses or licensed practical nurses.*
- (2) *The board shall establish requirements for the receipt of funds that shall include, but not be limited to, requirements that a grant from the board shall be:*
 - (a) *Expended exclusively on costs related to:*
 1. *Enrolling additional students in nursing programs;*
 2. *Increasing the number of faculty through recruitment and retention efforts including, but not limited to, providing faculty salaries and assisting hospitals that provide adjunct faculty for nursing education programs from hospital personnel;*
 3. *The recruitment of students, including but not limited to the recruitment of culturally diverse students; and*
 4. *The provision of skills development to enhance the skills of licensed nurses;*
 - (b) *If granted to increase nursing school enrollments, contingent on the nursing program's ability to enroll additional students, including but not limited to having the necessary classroom space and clinical rotational sites; and*
 - (c) *Supported by a detailed annual accounting of fund expenditures and achievement of desired outcomes.*
- (3) *Funds awarded but not expended shall be returned to the board.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

The board shall establish and administer a matching fund program under which a hospital licensed under KRS Chapter 216B may sponsor a professional nursing student or a practical nursing student currently enrolled in an approved nursing program by contributing to the costs of the student's education and having that contribution matched in whole or in part by funds received by the board. The board shall establish requirements for administration of the matching fund program including, but not limited to:

- (1) *Consideration of a hospital's nursing vacancy rate in determining whether to award funds and the amount of such award;*
- (2) *Eligibility criteria for matching fund recipients, which shall include a requirement that the recipient work for the sponsoring facility for a prescribed time period commensurate with the funding received by the board and the employer;*
- (3) *The minimum and maximum employer contribution that will be matched;*
- (4) *A process that promotes awarding matching funds for students enrolled in the level of nursing education for which there is the greatest need;*
- (5) *A defined process for matching fund recipients to pay back funds when obligations related to employment are not met;*
- (6) *A process that defines the reporting requirement of employers who receive matching funds; and*
- (7) *A process that maximizes a culturally diverse number of nursing students.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

The board shall establish and administer a scholarship program and a loan repayment program to prepare nurses to assume faculty positions in nursing education programs located in Kentucky. The board shall establish program requirements that include, but are not limited to:

- (1) Eligibility criteria for scholarships and loan repayments which require recipients to be registered nurses enrolled in a Kentucky program designed to lead to a master's degree or other higher degree in nursing and requires their commensurate commitment to teach in a program in Kentucky designed to prepare students for licensure as a registered or licensed practical nurse;*
- (2) The minimum and maximum annual awards per student for scholarships and loan repayments;*
- (3) A defined process for pay back of scholarships and loan repayments when the recipient fails to comply with obligations related to employment as faculty in nursing education programs; and*
- (4) A process whereby nursing educational institutions shall report on the academic performance of scholarship and loan repayment recipients.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 314 IS CREATED TO READ AS FOLLOWS:

Each school of nursing as defined under KRS 314.011 that is located in Kentucky, whether or not awarded funding under Sections 1 to 8 of this Act, shall submit an annual report by August 1 to the board, the Kentucky Board of Nursing, the Council on Postsecondary Education, the Cabinet for Workforce Development, and the Legislative Research Commission detailing its strategies for increasing the enrollment of students who graduate from the program prepared for licensure as registered nurses or licensed practical nurses. Efforts undertaken by each school to increase cultural diversity within its nursing students shall be included in the annual report to the board.

Approved April 9, 2002

CHAPTER 273

(HB 165)

AN ACT relating to insurance licenses of individuals and business entities licensed under Subtitles 9 and 10 of KRS Chapter 304.

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

Section 1. KRS 304.2-160 is amended to read as follows:

Each written and signed complaint received by the Department of Insurance shall be recorded by the department, including the subsequent disposition thereof, and maintained for a period of not less than five (5) years. The records of such complaints shall be indexed whenever applicable both by the name of the insurer and by the name of the **licensee, including agent, ~~solicitor,~~ surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,** or consultant involved. The commissioner shall consider such complaints before issuing or renewing any certificate of authority or license.

Section 2. KRS 304.2-220 is amended to read as follows:

For the purpose of ascertaining compliance with law, or relationships and transactions between any ~~such~~ person and any insurer or proposed insurer, the commissioner may as often as reasonably necessary examine the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs or proposed insurance affairs and transactions of:

- (1) Any insurance holding company; or person holding the shares of voting stock or policyholder proxies of an insurer as voting trustee or otherwise, for the purpose of controlling the management thereof; ~~and~~
- (2) Any insurance agent, ~~solicitor, general agent,~~ surplus lines broker, adjuster, consultant, **administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee,** or any person holding himself out as any of the foregoing; ~~and~~
- (3) Any person having a contract under which he enjoys by terms or in fact the exclusive or dominant right to manage or control the insurer, as voting trustee, or otherwise; **and** ~~and~~

- (4) Any person in this state engaged in, or proposing to be engaged in this state in, or holding himself out in this state as so engaging or proposing, or in this state assisting in the promotion, formation or financing of an insurer or insurance holding corporation, or corporation or other group to finance an insurer or the production of its business.

Section 3. KRS 304.4-040 is amended to read as follows:

The commissioner may revoke the certificate of authority, of any insurer which fails to pay when due, any taxes, fees, licenses and other charges owing to this state. The commissioner may likewise revoke the license of any agent, surplus lines broker, ~~solicitor,~~ adjuster, **administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,** or consultant, as to whom any tax or fee required under this code has not been paid when due.

Section 4. KRS 304.9-020 is amended to read as follows:

As used in this subtitle:

- (1) "Agent" means an individual or business entity ***appointed by an insurer to sell or to solicit applications for insurance or annuity contracts or to negotiate insurance or annuity contracts on its behalf;*** ~~required to be licensed and appointed under the laws of this state to sell, solicit, or negotiate insurance or annuity contracts.~~
- (2) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, employer group, professional employer organization, or other legal entity; ~~;~~
- (3) "Home state" means the District of Columbia and any state or territory of the United States in which a licensee maintains his or her principal place of residence or principal place of business and is licensed by that state ***to act as an insurance producer;*** ~~;~~
- (4) ***"Insurance producer" means an individual or business entity required to be licensed under the laws of Kentucky to sell, solicit, or negotiate insurance or annuity contracts. Insurance producer includes agent, managing general agent, surplus lines broker, reinsurance intermediary broker and manager, rental vehicle agent and managing employee, specialty credit producer and managing employee, and consultant;*** ~~A "general lines" agent is an agent who transacts any one (1) or more of the following kinds of insurance:~~
 - (a) ~~Property insurance;~~
 - (b) ~~Casualty insurance;~~
 - (c) ~~Surety insurance;~~
 - (d) ~~Marine and transportation insurance;~~
 - (e) ~~Health insurance, when transacted for an insurer also represented by the same agent as to property or casualty insurance; and~~
 - (f) ~~Mortgage guaranty insurance.~~
- (5) "Limited line credit insurance" includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, ***guaranteed automobile protection*** ~~dealer gap~~ insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the commissioner determines should be designated a form of limited line credit insurance; ~~;~~
- (6) "Limited line credit insurance agent" means an individual or business entity who sells, solicits, or negotiates one (1) or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy; ~~;~~
- (7) "Negotiate" means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract; ~~;~~
- (8) "Sell" means to exchange a contract of insurance by any means, for money or other valuable consideration, on behalf of an insurer; ~~;~~
- (9) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company; ~~;~~

- (10) "Terminate" means the cancellation of the relationship between an **insurance producer**~~[agent]~~ and the insurer or the termination of an **insurance producer's**~~[agent's]~~ authority to transact insurance;~~[-]~~
- (11) "Uniform business entity application" means the current version of the National Association of Insurance Commissioners Uniform Business Entity Application for resident and nonresident business entities; ~~and~~~~[-]~~
- (12) "Uniform **individual** application" means the current version of the National Association of Insurance Commissioners Uniform Application for resident and nonresident **individuals**~~[agent licensing]~~.

Section 5. KRS 304.9-030 is amended to read as follows:

- (1) Unless denied a license **according to Section 36 of this Act**~~[under this subtitle]~~, applicants who have met the requirements for the license in accordance with this subtitle, shall be issued the applicable license.
- (2) An insurance agent may receive qualification for a license in one (1) or more of the following **applicable** lines of authority:
- (a) Life -- insurance coverage on human lives including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income;
 - (b) Health -- insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income;
 - (c) Property -- insurance coverage for the direct or consequential loss or damage to property of every kind;
 - (d) Casualty -- insurance coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property;
 - (e) Variable life and variable annuity products -- insurance coverage provided under variable life insurance contracts ~~and~~~~[-]~~ variable annuities~~[-]~~, ~~or any other life insurance or annuity product that reflects the investment experience of a separate account~~;
 - (f) Limited line -- insurance as identified in KRS 304.9-230;
 - (g) **Personal lines -- property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes**~~[Marine and transportation insurance as defined in KRS 304.5-080;~~
 - ~~(h) Mortgage guaranty insurance as defined in KRS 304.5-100]; and~~
 - ~~(h)~~~~(i)~~ Any other line of insurance authorized by Kentucky law and deemed by the commissioner appropriate to be issued as a separate line of authority.

Section 6. KRS 304.9-035 is amended to read as follows:

Any insurer shall be liable for the acts of its agents when the agents are acting in their capacity as representatives of the insurer and are acting within the scope of their authority. **Licensed individuals designated by a business entity to exercise the business entity's agent license shall be deemed agents of the insurer if the business entity holds an appointment from the insurer.**

Section 7. KRS 304.9-040 is amended to read as follows:

- (1) A "consultant" is an individual, who as an independent contractor in relation to his client, for fee or compensation other than from an insurer, in any manner advises or purports to advise, any person actually or prospectively insured, or named or to be named as beneficiary, or having or to have any interest in or insured under, an insurance contract or annuity contract, existing or proposed, relative to coverage, advisability, rights, or interests under such contract, or relative to the retention, exchange, surrender, or exercise of rights thereunder. This subsection shall not apply as to an attorney while **acting under a license**~~[licensed]~~ to practice law in this state.
- (2) A "**property and casualty**~~[general lines]~~ consultant" is **an individual**~~[one]~~ licensed as a consultant as to **property insurance contracts, casualty insurance contracts, health insurance contracts issued by property or casualty insurers, and surety contracts**~~[any one (1) or more of the following kinds of insurance:~~
- ~~(a) Casualty insurance.~~
 - ~~(b) Property insurance.~~

- ~~(c) — Surety insurance.~~
- ~~(d) — Marine and transportation insurance.~~
- ~~(e) — Health insurance.~~
- ~~(f) — Mortgage guaranty insurance.~~

- (3) A "life and health consultant" is ***an individual***~~[one]~~ licensed as a consultant as to life insurance contracts, annuity contracts and health insurance contracts.

Section 8. KRS 304.9-051 is amended to read as follows:

As used in KRS 304.9-052 and 304.9-371 to 304.9-377:

- (1) An "administrator" is ***an individual or business entity***~~[a person]~~ who collects charges or premiums from or who adjusts or settles claims on, residents of this state in connection with life insurance, health insurance, annuities, nonprofit hospital, medical-surgical, dental, and health service corporation contracts, health maintenance organization contracts, or ~~[prepaid dental plan organization contracts or]~~ other life, health, or annuity benefit plans. The following are not considered to be acting as administrator:
- (a) An employer acting on behalf of its employees or the employees of one (1) or more subsidiary or affiliated corporations of the employer;
 - (b) A union on behalf of its members;
 - (c) An insurer, which is ***acting as the insurer with respect to the contract if the insurer is***~~[either]~~ authorized or permitted to transact business in Kentucky or ***if the contract is***~~[acting as an insurer with respect to a contract]~~ lawfully delivered or issued for delivery by it in and pursuant to the laws of a state in which it was authorized or permitted to do business;
 - (d) A life or health insurance agent licensed in Kentucky whose activities are limited exclusively to the sale of insurance;
 - (e) A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors;
 - (f) A trust, its trustees, agents, and employees acting thereunder, established in conformity with 29 U.S.C. sec. 186;
 - (g) A trust exempt from taxation under 26 U.S.C. sec. 501(a), its trustees, and employees acting thereunder, or a custodian, its agents, and employees acting pursuant to a custodian account which meets the requirements of 26 U.S.C. sec. 401(f);
 - (h) A bank, credit union, or other financial institution which is subject to supervision or examination by federal or state banking authorities;
 - (i) A credit card issuing company which advances for and collects premiums or charges from its credit card holders who have authorized it to do so, provided such company does not adjust or settle claims; or
 - (j) ***An individual***~~[A person]~~ who adjusts or settles claims in the normal course of practice or employment as an attorney-at-law, and who does not collect charges or premiums in connection with coverages issued by insurers.
- ~~(2) — "Insurance" is coverage issued by an insurer as defined herein.~~
- ~~(3) —~~ An "insured" is a person covered under an insurance contract, nonprofit hospital, medical-surgical, dental, and health service corporation contract, health maintenance organization contract, ~~[prepaid dental plan organization contract,]~~ or other source of benefits.
- ~~(4) — An "insurer" is an insurer, nonprofit hospital, medical-surgical, dental, health service corporation, health maintenance organization, prepaid dental plan organization, or other sources of benefits.]~~

Section 9. KRS 304.9-052 is amended to read as follows:

- (1) No ***individual or business entity***~~[person]~~ shall in this state be, act as, or hold himself out to be an administrator unless then licensed as an administrator by the commissioner.

- (2) For the protection of the people of this state, the commissioner shall not issue, continue, or permit to exist any administrator license for any person unless such person demonstrates to the satisfaction of the commissioner that the following standards are met:
- (a) If *an individual*~~[a natural person]~~, the applicant has attained the age of twenty-one (21) years;
 - (b) The applicant is competent, trustworthy, reliable, and of good reputation;
 - (c) The applicant has attained an educational level acceptable to the commissioner;
 - (d) The applicant is financially responsible;
 - (e) The applicant has not had any license issued by the commissioner, or application therefor, terminated for cause;
 - (f) The applicant has paid the fee prescribed in KRS 304.4-010;
 - (g) If a *business entity*~~[corporation or firm]~~, each *individual*~~[person]~~ authorized to act for the *business entity*~~[corporation or firm]~~ under its administrator license ***shall be designated with the commissioner in accordance with Section 24 of this Act***~~[must hold an administrator license]~~; and
 - (h) Administrator licenses shall be ***renewed in accordance with Section 25 of this Act***~~[issued by the commissioner to expire on March 31, 1987, and to be renewed biennially thereafter]~~.
- ~~(3) The license of an administrator may be suspended or revoked, a civil penalty imposed in lieu thereof, or both, for any reason an insurance agent's license could be suspended or revoked, a civil penalty imposed in lieu thereof, or both, pursuant to KRS 304.9 440. The procedures of KRS 304.9 440, 304.9 450, and 304.9 460 relating to suspended or revoked insurance agent licenses apply to administrator licenses.~~
- ~~(4) Nonresident administrators are deemed to have irrevocably appointed the Secretary of State as agent for the acceptance of service of process issued in Kentucky in any action or proceeding against the licensee arising out of such licensing or out of transactions under the license. The Secretary of State shall administer service of process on nonresident administrators in the manner of service of process on nonresident insurance agents].~~

Section 10. KRS 304.9-070 is amended to read as follows:

An adjuster is any person, who for fee or compensation as an employee of an insurer or an independent contractor investigates or settles claims arising under insurance contracts~~[or annuity contracts]~~, on behalf solely of either the insurer or the insured. The definition of adjuster shall not be deemed to include, and license as an adjuster shall not be required of:

- (1) Attorneys-at-law admitted to practice in this state, ***when acting in their professional capacity as attorneys***;
- (2) Licensed~~[resident]~~ agent of the insurer to whom claim authority has been granted by the insurer if the agent receives no compensation for performing adjusting services;
- (3) Salaried traveling representatives of a mutual or reciprocal insurer;
- (4) Persons employed only for the purpose of obtaining facts surrounding a loss or furnishing technical assistance to a licensed adjuster, including, but not limited to, photographers, estimators, private investigators, engineers, and handwriting experts; ***or***
- (5) Persons performing adjusting services under their limited insurance agent's licenses for crop-hail insurance pursuant to KRS 304.9-230.

Section 11. KRS 304.9-080 is amended to read as follows:

- (1) An individual or business entity shall not sell, solicit, or negotiate insurance in this state unless the individual or business entity is licensed ***as the appropriate insurance producer*** for that line of authority in accordance with this subtitle ***or Subtitle 10 of this chapter***.
- (2) No individual or business entity shall in this state be, act as, or hold himself or herself out as ~~*an*~~~~[a consultant or]~~ adjuster unless then licensed as ~~*an*~~~~[a consultant or]~~ adjuster~~[respectively]~~. ***No individual shall in this state be, act as, or hold himself or herself out as a consultant unless then licensed as a consultant.*** No consultant shall act as a consultant with respect to any kind of insurance as to which he or she is not then licensed as a consultant.

- (3) A consultant license ~~shall~~~~must~~ cover either or both of the following categories, as selected by the licensee:

- (a) ***Property and casualty***~~[General lines]; and~~
- (b) Life and health.

A consultant licensed in both categories shall qualify separately for, and be licensed in, each category.

- (4) No individual licensed as a consultant shall act as a consultant until he or she has filed with the commissioner a bond or insurance ***in accordance with***~~[as prescribed in]~~ KRS 304.9-330.
- (5) Except as provided in KRS 304.9-410 and KRS 304.9-270(3), no agent shall place, and no insurer shall accept, any insurance with any insurer as to which the agent does not then hold a license and appointment as agent under this subtitle.
- (6) ***No rental vehicle agent, rental vehicle managing employee, specialty credit producer, or specialty credit managing employee shall place, and no insurer shall accept, any insurance with any insurer as to which the licensee does not then hold a license and appointment under this subtitle.***
- (7) The commissioner shall prescribe and furnish all forms required under this subtitle as to licenses and appointments.

Section 12. KRS 304.9-085 is amended to read as follows:

- (1) A "managing general agent" is an individual or business entity appointed by an insurer to solicit applications from agents for insurance contracts or to negotiate insurance contracts on behalf of an insurer and, if authorized to do so by an insurer, to effectuate and countersign insurance contracts.
- (2) No individual or business entity shall in this state be, act as, or hold himself or herself out as a managing general agent unless then licensed as a managing general agent. In order to qualify for a managing general agent license, an individual shall:
 - (a) Hold ~~an~~~~[a general lines]~~ agent license ***with property and casualty lines of authority*** and be appointed by each authorized insurer the licensee holds the contract to represent;
 - (b) If a nonresident, hold a nonresident~~[general lines]~~ agent license ***with property and casualty lines of authority*** and be appointed by each authorized insurer the licensee ***holds a contract to represent***~~[represents]~~ in Kentucky~~[Nonresidents are subject to the restrictions of KRS 304.9-140]; and~~
 - (c) Hold a surplus lines broker license if any unauthorized insurers are represented or used.

In order for a business entity to qualify for a managing general agent license, all individuals acting on behalf of the ~~business entity~~~~[corporation or firm]~~ under its license shall be licensed ***agents with property and casualty lines of authority and shall be designated with the commissioner as to the license in accordance with all provisions of Section 24 of this Act except for subsection (2)(a)***~~[general lines agents].~~

- (3) As used in this chapter, "agent" includes managing general agent unless the context requires otherwise.
- (4) A managing general agent is a representative of the insurers which the managing general agent holds a contract to represent. ***Each insurer is***~~[Such insurers are]~~ liable for the acts of the managing general agent in representing ***that insurer***~~[the insurers].~~
- (5) The commissioner shall ***renew managing general agent licenses in accordance with Section 25 of this Act***~~[issue managing general agent licenses to expire on March 31, 1988, and to be renewed biennially thereafter].~~

Section 13. KRS 304.9-090 is amended to read as follows:

- ~~(1)~~ ~~The definition of consultant shall not be deemed to include the supervising managing general agent (except as defined in KRS 304.9-085) or supervising officer or employee of an insurer who solicits only with duly licensed resident agents of the insurer.~~
- ~~(2)~~ Nothing in this subtitle shall be construed to require an insurer to obtain ***a license as an insurance producer***~~[an agent license]~~. As used in this section, the term "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.
- ~~(2)~~~~(3)~~ A license as an ***insurance producer***~~[agent or consultant]~~ shall not be required of the following:

- (a) An officer, director, or employee of an insurer or of an *insurance producer*~~[agent]~~, provided that the officer, director, or employee does not receive any commission or other valuable consideration on policies written or sold to insure risks residing, located, or to be performed in this state~~[and whose compensation is not varied by the volume of applications taken or received]~~, and:
 - 1. The officer, director, or employee's~~[full-time]~~ activities are devoted to functions that are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance; or
 - 2. The officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or
 - 3. The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting *insurance producers*~~[agents]~~ where the officer's, director's, or employee's activities are limited to providing technical advice and assistance to licensed *insurance producers*~~[agents]~~ and do not include the sale, solicitation, or negotiation of insurance;
- (b) The individual secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance, or for the purpose of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans; or performs administrative services related to a mass marketed property and casualty insurance, where no commission is paid to the individual for the service;
- (c) An employer or association or its officers, directors, employees, or the trustees of an employee trust plan, to the extent that the employers, officers, employees, directors, or trustees are engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer, as long as the employers, associations, officers, directors, employees, or trustees are not in any manner compensated, directly or indirectly, by the *insurer*~~[company]~~ issuing the contracts;
- (d) Employees of insurers or organizations employed by insurers who are engaging in the inspection, rating, or classification of risks, or in the supervision of the training of *insurance producers*~~[agents]~~ who are not individually engaged in the sale, solicitation, or negotiation of insurance;
- (e) An individual or business entity whose activities in this state are limited to advertising without the intent to solicit insurance in this state through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of the state, provided that the individual or business entity does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in this state;
- (f) An individual or business entity who is not a resident of this state who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one (1) state insured under that contract, provided that the individual or business entity is otherwise licensed as an *insurance producer*~~[agent]~~ to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state; *or*
- (g) A salaried full-time employee who counsels or advises his or her employer relative to the insurance interest of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell, solicit, or negotiate insurance or receive a commission~~[-or]~~
- ~~(h) Employees of an insurer or an agent who responds to requests from existing policyholders on existing policies, provided that those employees are not directly compensated based on the volume of premiums that may result from these services, and provided that those employees do not otherwise sell, solicit, or negotiate insurance}.~~

Section 14. KRS 304.9-100 is amended to read as follows:

- (1) The purpose of a license issued under this subtitle to an *insurance producer*~~[agent, or solicitor]~~ is to authorize and enable the licensee actively and in good faith to engage in the business of insurance with respect to the general public, and to facilitate the public supervision of such activities in the public interest; and not for the

purpose of enabling the licensee to receive a rebate of premium in the form of "commission" or other compensation upon his own interest or upon those of other persons with whom he is closely associated in capacities other than as an insurance *producer*~~[agent, or solicitor]~~.

- (2) The commissioner shall not grant, renew, continue, or permit to exist any license *of an insurance producer*~~[as agent, or solicitor]~~ as to any applicant therefor or licensee thereunder if he finds that the license has been or is being or will probably be used by the applicant or licensee principally for the purpose of writing "controlled business," that is:
 - (a) Insurance on his own interest or those of his family or of his employer; or
 - (b) Insurance or annuity contracts covering himself or members of his family, or the officers, directors, stockholders, partners, employees, or debtors of a partnership, association, or corporation of which he or a member of his family is an officer, director, stockholder, partner, associate, or employee.
- (3) Such a license shall be deemed to have been, or intended to be, used principally for the purpose of writing controlled business if the commissioner finds that during any twelve (12) months' period the aggregate premiums accruing or to accrue from~~[such]~~ controlled business have exceeded or probably will exceed the aggregate premiums accruing or to accrue on other business written or probably to be written by *the*~~[such]~~ applicant or licensee during the same period.
- (4) This section shall not apply as to:
 - (a) Insurance of the interest of a motor vehicle sales or financing agent in a motor vehicle sold or financed by it;~~[-]~~
 - (b) Insurance of the interest of real property mortgagee in the mortgaged property, except title insurance;~~[-]~~
 - (c) *Limited line credit insurance; and*
 - (d) *Rental vehicle insurance*~~[Credit life, credit health, credit personal property and credit unemployment insurance]~~.

Section 15. KRS 304.9-105 is amended to read as follows:

An individual applying for an agent license shall make application to the commissioner on the uniform *individual* application *or other application prescribed by the commissioner* and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner shall find that the applicant:

- (1) Is at least eighteen (18) years of age;
- (2) Has fulfilled the residence requirements as set forth in KRS 304.9-120 *or is a nonresident who is not eligible to be issued a license in accordance with Section 18 of this Act;*
- (3) Has not committed any act that is a ground for denial, suspension, or revocation set forth in KRS 304.9-440;
- (4) Is trustworthy, reliable, and of good reputation, evidence of which shall be *determined through an investigation by the commissioner*~~[submitted on behalf of the applicant in the form of:~~
 - (a) ~~A certificate by the insurer or agent by which or whom the applicant is to be appointed or employed, subject to the issuance of the license, stating that the insurer has either made, or caused to be made by responsible investigators, an investigation into the trustworthiness, reliability, and good reputation of the applicant together with a brief synopsis of the findings resulting therefrom; or~~
 - (b) ~~Three (3) letters of recommendation attesting to the trustworthiness, reliability, and good reputation of the person written on his or her behalf by persons not related to him or her by blood or marriage and one (1) of whom shall be a licensed resident insurance agent, which letters shall also state the extent of familiarity, both as to length of time and degree of knowledge, possessed by the writer with regard to both personal and business conduct of the person];~~
- (5) Is competent to exercise the license and has:
 - (a) Successfully attained a general educational level equivalent to that required for graduation from an accredited high school in this state;

- (b) Except for limited lines licenses, completed a forty (40) hour prelicensing classroom course of study for the lines of authority for which the individual has applied. The commissioner shall promulgate administrative regulations to carry out the purpose of this section;
 - (c) Except for limited line licenses, successfully passed the examinations required by the commissioner for the lines of authority for which the individual has applied; and
 - (d) Paid the fees set forth in KRS 304.4-010; *and*
- (6) Is financially responsible to exercise the license and has:
- (a) 1. Filed with the commissioner the certificate of an insurer authorized to write legal liability insurance in this state, that the insurer has and will keep in effect on behalf of the person a policy of insurance covering the legal liability of the licensed person as the result of erroneous acts or failure to act in his or her capacity as an insurance agent, and enuring to the benefit of any aggrieved party as the result of any single occurrence in the sum of not less than ***twenty thousand dollars (\$20,000)***~~{ten thousand dollars (\$10,000)}~~ and ***one hundred thousand dollars (\$100,000)***~~{fifty thousand dollars (\$50,000)}~~ in the aggregate for all occurrences within one (1) year, and that the policy shall not be terminated unless at least thirty (30) days' prior written notice will have been given to the commissioner; or
 - 2. Deposited with the commissioner cash, or a cash surety bond executed by an insurer authorized to write business in this Commonwealth, in the sum of ***twenty thousand dollars (\$20,000)***~~{ten thousand dollars (\$10,000)}~~, which shall be subject to lawful levy of execution by any party to whom the licensee has been found to be legally liable as the result of erroneous acts or failure to act in his or her capacity as an agent; or
 - 3. ~~{Had}~~ Filed with the commissioner on his or her behalf, by an authorized insurer or group of affiliated insurers for which he or she is or is to become an exclusive agent, an agreement whereby the insurer or group of affiliated insurers agrees to assume responsibility, to the benefit of any aggrieved party, for legal liability of the licensed person as the result of erroneous acts or failure to act in his or her capacity as an insurance agent on behalf of the insurer or group of affiliated insurers in the sum of ***twenty thousand dollars (\$20,000)***~~{ten thousand dollars (\$10,000)}~~ for any single occurrence and that the agreement shall not be terminated until the license is surrendered to the commissioner or at least thirty (30) days' prior written notice will have been given to the commissioner, whichever shall first occur; and
 - (b) Agreed with the commissioner that if at any time notice is given to the commissioner that any policy filed in accordance with paragraph (a)1. of this subsection, or agreement filed in accordance with paragraph (a)3. of this subsection, is to be terminated and has not been replaced by another policy or agreement within the time established by regulations of the commissioner, or if any deposit in accordance with paragraph (a)2. of this subsection be reduced through levy of execution and not replaced by any necessary additional deposit within the time established by regulations of the commissioner, any and all licenses held by the licensee are revoked and shall be promptly surrendered to the commissioner without demand~~{; and~~
- ~~(7) To whom an agent's license has been or is to be issued, is the duly appointed agent of an authorized insurer, subject to issuance of the license}.~~

The commissioner may require additional information or submissions ***from applicants***~~{for resident applications}~~ and may obtain any documents or information reasonably necessary to verify the information contained in an application.

Section 16. KRS 304.9-130 is amended to read as follows:

- (1) A business entity acting as an agent is required to obtain an agent license. Application shall be made using the uniform business entity application or other application prescribed by the commissioner. Before approving the application ***of a business entity as a resident or as a nonresident which is not eligible to be issued a license in accordance with Section 18 of this Act***, the commissioner shall find that:
 - (a) The business entity has paid the fees set forth in KRS 304.4-010;
 - (b) Each officer, director, and member of the business entity who is acting as an agent has obtained an agent's license;

- (c) The business entity has disclosed to the insurance department the identity of all officers and directors and whether or not they are licensed as agents; and
 - (d) The business entity has designated a licensed agent responsible for the business entity's compliance with the insurance laws and regulations of this state.
- (2) ***Within thirty (30) days of the change***, the licensee shall ~~promptly~~ notify the commissioner of all changes among its members, directors, officers, and other individuals designated in or registered as to the license.
 - (3) Each agent authorized to act for the business entity shall be ***designated*** ~~named in or registered~~ with the commissioner as to the license ***in accordance with Section 24 of this Act*** ~~and shall qualify as though an individual licensee~~.
 - (4) The commissioner may ***require additional information or submissions from applicants and may*** obtain any documents or information reasonably necessary to verify the information contained in an application.

Section 17. KRS 304.9-135 is amended to read as follows:

- (1) As used in this section:
 - (a) "Financial institution" means a bank or bank holding company as defined in the Bank Holding Company Act of 1956, as amended, 12 U.S.C. sec. 1841, a savings bank, savings and loan association, trust company, or any depository institution as defined by the Federal Deposit Insurance Act in 12 U.S.C. sec. 1813(c)(1), and any other individual, corporation, partnership, or association authorized to take deposits and make loans in the Commonwealth, and any affiliate or subsidiary of any of the above;
 - (b) "Insurance agency activities" means any activity relating to insurance ~~other than credit life insurance, credit health insurance, forced placed or voluntary credit property, credit involuntary unemployment insurance, or insurance of the interest of a real property mortgagee in mortgaged property,~~ other than title insurance, for which a license as agent, ***reinsurance intermediary broker or manager, specialty credit producer or managing employee, surplus lines*** ~~solicitor,~~ broker, or consultant is required under this chapter; and
 - (c) "Insurance information" means any information ***concerning premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and claims maintained in the records of the financial institution or affiliate*** ~~provided by a consumer in order to obtain insurance~~.
- (2) A financial institution authorized by law to engage in insurance agency activities in this state shall, in addition to any other applicable requirements, comply with the following requirements:
 - (a) The financial institution or officer, agent, representative, or employee thereof shall qualify for licensure under all applicable provisions of this chapter and abide by all applicable provisions of this chapter and applicable administrative regulations;
 - (b) A financial institution shall provide a written statement ~~to a~~ ~~signed or initialed by the~~ consumer ***regarding the consumer's free choice of agent and insurer according to Section 46 of this Act, when the consumer's application for a loan or other extension of credit from the financial institution is pending and when insurance is offered to the consumer, sold to the consumer, or required in connection with the loan or extension of credit by the financial institution or affiliate*** ~~to evidence compliance with KRS 304.12-150~~;
 - (c) ***A financial institution shall not release a consumer's insurance information to any person or entity for the solicitation or selling of insurance, other than an officer, director, employee, agent, or affiliate of a financial institution, without prior disclosure to the consumer and the opportunity for the consumer to prevent the disclosure;*** ~~If the consumer voluntarily discloses or authorizes, in a written statement that is signed or initialed by the consumer, the disclosure of insurance information about the consumer to any person, the statement shall be an acknowledgment that the disclosure is not to the detriment of the consumer; and~~
 - (d) ***A financial institution shall not release or use health information obtained from the insurance records of a consumer for any purpose, other than activities of a licensed agent, administrator, reinsurance intermediary broker or manager, specialty credit producer or managing employee, surplus lines broker, or consultant, without the written consent of the consumer;***
 - (e) A financial institution licensed by the department to engage in insurance agency activities shall:

1. Not violate the anti-tying provisions of the Bank Holding Company Act, 12 U.S.C. secs. 1971 et seq., in effect as of December 31, 1997; and
2. Notify the department in writing within ten (10) days of any final judgment or any final administrative action, by a federal agency authorized to enforce the anti-tying provision, that finds that the financial institution or any of its employees committed a violation of the Bank Holding Company Act. Any such final and unappealable judgment or final and unappealable administrative action shall be deemed a violation of this chapter;
- (f){(e)} Prior to the sale of any policy of insurance to a consumer, a financial institution shall, **when practicable**, provide to the consumer a written statement~~[- signed or initialed by the consumer.]~~ that:
 1. The insurance offered by the financial institution is not a deposit;
 2. The insurance offered by the financial institution is not insured by the Federal Deposit Insurance Corporation or other government agency that insures deposits;
 3. The insurance offered by the financial institution is not guaranteed by the financial institution **or any affiliate**;
 4. The insurance **may involve investment risk, including potential loss of principal**~~[- is optional or, if required, may be purchased from any insurance agent or insurer selected by the consumer if that agent or insurer provides the same or equivalent coverage; and~~
 5. ~~By not purchasing the insurance if it is optional, or by purchasing the insurance from another insurance agent or insurer if the insurance is required, will not in any way affect current or future credit decisions~~; and
- (g){(f)} The commissioner shall promulgate administrative regulations in accordance with KRS Chapter 13A that specify the disclosure forms required by subsections (b), (c), and (f){(e)} of this section.
- (3) An officer or employee of a financial institution shall not directly or indirectly delay or impede the completion of a loan transaction or any other transaction with a financial institution for the purpose of influencing a consumer's selection or purchase of any insurance.
- (4) **A financial institution shall not use any advertisement or promotional material causing a reasonable person to mistakenly believe that:**
 - (a) **The federal government or any state guarantees the insurance sales activities of financial institutions or guarantees the credit of the financial institution;**
 - (b) **Any state or federal government guarantees any return on insurance products or is a source of payment on any insurance product sold by the financial institution**~~[- An employee of a financial institution may receive compensation for the referral of a consumer, who seeks information about or wishes to purchase any insurance product, to a licensed person or for the provision of the telephone number of a licensed person who sells or provides information on the product only if:~~
 - ~~(a) The employee receives the referral fee regardless of whether insurance coverage is sold;~~
 - ~~(b) The referral compensation is a fixed amount;~~
 - ~~(c) The referral compensation is a portion of a financial institution's program offering referral fees for other noninsurance products or services marketed by the financial institution; and~~
 - ~~(d) The referral compensation is paid by the financial institution.~~
- (5) **A financial institution shall use separate documentation for all credit and insurance transactions when a consumer obtains insurance and credit, other than credit insurance, from a financial institution or any individual or business entity soliciting or selling insurance on the premises of a financial institution.**
- (6) **A financial institution shall not include an expense of insurance premiums in a credit transaction when a consumer obtains insurance and credit, other than credit insurance, from a financial institution or any individual or business entity soliciting or selling insurance on the premises of a financial institution, without the written consent of the consumer.**

- (7) *A financial institution shall maintain separate and distinct books and records relating to insurance transactions conducted through the financial institution, including files relating to consumer complaints. The books, records, and files shall be made available to the commissioner for inspection in accordance with Section 2 of this Act*~~[All financial institutions not insured by the Federal Deposit Insurance Corporation or other government agency that insures deposits are not required to comply with subsection (2)(c) of this section].~~

Section 18. KRS 304.9-140 is amended to read as follows:

- (1) Unless denied a license in accordance with *Section 36 of this Act*~~[this subtitle]~~, a nonresident individual or business entity shall receive *the applicable insurance producer*~~[an agent]~~ license if:
- (a) The applicant is currently licensed *as a resident* and in good standing in his or her home state;
 - (b) The applicant has submitted the proper request for license and has paid the fees required by KRS 304.4-010 and administrative regulations;
 - (c) The applicant has submitted or transmitted to the commissioner the application for a license that the applicant submitted to his or her home state or a completed uniform *individual* application or uniform business entity application; *and*
 - (d)~~[The applicant has complied with his or her home state's continuing education requirements;~~
 - ~~(e)]~~ The applicant's home state awards nonresident licenses to residents of this state on the same basis~~[-; and~~
 - ~~(f) [The applicant has complied with any other applicable legal requirements].~~
- (2) The commissioner may verify the applicant's license status through the database maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries.
- (3) A nonresident licensee who changes his or her home state to a state other than Kentucky shall file a change of address and provide certification from the new home state within thirty (30) days of the change of home state. No fee or license application is required.
- (4) Notwithstanding any other provisions of this chapter, on or after July 1, 2002, an individual licensed as a surplus lines broker in his or her home state shall receive a nonresident surplus lines broker license by meeting the requirements of subsection (1) of this section. Except as to subsection (1) of this section, nothing in this section otherwise amends or supersedes any provision of Subtitle 10 of this chapter.
- (5) Notwithstanding any other provision of this subtitle, an individual licensed as a limited lines agent in his or her home state shall receive a nonresident limited lines agent license in accordance with subsection (1) of this section, granting the same scope of authority as granted under the license issued by the agent's home state.
- (6) *The commissioner shall waive any requirements for a nonresident license applicant with a valid license from his or her home state, except the requirements imposed by subsection (1) of this section, if the applicant's home state awards nonresident licenses to residents of Kentucky on the same basis.*
- (7) *As a condition to or in connection with the continuation of an insurance producer license issued under this section, the licensee must maintain the applicable license in his or her home state. The insurance producer license issued under this section shall terminate and be surrendered to the commissioner if and when the licensee's applicable home state license terminates for any reason.*

Section 19. KRS 304.9-150 is amended to read as follows:

- (1) Application for a *license issued under this subtitle, surplus lines broker license, viatical settlement broker license, or viatical settlement provider*~~[consultant]~~ license shall be made by the applicant. Applications under this subsection shall be *certified as true under penalty of perjury*~~[signed and sworn to]~~ by the applicant~~[before a notary public or other person authorized by law to take acknowledgments of deeds]~~.
- (2) The form of application shall require full answers to any questions as may be reasonably necessary to determine the applicant's identity, residence, personal history, business record, financial responsibility, experience in insurance, purpose for which the license is to be used, and other facts as required by the commissioner to determine whether the applicant meets the applicable qualifications for the license applied for.
- (3) The application shall state the kinds of insurance *and any applicable lines of authority* proposed to be transacted.

- (4) The application shall also show whether the applicant was ever *convicted of or is currently charged with committing a crime; whether the applicant was ever involved in an administrative proceeding regarding any professional or occupational license; whether the applicant has a history of not being financially responsible; whether the applicant has any delinquent tax obligation that is not the subject of a repayment agreement; whether the applicant is currently charged with or has ever been found liable of fraud, misappropriation, conversion of funds, misrepresentation, or breach of fiduciary duty; whether the applicant has child support obligations in arrears or is subject to a child support related subpoena or warrant* ~~previously licensed to transact any kind of insurance in this state or elsewhere; whether any license was ever refused, suspended, revoked, or renewal or continuance denied; whether any insurer, general agent, agent, claims applicant is indebted to it, and if so, the details thereof; and whether the applicant has ever had a business relationship with an insurer terminated for any alleged misconduct~~ ~~an agency contract canceled~~, and the facts thereof.
- (5) *The commissioner may require additional information or submissions from applicants and may obtain any documents or information reasonably necessary to verify the information contained in an application.*
- (6) All applications shall be accompanied by the applicable license fee and examination fee, in the respective amounts stated in KRS 304.4-010.
- ~~(7)(6)~~ No applicant for *any* license ~~under this subtitle~~ shall willfully misrepresent or withhold any fact or information called for in the application form or in connection therewith.

Section 20. KRS 304.9-170 is amended to read as follows:

No prelicensing education or ~~KRS 304.9-160 shall not apply and no~~ examination shall be required of:

- (1) (a) *An individual licensee who allows his or her license to lapse if the license renewal fee is paid within twelve (12) months from the due date of the license renewal fee. However, a penalty in the amount of double the unpaid renewal fee shall be imposed. The department shall issue a license with the same lines of authority as the lapsed license.*
- (b) Any applicant for license covering any line of authority to which the applicant was licensed under a similar license in Kentucky, other than a temporary license, within the *twelve (12)* ~~twenty-four (24)~~ months next preceding date of application. *The applicant is not eligible for this exemption if* ~~unless~~ the previous license was revoked or suspended by the commissioner for reasons other than failure to maintain financial responsibility or *to meet* ~~meeting~~ continuing education requirements as required by KRS 304.9-105 and 304.9-295.
- (2) An individual who applies for an *insurance producer* ~~agent~~ license in Kentucky who was previously licensed for the same lines of authority in another state shall not be required to complete any prelicensing education or examination. This exemption is only available if the applicant is currently licensed in the other state or if the application is received within ninety (90) days of the cancellation of the applicant's previous license and if the prior state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's database records, maintained by the National Association of Insurance Commissioners, its affiliates, or subsidiaries, indicate that the *insurance producer* ~~agent~~ is or was licensed in good standing for the line of authority requested.
- (3) An individual licensed as an *insurance producer* ~~agent~~ in another state within the last twelve (12) months who moves to Kentucky shall make application within ninety (90) days of establishing legal residence to become a resident licensee *in accordance with Section 15 of this Act*. No prelicensing education or examination shall be required of that applicant to obtain a license for any line of authority previously held in the prior home state except where the commissioner determines otherwise by administrative regulation.
- (4) An applicant for an *insurance producer's* ~~agent's~~ license who is currently licensed *in Kentucky* ~~as a solicitor or as~~ a consultant as to the same line of authority, or has been so licensed within twelve (12) months next preceding the date of application for the license, unless the previous license was revoked or suspended or continuation thereof refused by the commissioner for reasons other than failure to maintain financial responsibility as required by KRS 304.9-330.
- (5) Any applicant for license covering the same line of authority as to which that applicant shall have held a valid license issued in accordance with this subtitle or other applicable Kentucky law which was surrendered, in accordance with KRS 304.2-080 or other applicable law, in order to accept employment with the Department

of Insurance, provided, however, that the applicant shall apply for relicensing within *twelve (12) months*~~one (1) year~~ of the date of termination of his or her employment with the Department of Insurance.

Section 21. KRS 304.9-200 is amended to read as follows:

- (1)~~[(1)]~~ ~~An agent license shall remain in effect unless terminated, canceled, expired, revoked, or suspended as long as the fees set forth in KRS 304.4-010 and all administrative regulations promulgated thereunder are paid and any applicable continuing education requirements for individual agents are met by the due date.~~
- (2)~~[(2)]~~ ~~An individual agent who allows his or her license to lapse may, within twelve (12) months from the due date of the renewal fee, reinstate the same license without the necessity of passing a written examination. However, a penalty may be imposed as provided in KRS 304.99-020.~~
- (3)~~[(3)]~~ ~~A licensed agent who is unable to comply with license renewal procedures due to military service, a long term medical disability, or some other extenuating circumstance may request a waiver of those procedures. The agent may also request a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.~~
- (4)~~[(4)]~~ The license *issued under this subtitle or to a surplus lines broker, viatical settlement broker, or viatical settlement provider* shall contain the licensee's name, *city and state of principal place of business* address, personal identification number, and the date of issuance, the lines of authority, and any other information the commissioner deems necessary.
- (2)~~[(5)]~~ *The licensee*~~[Licensees]~~ shall inform the commissioner in writing in a format acceptable to the commissioner of a change of address or change of *legal* name within thirty (30) days of the change.
- (3)~~[(6)]~~ After completion of application for a license, *completion of any prelicensing education required under this chapter, payment of applicable fees*, and the taking and passing of any examination required under this *chapter*~~[subtitle]~~, the commissioner shall promptly consider the *application*~~[same]~~. If the commissioner finds that the applicant has fully met the requirements for licensure, the commissioner shall promptly issue the license to the applicant; otherwise, the commissioner shall refuse to issue the license and promptly notify the applicant~~[and the appointing insurer or agent]~~ of the refusal, stating the grounds thereof.
- (4)~~[(7)]~~ If a license is refused, the commissioner shall promptly refund *any*~~[the]~~ appointment fee tendered with the license application. All other fees for application for *license or examination*~~[agent, consultant, or adjuster licenses]~~ shall be deemed earned when paid and shall not be refundable.
- (5) *In order to assist in the performance of the commissioner's duties, the commissioner may contract with nongovernmental entities, including the National Association of Insurance Commissioners or its affiliate or subsidiary to perform ministerial functions, including the collection of fees or data related to licensing.*

Section 22. KRS 304.9-210 is amended to read as follows:

- (1) The license of an agent shall not specify the name of any particular insurer by which the licensee is appointed as agent and the licensee may represent as an agent under the one (1) license as many insurers as may appoint the agent in accordance with this subtitle.
- (2) The license of a consultant shall show whether the license is for a "*property and casualty*~~[general lines]~~ consultant" or a "life *and health* consultant."

Section 23. KRS 304.9-230 is amended to read as follows:

- (1) The commissioner may issue, in accordance with KRS 304.9-080, an agent's license with the line of authority limited as follows:
 - (a) To *surety*~~[motor vehicle physical damage]~~ insurance only;
 - (b) To *travel*~~[common carrier]~~ insurance, incidental to the transportation of persons or to the storage or transportation of property only, and solicited or sold by persons representing common carriers in the course of that representation;
 - (c) To limited line credit insurance only;
 - (d) To crop-hail insurance only; *and*
 - (e)~~[(e)]~~ ~~To mechanical breakdown insurance only; and~~

~~(4)~~ To other limited line insurance only, as specified by the commissioner through the promulgation of administrative regulations.

- (2) The commissioner shall promulgate administrative regulations to establish the requirements for prelicensing courses of instruction and examination for each limited lines license.
- (3) *On and after the effective date of this Act, the commissioner shall not issue an agent license with a limited line of authority for motor vehicle physical damage or for mechanical breakdown insurance. However, an agent license with a limited line of authority for motor vehicle physical damage or for mechanical breakdown insurance in effect on the effective date of this Act, shall continue in effect until surrendered or otherwise terminated in accordance with this subtitle.*

SECTION 24. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *A business entity issued a license in accordance with this subtitle, or issued a viatical settlement broker or viatical settlement provider license shall designate only individuals to act under the business entity license.*
- (2) *Each designated individual shall:*
 - (a) *Hold the same kind of license as the business entity; and*
 - (b) *If the business entity license has lines of authority, have one (1) or more of the same lines of authority.*
- (3) *The licensed business entity shall file with the commissioner:*
 - (a) *Notice of the designation of an individual within thirty (30) days of the designation; and*
 - (b) *Notice of termination of designation of an individual within thirty (30) days of the termination of designation.*
- (4)
 - (a) *On or before January 31 of each year, each licensed business entity shall file with the commissioner an annual report of all designated individuals whose designations were not terminated on or prior to December 31 of the preceding calendar year.*
 - (b) *The report shall include each individual licensee's name, identification number, and lines of authority the individual is designated to exercise on behalf of the business entity.*
- (5) *The notice and report shall be on a form or in a format prescribed by the commissioner.*
- (6) *A licensed business entity shall exercise the license only through a designated individual licensee.*
- (7) *An insurer that has appointed the business entity licensee shall be responsible for the acts of each designated individual performed under the business entity's license as if the insurer had appointed the individual licensee.*

Section 25. KRS 304.9-260 is amended to read as follows:

- (1) Each ~~consultant, adjuster, and surplus lines broker~~ license issued under this *subtitle, surplus lines broker license, viatical settlement broker license, and viatical settlement provider license*~~code~~ shall continue in force until expired, suspended, revoked, or otherwise terminated, but subject to payment *biennially* to the commissioner at his or her office in Frankfort on or before *the due date*~~March 31~~ of the applicable *renewal*~~continuation~~ fee, *if any*, for *the*~~any appointment, or~~ license~~in the case of a limited license, not terminated on or prior to December 31 of the preceding calendar year~~ as stated in KRS 304.4-010, accompanied by ~~a written~~ request for *renewal*~~continuation~~. *An individual resident agent shall confirm that the licensee is in compliance with the applicable financial responsibility requirements of Section 15 of this Act. Beginning January 1, 2003, request for renewal*~~continuation~~ shall be *on a form or in a format prescribed by the commissioner and* made as follows:
 - (a) *At least thirty (30) days before the renewal request and fees are due from the licensee, the department shall distribute to each respective licensee a list of his or her licenses to be renewed during that calendar year. With the licensee's written consent, an insurer or the licensee's employer may request that the department send the renewal list to the insurer or to the employer. The department may distribute the renewal list to the requesting insurer or employer instead of to the licensee;*

- (b) *An individual licensee whose birth date is in an even-numbered year shall submit the renewal request, any required confirmation of financial responsibility, and fees to the commissioner by the last day of the licensee's birth month in the next even-numbered year after the date the license is issued, and each subsequent even-numbered year thereafter;*
- (c) *An individual licensee whose birth date is in an odd-numbered year shall submit the renewal request, any required confirmation of financial responsibility, and fees to the commissioner by the last day of the licensee's birth month in the next odd-numbered year after the date the license is issued, and each subsequent odd-numbered year thereafter;*
- (d) *A business entity that is issued a license in an even-numbered year shall submit the renewal request and fees to the commissioner by March 31 of the next even-numbered year, and each subsequent even-numbered year thereafter; and*
- (e) *A business entity that is issued a license in an odd-numbered year shall submit the renewal request and fees to the commissioner by March 31 of the next odd-numbered year, and each subsequent odd-numbered year thereafter*~~[As to adjuster and surplus lines broker licenses, request made and signed by the licensee.~~
- (b) ~~As to limited licenses issued under KRS 304.9 230, request made and signed by the insurer so represented].~~
- (2) ~~[Biennially, before January 31, the department shall distribute to each respective licensee, employer, and insurer a listing of the names and addresses of that person's licensees referred to in subsection (1) whose appointments were in effect during the preceding calendar year and who were not terminated on or prior to December 31 of that calendar year. Any appointment or license not expressly terminated shall continue in effect as to the kinds of insurance or classifications for which the respective licensees are currently appointed and subject to payment of the fees specified under KRS 304.4 010. On or before March 31, each licensee, employer, or insurer shall submit the continuation of appointment fee, as specified in KRS 304.4 010, for each appointment or license not terminated on or prior to December 31 of the preceding calendar year.] Any license referred to in subsection (1) of this section ~~for~~~~[as to]~~ which *the request for renewal, any required confirmation of financial responsibility,*~~[continuation]~~ and fee are not~~[so]~~ received by the commissioner shall be deemed to have expired at midnight on *the last day of the birth month for individuals and on March 31 for business entities*; except that any request and fees received by the commissioner *within ninety (90) days after the expiration date*~~[after March 31 and prior to the next following June 30]~~ may be accepted and *the license may be reissued effective the date of receipt*~~[effectuated]~~ by the commissioner, in his or her discretion, if accompanied by a penalty as provided in Subtitle 99 of this chapter.~~
- (3) *A licensee who is unable to comply with license renewal procedures due to military service, long-term medical disability, or some other extenuating circumstance may make a written request for a waiver of those procedures. The licensee may also make a written request for a waiver of any examination requirement, fine, or other sanction imposed for failure to comply with these renewal procedures*~~[The license of an agent shall continue in force as long as there is in effect as to the licensee, as shown by the commissioner's records, an appointment or appointments as agent of authorized insurers covering collectively all of the lines of authority included in the agent's license. Upon termination of all of the licensee's appointments as to a particular line of authority and failure to replace an appointment within sixty (60) days thereafter, the license shall expire and terminate as to the line of authority and the licensee shall promptly deliver his or her license to the commissioner for reissuance, without fee or charge, as to the line of authority, if any, covered by the licensee's remaining agency appointments. Upon termination of all of the licensee's appointments and failure to obtain a new appointment within sixty (60) days, the license shall terminate and be surrendered to the commissioner].~~
- (4) As a condition to or in connection with the continuation of any *insurance producer*~~[agent or consultant]~~ license, the commissioner may require the licensee to file with him or her information relative to use made of the license during the next preceding calendar year and especially as to whether the license has been used principally for the writing of controlled business, as defined in KRS 304.9-100.
- (5) As a condition to or in connection with the continuation of any~~[agent]~~ license, the commissioner shall require continuous demonstration of *any* financial responsibility *required for issuance of the license*~~[as required by KRS 304.9 105(6)], and any license shall terminate and be surrendered to the commissioner~~~~[, as provided therein,]~~ if and when the demonstration becomes impaired~~[whether or not valid appointments under the license are then existent].~~

- (6) Except as to the provisions of subsection (5) hereof, This section does not apply to temporary licenses issued under KRS 304.9-300.

Section 26. KRS 304.9-270 is amended to read as follows:

- (1) Each insurer appointing an agent, **including rental vehicle agent, rental vehicle managing employee, specialty credit producer, and specialty credit managing employee**, in this state shall obtain approval of the appointment from the commissioner by filing with the commissioner the notice of appointment~~[in writing]~~, specifying the **lines of authority**~~[kinds of insurance or classifications]~~ thereof to be transacted by the agent for the insurer, and submit~~[the license fee with the license application and]~~ the appointment fee~~[with every appointment, or license fee in the case of limited licenses]~~, as specified in KRS 304.4-010.
- (2) No agent shall claim to be an agent or representative of, or in any way imply a contractual relationship with, a particular insurer, or place applications for insurance with an insurer unless the agent becomes an appointed agent of the insurer and the agent's appointment has been approved by the commissioner.
- (3) An agent may act as a representative of and place insurance with an insurer without first obtaining approval of the appointment by the commissioner for a period of thirty (30) days from the date the first insurance application is executed by the agent subject to the following criteria:
 - (a) The agent has filed with the commissioner, and thereafter kept in force, evidence of financial responsibility in the sum of not less than one million dollars (\$1,000,000) per occurrence, and the sum of two million dollars (\$2,000,000) in the aggregate, for all occurrences within one (1) year, either in the form of an errors and omissions insurance policy issued by an authorized insurer, a bond issued by an authorized corporate surety, a deposit, or any combination of these evidences of financial responsibility. Such a policy, bond, deposit, or combination shall not be terminated unless at least thirty (30) days' prior written notice is given to the licensee and the commissioner; **and**~~[-]~~
 - (b) If the agent does not receive from the insurer acknowledgment that the agent's appointment has been approved by the commissioner within thirty (30) days from the date the first insurance application is executed, the agent shall immediately discontinue acting as an agent on behalf of the insurer until acknowledgment is received.
- (4)
 - (a) The insurer shall, no later than forty-five (45) days from the date the agency contract is executed or the first insurance application is submitted by an agent, whichever is earlier, file with the commissioner a written notice of appointment on a form prescribed by the commissioner.
 - (b) If there is no executed agency contract, the insurer shall also mail to the agent, within the same forty-five (45) day period specified in paragraph (a) of this subsection, a copy of the notice of appointment form filed with the commissioner.
- (5) Within fifteen (15) days of receipt of the notice of appointment, the commissioner shall determine and notify the insurer whether the agent is eligible for appointment. If the agent's license is in good standing and no other grounds exist to deny the appointment, the commissioner shall approve the appointment.
- (6) Subject to **renewal**~~[continuation]~~ by the insurer as provided in subsection (7)~~[(4)]~~ of this section, each appointment shall remain in effect until the **earliest of the following**:
 - (a) **The commissioner revokes or otherwise terminates the insurance producer's license;**
 - (b) **The commissioner suspends, revokes, or otherwise terminates the appointment; or**
 - (c) ~~[agent's license is revoked or otherwise terminated, unless]~~ The insurer~~[earlier]~~ terminates the appointment as provided in KRS 304.9-280.
- (7) Biennially, before January 31, the department shall distribute to each insurer a listing of the names and **individual identification numbers**~~[addresses]~~ of that insurer's agents whose **appointments**~~[appointment, or licenses in the case of limited licenses]~~ were in effect during the preceding calendar year and who were not terminated on or prior to December 31 of that calendar year. Any appointment~~[or license]~~ not expressly terminated shall remain in effect as to the **lines of authority**~~[kinds of insurance or classifications]~~ thereof for which the respective agents are currently appointed, and subject to the fees specified under KRS 304.4-010. On or before March 31, each insurer shall submit the **renewal**~~[continuation]~~ of appointment fee~~[or license fee in the case of limited licenses]~~, as specified in KRS 304.4-010, for each appointment not terminated on or prior to

December 31 of the preceding calendar year. ~~Any appointment or license not expressly terminated shall continue, unless otherwise terminated, canceled, suspended, or revoked by the Department of Insurance.~~

- (8) ***Any appointment as to which the request for renewal and fees are not received by the commissioner by March 31 shall be deemed to have expired at midnight on March 31. Any appointment renewal request and fees received by the commissioner after March 31 and prior to the next following June 30 may be accepted by the commissioner, in his or her discretion, and the expired appointment may be reinstated as of March 31 if the late request and fees are accompanied by a penalty as provided in Section 54 of this Act.***

Section 27. KRS 304.9-295 is amended to read as follows:

- (1) This section shall apply to individuals ***who hold licenses or lines of authority requiring continuing education***~~[licensed as agents]~~.
- (2) This section shall not apply to:
 - (a) ~~[Licensees holding]~~ Limited lines of authority ***under agent*** licenses, as exempted by the commissioner in accordance with KRS 304.9-230;
 - (b) Licensees not licensed for one (1) full year prior to the end of ***the applicable***~~[a]~~ continuing education biennium~~[as described in subsection (3) of this section]~~;
 - (c) Licensees holding nonresident licenses who have met the continuing education requirements of their home state and whose home state gives credit to Kentucky resident ***licensees***~~[agents]~~ on the same basis; or
 - (d) Licensees maintaining their licenses for the sole purpose of receiving renewals or deferred commissions and providing the department with a supporting affidavit.
- (3) ***A licensee, who holds an agent license and who is***~~[The licensees specified in subsection (1) of this section and]~~ not exempt under subsection (2) of this section~~[who hold a license]~~, shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education courses, of which twelve (12) shall be classroom hours, during each continuing education biennium. A continuing education biennium shall begin on July 1 and end on June 30 two (2) years later.
- (4) Only continuing education courses approved by the commissioner shall be used to satisfy the continuing education requirement of subsection (3) of this section ***and any other continuing education requirement of this chapter.***
 - (a) The continuing education courses which meet the commissioner's standards for continuing education requirements are:
 1. Any part of the Life Underwriter Training Council life course curriculum;
 2. Any part of the Life Underwriter Training Council health course curriculum;
 3. Any part of the American College Chartered Life Underwriter diploma curriculum;
 4. Any part of the American Institute for Property and Liability Underwriters' chartered property and casualty underwriter profession designation program;
 5. Any part of the Insurance Institute of America's programs;
 6. Any part of the certified insurance counselor program;
 7. Any insurance related course taught at an accredited college or university, if the course is approved by the commissioner;
 8. Any course of instruction or seminar developed or sponsored by any authorized insurer, recognized agent association, recognized insurance trade association, or any independent program of instruction, if approved by the commissioner;
 9. Any correspondence course approved by the commissioner; and
 10. Any course in accordance with provisions of reciprocal agreements the commissioner enters with other states.
 - (b) The commissioner shall prescribe the number of hours of continuing education credit for each continuing education course approved in accordance with this subsection. Continuing education courses

submitted in accordance with a reciprocal agreement shall be approved according to the provisions of the reciprocal agreement.

- (c) If a continuing education course requires successful completion of a written examination, no continuing education credit shall be given to licensees who do not successfully complete the written examination.
- (d) The fee for filing continuing education courses for approval by the commissioner shall be as specified in Subtitle 4 of KRS Chapter 304.
- (e) For continuing education courses of reciprocal states, continuing education providers shall be approved in accordance with the provisions of the reciprocal agreements.
- (5) An individual teaching any approved continuing education course shall qualify for the same number of hours of continuing education credit as would be granted to a licensee taking and satisfactorily completing the course.
- (6) Excess credit hours accumulated during any continuing education biennium may be carried forward. The commissioner may, by regulation, limit the number of hours carried forward.
- (7) For good cause shown, the commissioner may grant an extension of time during which the continuing education requirement of subsection (3) of this section may be completed, but the extension of time shall not exceed two (2) years. What constitutes good cause for the extension of time rests within the discretion of the commissioner.
- (8) Every licensee subject to this section shall furnish to the commissioner written certification as to the continuing education courses satisfactorily completed by the licensee. The certification shall be signed by or on behalf of the organization sponsoring the continuing education course. The certification shall be on a form prescribed by the commissioner.
- (9) The license *or line of authority requiring continuing education shall terminate if the individual holding the license or line of authority fails*~~[of any individual failing]~~ to comply with the continuing education requirement~~[of subsection (3) of this section]~~ and~~[who]~~ has not been granted an extension of time to comply in accordance with subsection (7) of this section. *If the license has terminated, the license*~~[shall terminate and]~~ shall be promptly surrendered to the commissioner without demand. *If the line of authority has terminated but another line of authority not requiring continuing education is still in effect, the license shall be promptly delivered to the commissioner for reissuance as to the line of authority still in effect.*
- (10) The license of any individual subject to the continuing education requirement shall be suspended or revoked, a civil penalty imposed, or both, in accordance with KRS 304.9-440 if the individual submits to the commissioner a false or fraudulent certificate of compliance with the continuing education requirement.

Section 28. KRS 304.9-330 is amended to read as follows:

- (1) *To the extent the Gramm-Leach-Bliley Act, 15 U.S.C. sec. 6751(f), provides that evidence of financial responsibility may be required for licensing*, every applicant for license as a consultant shall file with the commissioner with his application for license, and shall maintain in effect while so licensed:
 - (a) The certificate of an insurer authorized to write legal liability insurance in this state, that ~~the~~~~[such]~~ insurer has and will keep in effect on behalf of *the consultant*~~[such a person]~~ a policy of insurance covering the legal liability of *the consultant*~~[such licensed person]~~ as the result of erroneous acts or failure to act in his capacity as an insurance consultant, and inuring to the benefit of any aggrieved party as the result of any single~~[such]~~ occurrence in the sum of not less than *twenty thousand dollars (\$20,000)*~~[ten thousand dollars (\$10,000)]~~ and *one hundred thousand dollars (\$100,000)*~~[fifty thousand dollars (\$50,000)]~~ in the aggregate for all~~[such]~~ occurrences within one (1) year, and that ~~the~~~~[such]~~ policy shall not be terminated unless at least thirty (30) days prior written notice will have been given to the commissioner; or
 - (b) A deposit with the commissioner of cash, or a cash surety bond executed by an insurer authorized to write ~~this~~~~[such]~~ business in this Commonwealth, in the sum of *twenty thousand dollars (\$20,000)*~~[ten thousand dollars (\$10,000)]~~ which shall be subject to lawful levy of execution by any party to whom the *consultant*~~[licensed person]~~ has been found to be legally liable as the result of erroneous acts or failure to act in his capacity as a consultant.

- (2) The bond shall indemnify any person damaged by any fraudulent or unlawful act or conduct of the licensee in transactions under the license, and shall likewise be conditioned upon faithful accounting and application of all moneys coming into the licensee's possession in connection with his activities as ~~the~~^{such} licensee.
- (3) The bond shall remain in force until released by the commissioner, or until canceled by the surety. Without prejudice to any liability previously incurred thereunder, the surety may cancel the bond upon thirty (30) days advance written notice to the licensee and the commissioner.

Section 29. KRS 304.9-370 is amended to read as follows:

- (1) Application for and acceptance of a license ***issued under this subtitle or as a surplus lines broker***~~as a consultant, agent, or adjuster~~ by a nonresident of Kentucky shall~~thereby~~ be deemed to constitute irrevocable appointment of the Secretary of State as the attorney of the licensee for the acceptance of service of process issued in this state in any action or proceeding against the licensee arising out of the licensing or out of transactions under the license.
- (2) Service of process against any nonresident licensee may be made in any action by service upon the Secretary of State as provided in KRS 304.3-230.

Section 30. KRS 304.9-390 is amended to read as follows:

- (1) Every ***individual and business entity issued a license with Kentucky as its home state***~~agent referred to in subsection (1) of KRS 304.9-120~~ shall have and maintain in this state a place of business accessible to the public, and wherein the licensee principally conducts transactions under his or her license. ***This provision shall not be deemed to prohibit maintenance of this place of business in the office of an insurer, office of the employer, or in the residence of the licensee***~~[The address of the place shall appear upon the license. Nothing in this section shall prohibit maintenance of such a place in the licensee's residence in this state].~~
- (2) The licenses of the licensee shall be conspicuously displayed in ***each of the places***~~place~~ of business in a part customarily open to the public.
- (3) The ~~licensee~~^{agent} shall keep at his ***or her*** place of business complete records of transactions under ~~the~~^{his} license.
 - (a) ***The records shall be kept available for inspection by the commissioner for a period of at least five (5) years after completion of the respective transactions.***
 - (b) ***For an insurance producer, the record shall show, as to each insurance policy or contract placed by or through the licensee, the names of the insurer and insured, the number and expiration date of, and premium payable as to, the policy or contract, and any other information as the commissioner may reasonably require. [The record shall be kept available for inspection by the commissioner, for a period of at least five (5) years after completion of the respective transactions.]***

Section 31. KRS 304.9-400 is amended to read as follows:

That portion of all premiums or moneys which an ***insurance producer***~~agent~~ collects from an insured and which is to be paid to an insurer, its agents, its managing general agents or his or her principal because of the assumption of liability through the issuance of policies or contracts for insurance, shall be held by the ***insurance producer***~~agent~~ in a fiduciary capacity and shall not be misappropriated or converted to his or her own use or illegally withheld by the ***insurance producer***~~agent~~.

Section 32. KRS 304.9-410 is amended to read as follows:

- (1) ***An agent with a line of authority for property, casualty, or limited line surety insurance***~~[A general lines agent]~~ may:
 - (a) Occasionally place an insurance coverage with an insurer as to which he ***or she*** is not then appointed as an agent, and such insurer may accept such business only when placed through ***an appointed***~~a licensed resident~~ agent~~[,]~~ of the insurer. Both agents involved in ~~this~~^{such an} exchange of business must be then licensed as to all of the kinds of insurance represented by the coverage; and
 - (b) Without limitation, place insurance coverage with an insurer as to which he is not then appointed as agent, and such insurer may accept such business only if placed through a licensed managing general agent.

- (2) ***An agent with a line of authority for***~~[A]~~ life or health insurance~~[agent]~~ may, occasionally, place with another insurer as to which he *or she* is not ***appointed***~~[licensed]~~ as agent, a particular risk or portion thereof which has been rejected by the insurers as to which the agent is ***appointed***~~[licensed]~~ or is known to the agent to be unacceptable to such insurers, and without then being ***appointed***~~[licensed]~~ as to ~~the~~~~[such]~~ other insurer.
- (3) The commissioner shall, by regulation, establish the amount or volume of business that constitutes the occasional placement of business permitted by subsections (1) and (2) of this section. Such regulations may be based on a percentage or ratio of the agent's business or any other appropriate standard.

Section 33. KRS 304.9-425 is amended to read as follows:

- (1) No insurer, financial institution, agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant shall pay, directly or indirectly, any commission, brokerage, or other valuable consideration to any individual or business entity for services as an agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant within this state, unless the individual or business entity held at the time the services were performed a valid license for that line of insurance as required by the laws of this state for the services.
- (2) ~~No~~~~;~~ ~~nor shall any~~ individual or business entity, other than an individual or business entity duly licensed by this state as an agent, surplus lines broker, adjuster, ***administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, viatical settlement broker or provider,*** or consultant at the time the services were performed, ***shall*** accept any ~~such~~ commission, brokerage, or other valuable consideration ***for those services.***
- (3) ~~[Provided, that]~~ This section shall not prevent payment or receipt of renewal or other deferred commissions to or by any individual or business entity entitled under this section.
- (4) ***Services as an agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant within this state shall not include a referral by an unlicensed person of a consumer to a licensed agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant that does not include a discussion of specific insurance policy terms and conditions.***
- (5) ***An insurer, financial institution, agent, surplus lines broker, adjuster, administrator, reinsurance intermediary broker or manager, rental vehicle agent or managing employee, specialty credit producer or managing employee, or consultant may pay any compensation, fee, or other consideration to an individual not licensed to sell insurance for the referral of a consumer to a licensed individual, only if the consideration is paid regardless of whether the insurance coverage is sold to the consumer.***

Section 34. KRS 304.9-430 is amended to read as follows:

- (1) No individual or business entity shall in this state act as or hold himself or herself out to be an adjuster unless then licensed by the Kentucky Department of Insurance as an adjuster. Application for license shall be made to the commissioner according to forms as prescribed and furnished by him or her. The commissioner shall issue the license as to applicants qualified upon payment of the license application fee stated in KRS 304.4-010.
- (2) To be licensed as an adjuster the applicant shall:
 - (a) Be an individual twenty-one (21) years or more of age;~~[-]~~
 - (b) Be a resident of Kentucky, or resident of another state which will permit residents of Kentucky to act as adjusters in the other state;~~[-]~~
 - (c) Be an employee of an insurer, a full-time salaried employee of a licensed adjuster or a graduate of a recognized law school, or have experience or special education or training as to the handling of loss claims under insurance contracts of sufficient duration and extent to make him or her reasonably competent to fulfill the responsibilities of an adjuster;~~[-]~~
 - (d) Be trustworthy and of good reputation;~~[-]~~

- (e) Have and maintain an office accessible to the public, and keep therein the usual and customary records pertaining to transactions under the license. This provision shall not be deemed to prohibit maintenance of the office in the office of an insurer, of the employer, or in the home of the licensee;[;]
- (f) Have successfully passed a written examination prescribed by the commissioner, except if the applicant has successfully passed a written examination in a state which permits residents of Kentucky to act as adjusters in the other state; *and*

(g) *Be financially responsible to exercise the license.*

- (3) A business entity, whether or not organized under the laws of this state, may be licensed as an adjuster if each individual who is to exercise the license powers is *designated with the commissioner as to the license in accordance with Section 24 of this Act*~~[named in the license or registered with the commissioner under the license, and is qualified as for an individual license as adjuster. An additional full license fee shall be paid as to each individual in excess of one (1), so named in the license or so registered to exercise its powers].~~
- (4) *The commissioner may require additional information or submissions from applicants and may obtain any documents or information reasonably necessary to verify the information contained in an application.*
- (5) *Notwithstanding the provisions of this section,*~~[Except, that]~~ no adjuster's license or qualifications shall be required as to any adjuster who is sent into this state on behalf of an insurer for the purpose of investigating or making adjustment of a particular loss under an insurance policy, or for the adjustment of a series of losses resulting from a catastrophe common to all losses.

Section 35. KRS 304.9-432 is amended to read as follows:

- (1) In the event that an applicant for an adjuster's license meets the qualification requirements of KRS 304.9-430 except that he or she has not had experience or special education or training as to the handling of loss claims under insurance contracts of sufficient duration and extent to make him or her reasonably confident to fulfill the responsibilities as an adjuster, he or she shall not be required to take and successfully complete the prescribed written examination and may be issued a temporary license as an apprentice adjuster for a period not to exceed *twelve (12) months*~~[one hundred eighty (180) days]~~.
- (2) A temporary license as an apprentice adjuster shall be subject to the following terms and conditions:
 - (a) An individual holding a temporary license as apprentice adjuster shall have all of the privileges and obligations of an adjuster licensed under the insurance code;
 - (b) An individual holding a temporary license as an apprentice adjuster shall at all times be a full-time salaried employee of an insurer or an adjuster and subject to training, direction, and control by a licensed adjuster acting in the same capacity as that for which the applicant applied;
 - (c) A temporary license as apprentice adjuster shall be subject to suspension, revocation, or conditions in accordance with KRS 304.9-440; and
 - (d) An individual may hold only one (1) temporary license as an apprentice adjuster.

Section 36. KRS 304.9-440 is amended to read as follows:

- (1) The commissioner may place on probation, suspend, or may impose conditions upon the continuance of a license for not more than twelve (12) months, revoke, or refuse to issue or renew any license issued under this subtitle or any surplus lines broker, *viatical settlement broker, or viatical settlement provider* license, or may levy a civil penalty in accordance with KRS 304.99-020, or any combination of actions for any one (1) or more of the following causes:
 - (a) Providing incorrect, misleading, incomplete, or materially untrue information in the license application;[;]
 - (b) Violating any insurance laws, or violating any administrative regulations, subpoena, or order of the commissioner or of another state's insurance commissioner;[;]
 - (c) Obtaining or attempting to obtain a license through misrepresentation or fraud;[;]
 - (d) Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance *or viatical settlement* business;[;]

- (e) Intentionally misrepresenting the terms of an actual or proposed insurance contract, **viatical settlement contract**, or application for insurance;~~[-]~~
 - (f) Having been convicted of any felony;~~[-]~~
 - (g) Having admitted or been found to have committed any unfair insurance trade practice or insurance fraud;~~[-]~~
 - (h) Using fraudulent, coercive, or dishonest practices; or demonstrating incompetence, untrustworthiness, or financial irresponsibility; or being a source of injury or loss to the public in the conduct of business in this state or elsewhere;~~[-]~~
 - (i) Having ~~an~~~~any~~ insurance license, **viatical settlement license**, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory;
 - (j) Surrendering or otherwise terminating any~~[-other]~~ license issued by this state or by any other jurisdiction, under threat of disciplinary action, denial, or refusal of the issuance of or renewal of any other license issued by this state or by any other jurisdiction; or revocation or suspension of any other license held by the licensee issued by this state or by any other jurisdiction;
 - (k) Forging another's name to an application for insurance,~~[-or]~~ to any **other** document related to an insurance transaction, **or to any document related to a viatical settlement transaction**;
 - (l) Cheating, including improperly using notes or any other reference material to complete an examination for~~[-an insurance]~~ license;
 - (m) Knowingly accepting insurance **or viatical settlement** business from an individual **or business entity** who is not licensed, but who is required to be licensed under this subtitle;
 - (n) Failing to comply with an administrative or court order imposing a child support obligation;
 - (o) Failing to pay state income tax or to comply with any administrative or court order directing payment of state income tax;
 - (p) Having been convicted of a misdemeanor for which restitution is ordered in excess of three hundred dollars (\$300), or of any misdemeanor involving dishonesty, breach of trust, or moral turpitude; or
 - (q) Any other cause for which issuance of the license could have been refused, had it then existed and been known to the commissioner.
- (2) The license of a business entity may be suspended, revoked, or refused for any cause relating to an individual designated in or registered under the license if the commissioner finds that an individual licensee's violation was known or should have been known by one (1) or more of the partners, officers, or managers acting on behalf of the **business entity**~~[partnership or corporation]~~ and the violation was not reported to the Department of Insurance nor corrective action taken. The applicant or licensee may make written demand upon the commissioner in accordance with KRS 304.2-310 for a hearing before the commissioner to determine the reasonableness of the commissioner's action.
- (3) The commissioner shall retain the authority to enforce the provisions and penalties of this chapter against any individual or business entity who is under investigation for or charged with a violation of this chapter, even if the individual's or business entity's license has been surrendered or has lapsed by operation of law.

SECTION 37. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) ***An individual or business entity holding a license issued under this subtitle or holding a license as a surplus lines broker, viatical settlement broker, or viatical settlement provider shall notify the commissioner in writing immediately if the licensee's license to conduct insurance, securities, real estate, auctioneer, investment, financial, or financial planning business of any kind in this state or elsewhere is surrendered or terminated under threat of disciplinary action, refused, suspended, revoked, or renewal of continuance is denied.***
- (2) ***A licensee shall report to the commissioner any administrative action taken against the licensee in another jurisdiction or by another governmental agency in Kentucky within thirty (30) days of the final disposition of the matter. This report shall include:***

- (a) *A written statement identifying the type of license and explaining the circumstances of each incident;*
 - (b) *A copy of the notice of hearing or other document that states the charges and allegations; and*
 - (c) *A copy of the official document which demonstrates the resolution of the charges or any final judgment.*
- (3) *Within thirty (30) days of service upon the licensee of any criminal complaint, information, or indictment in any jurisdiction, the licensee shall submit to the commissioner the following:*
- (a) *A written statement explaining the circumstances of each incident;*
 - (b) *A copy of the charging document; and*
 - (c) *A copy of the official document which demonstrates the resolution of the charges or any final judgment.*
- (4) *If the charges alleged in the criminal complaint, information, or indictment have not been finally resolved within the thirty (30) day period following service of the criminal complaint, information, or indictment, the licensee shall, within thirty (30) days following the resolution of the charges, submit to the commissioner a copy of the official document which demonstrates the resolution of the charges or any final judgment.*

Section 38. KRS 304.9-705 is amended to read as follows:

- (1) No *individual or business entity*~~[person, firm, association, or corporation]~~ shall act as a reinsurance intermediary broker in *Kentucky*~~[this state]~~ if the reinsurance intermediary broker maintains an office either directly or as a *director, officer*, member, or ~~[an]~~ employee of a *business entity*~~[firm or association, or an officer, director, or employee of a corporation]~~:
- (a) In *Kentucky*~~[this state]~~, unless the reinsurance intermediary broker is a licensed *insurance* producer in *Kentucky and may sell reinsurance products under that insurance producer license*~~[this state]~~; or
 - (b) In another state, unless the reinsurance intermediary broker is a licensed *insurance* producer in *Kentucky and may sell reinsurance products under that producer license, or is licensed in*~~[this state or]~~ another state having a law substantially similar to KRS 304.9-700 to 304.9-759, or the reinsurance intermediary broker is licensed in Kentucky as a nonresident reinsurance intermediary.
- (2) No *individual or business entity*~~[person, firm, association, or corporation]~~ shall act as a reinsurance intermediary manager:
- (a) For a reinsurer domiciled in Kentucky, unless the reinsurance intermediary manager is a licensed *insurance* producer in Kentucky *and may sell reinsurance products under that insurance producer license*;
 - (b) In Kentucky, if the reinsurance intermediary manager maintains an *office*~~[office]~~, either directly or as a *director, officer*, member, or employee of a *business entity*~~[firm or association, or an officer, director, or employee of a corporation]~~ in Kentucky, unless the reinsurance intermediary manager is a licensed *insurance* producer in *Kentucky and may sell reinsurance products under that insurance producer license*~~[this state]~~; or
 - (c) In another state for a nondomestic insurer, unless the reinsurance intermediary manager is a licensed *insurance* producer in Kentucky *and may sell reinsurance products under that insurance producer license, is licensed in*~~[or]~~ another state having a law substantially similar to KRS 304.9-700 to 304.9-759, or the person is licensed in Kentucky as a nonresident reinsurance intermediary.
- (3)~~—The commissioner may require a reinsurance intermediary manager subject to subsection (2) of this section to:~~
- (a)~~—File a bond in an amount from an insurer authorized to do business in Kentucky for the protection of the reinsurer; and~~
 - (b)~~—Maintain an errors and omissions insurance policy issued by an insurer authorized to do business in Kentucky in an amount acceptable to the commissioner.~~
- (4)~~—(a)]~~ The commissioner may issue a reinsurance intermediary license to any *individual or business entity*~~[person, firm, association, or corporation]~~ who has complied with the requirements of KRS 304.9-700 to 304.9-759 *and who is financially responsible to exercise the license*. The license issued to a *business entity*~~[firm or association]~~ shall *be exercised only by individuals designated with the*

commissioner as to the license in accordance with Section 24 of this Act~~permit all members of the firm or association and any designated employees to act as reinsurance intermediaries under the license, and all persons shall be named in the application and any changes shall be filed in writing with the commissioner. The license issued to a corporation shall permit all of the officers, and any designated employees and directors thereof, to act as reinsurance intermediaries on behalf of the corporation, and all persons shall be named in the application and any changes shall be filed in writing with the commissioner.~~

~~(b) If the applicant for a reinsurance intermediary license is a nonresident, the applicant, as a condition precedent to receiving or holding a license, shall designate the Secretary of State as agent for service of process in the manner, and with the same legal effect, provided for by this chapter for designation of service of process upon unauthorized insurers, and shall furnish the commissioner with the name and address of a resident of Kentucky upon whom notices or orders of the commissioner or process affecting the nonresident reinsurance intermediary may be served. The reinsurance intermediary shall promptly notify the commissioner in writing of every change in the person designated to receive notices or orders of the commissioner or process, and the change shall not become effective until acknowledged by the commissioner.~~

~~(4)~~~~(5)~~ The commissioner may refuse to issue a reinsurance intermediary license if, in his judgment, the applicant, anyone named on the application, or any member, principal, officer, or director of the applicant is not trustworthy or of good reputation, or that any controlling person of the applicant is not trustworthy to act as a reinsurance intermediary, or that any of the foregoing persons have given cause for revocation or suspension of the license, or has failed to comply with any prerequisite for the issuance of the license.

~~(5)~~~~(6)~~ Licensed attorneys at law of Kentucky, when acting in their professional capacity as *attorneys*~~such~~, shall be exempt from this section.

Section 39. KRS 304.10-120 is amended to read as follows:

(1) Any person~~while licensed in this state as an agent~~ who:

(a) Is a resident of Kentucky *or is a nonresident who is not eligible to be issued a license in accordance with Section 18 of this Act*;

(b) *Holds an agent license with lines of authority for property and casualty; and*~~Has been continuously licensed for at least three (3) years;~~

(c) Is deemed by the commissioner to be competent and trustworthy with respect to the handling of surplus lines;~~and~~

~~(d) Represents at least three (3) insurers admitted to transact property or casualty insurance in Kentucky;~~
may be licensed as a surplus lines broker.

(2) Application for the license shall be made to the commissioner on forms as designated and furnished by the commissioner.

(3) The license fee shall be as specified in KRS 304.4-010.

(4) The license and licensee shall be subject to the applicable provisions of Subtitle 9 of this chapter.

~~(5) In order for a surplus lines broker's license to be renewed, the licensee shall have at least five (5) current appointments with property or casualty insurers admitted to do business in Kentucky.~~

~~(6)~~ Notwithstanding subsection (1)~~(a)~~ of this section, on or after July 1, 2002, an *applicant*~~individual~~ licensed as a surplus lines broker in the applicant's home state may be issued a nonresident surplus lines broker's license in Kentucky if the applicant's home state issues surplus lines broker licenses to Kentucky residents on the same basis.

Section 40. KRS 304.10-140 is amended to read as follows:

(1) *To the extent the Gramm-Leach-Bliley Act, 15 U.S.C. sec. 6751(f), provides that evidence of financial responsibility may be required for licensing*, prior to issuance of a license as a surplus lines broker, the applicant shall file with the commissioner, and for as long as the license remains in effect shall keep in force:

~~(a)(1)~~ Evidence of financial responsibility in the sum of not less than one million dollars (\$1,000,000) per occurrence, and the sum of two million dollars (\$2,000,000) in the aggregate, for all occurrences within one (1) year, either in the form of an errors and omissions insurance policy issued by an authorized insurer, a bond issued by an authorized corporate surety, a deposit, or a combination of a bond issued by an authorized corporate surety and a deposit. The policy, bond, deposit, or combination of a bond or deposit shall not be terminated unless at least thirty (30) days' prior written notice is given to the licensee and the commissioner; and

~~(b)(2)~~ A bond in favor of the State of Kentucky in the penal sum of fifty thousand dollars (\$50,000), with an authorized corporate surety guaranteeing that he or she will conduct business under the license in accordance with the provisions of this subtitle and that he or she will promptly remit the taxes required by KRS 304.10-180. The aggregate liability of the surety for any and all claims on any bond shall in no event exceed the penal sum. No bond shall be terminated unless not less than thirty (30) days' prior written notice is given to the licensee and filed with the commissioner.

- (2) *An insurer issuing coverage under subsection (1)(a) or (b) of this section may offer, as a part of the policy or as an optional endorsement to the policy, deductibles optional to the surplus lines broker applicant or licensee for the payment of claims. Deductible amounts offered in accordance with this section shall be fully disclosed to the applicant or licensee in writing. If the applicant or licensee chooses a deductible policy, the insurer shall pay the deductible amount initially and the licensee shall be liable to the insurer, at the time and in the manner prescribed in the policy, for the amount of the deductible. If the licensee fails to reimburse the insurer as required by this subsection, his or her surplus lines broker license and all other licenses issued by the commissioner are revoked and shall be promptly surrendered to the commissioner without demand. Nothing contained in this subsection is intended to or shall in any manner alter or affect the rights of the insurer to collect the reimbursement for the deductible from the surplus lines broker.*

Section 41. KRS 304.10-170 is amended to read as follows:

- (1) Each broker shall, *within thirty (30) days of the end of each calendar quarter*~~on or before the first day of April of each year~~, file with the commissioner a verified statement of all surplus lines insurance transacted by him during the preceding calendar *quarter*~~year~~.
- (2) The statement shall be on forms as prescribed~~and furnished~~ by the commissioner and shall show:
 - (a) Gross amount of each kind of insurance transacted;
 - (b) Aggregate of gross premiums charged;
 - (c) Aggregate of returned premiums paid insureds;
 - (d) Aggregate of net premiums; and
 - (e) Additional information as required by the commissioner.

Section 42. KRS 304.10-180 is amended to read as follows:

- (1) Each broker shall pay the following taxes:
 - (a) ~~{On or before the first day of April each year, }~~A tax at the rate of three percent (3%) on the premiums, assessments, fees, charges, or other consideration deemed part of the premium as defined in KRS 304.14-030, on surplus lines insurance subject to tax transacted by him or her with unauthorized insurers during the preceding calendar *quarter*~~year~~ as shown by his or her *quarterly*~~annual~~ statement filed with the commissioner *in accordance with Section 41 of this Act*. The tax shall not be assessed on the premium surcharge tax, the local government premium tax, or any other state or federal tax. The tax shall be remitted to the commissioner *within thirty (30) days of the end of each calendar quarter*. When collected the tax shall be credited to the insurance regulatory trust fund, as established by KRS 304.2-400;
 - (b) The premium surcharge tax, to be remitted to the Kentucky Revenue Cabinet, in accordance with KRS 136.392; and
 - (c) The local government premium tax, to be remitted to the appropriate city, county, or urban-county government taxing authority, in accordance with KRS 91A.080.

- (2) If a surplus lines policy covers risks or exposures only partially in this state the tax so payable shall be computed upon the proportion of the premium which is properly allocable to the risks or exposures located in this state.

Section 43. KRS 304.12-100 is amended to read as follows:

Nothing in KRS 304.12-080 and 304.12-090 shall be construed as prohibiting:

- (1) Payment of lawfully earned commission or other lawful compensation to duly licensed ***insurance producers as defined in Section 4(4) of this Act;***~~agents, surplus lines brokers, and solicitors.~~
- (2) Distribution by a participating insurer to its participating policyholders of dividends, savings, or the unused or unabsorbed portion of premiums and premium deposits;~~;~~
- (3) Furnishing of information, advice, or services for the purpose of reducing the loss or liability to loss under a policy;~~;~~
- (4) Life insurers from paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, if such bonus or abatement is fair and equitable to all policyholders and for the best interests of the insurer and its policyholders;~~;~~
- (5) In the case of insurance policies issued on the debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the savings in collection expense or making allowance to policyholders who make premium payments at less frequent intervals than required; ~~or;~~
- (6) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of any policy year of insurance thereunder, which may be made retroactive only for such policy year.

Section 44. KRS 304.12-110 is amended to read as follows:

No insurer, ***insurance producer as defined in Section 4(4) of this Act***~~agent, surplus lines broker, solicitor~~, or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, sell, buy, or offer or promise to buy, sell, give, promise, or allow to the insured or prospective insured or to any other person on his behalf in any manner whatsoever:

- (1) Any employment;~~;~~
- (2) Any shares of stock or other securities issued or at any time to be issued or any interest therein or rights thereto;~~;~~
- (3) Any advisory board contract, or any similar contract, agreement or understanding, offering, providing for, or promising any profits or special returns or special dividends; ~~or;~~
- (4) Any prizes, goods, wares, merchandise, or property of an aggregate value in excess of ten dollars (\$10).

Section 45. KRS 304.12-140 is amended to read as follows:

- (1) No person engaged in the business of financing the purchase of real or personal property or of lending money on the security of real or personal property shall require, as a condition to~~such~~ financing or lending, ***or varying the terms and conditions of the financing or lending,*** or as a condition to the renewal or extension of any~~such~~ loan ***or credit*** or to the performance of any other act in connection with~~such~~ financing or lending, that the purchaser or borrower, or his successors, shall negotiate through a particular insurer;~~or insurers, insurance agent or agents, or type of insurer or types of insurers,~~ any policy of insurance or renewal~~thereof~~ insuring ***the***~~such~~ property or the life or health of the borrower.
- (2) This section shall not prevent the reasonable exercise by any~~such~~ vendor or lender of ***its***~~this~~ right to approve or disapprove the insurer selected to underwrite the insurance, and to determine the adequacy of the insurance offered.

Section 46. KRS 304.12-150 is amended to read as follows:

Every debtor, borrower, or purchaser of property with respect to which insurance of any kind is required in connection with a debt or loan on ***the***~~such~~ property shall be informed by the creditor or lender of his right of free choice in the selection of the agent and insurer through or by which such insurance is to be placed. There shall be no

interference either directly or indirectly with ~~the[such]~~ borrower's, debtor's, or purchaser's free choice of an agent and of an insurer, ***the creditor or lender shall not collect a separate charge for the handling of insurance required in connection with a loan or extension of credit based on the consumer's choice of agent or insurer***, and the creditor or lender shall not refuse an adequate policy so tendered by the borrower, debtor, or purchaser. Upon notice of any refusal of ~~an adequate[such-tendered]~~ policy, the commissioner shall order the creditor or lender to accept the tendered policy, if he determines that such refusal is not in accordance with the requirements set out in subsection (2) of KRS 304.12-140. Failure to comply with ~~the[such-an]~~ order of the commissioner shall be deemed a violation of this section.

Section 47. KRS 304.32-120 is amended to read as follows:

When the annual statement of a corporation subject to the provisions of this subtitle shall have been filed and all fees due from the corporation shall have been paid, the corporation's certificate of authority to do business in this state shall automatically be extended until such time as the commissioner refuses to relicense the corporation. ~~When the fee involved in the renewal of an agent's license shall have been paid by the corporation, or the individual agent, the license shall automatically be extended until such time as the commissioner refuses to renew the license.~~

Section 48. KRS 304.32-180 is repealed and reenacted to read as follows:

- (1) ***An agent of the corporation shall be licensed as an agent with a health line of authority in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent licenses.***
- (2) ***Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 27 of this Act.***
- (3) ***An agent of the corporation shall be appointed by the corporation in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments*** ~~["Agent" means any person authorized by a corporation subject to the provisions of this subtitle and on its behalf to solicit applications for subscription or membership, or offers or assumes to act in the negotiation thereof. To qualify for an agent's license an applicant shall:~~
 - ~~(a) Be above the age of eighteen (18) years;~~
 - ~~(b) Be a bona fide resident of and actually reside in this state;~~
 - ~~(c) Be a trustworthy person;~~
 - ~~(d) Be appointed as an agent by one (1) or more corporations subject to the provisions of this subtitle;~~
 - ~~(e) Make application to the commissioner in the manner and form prescribed by him. As a part or in connection with any application, the applicant shall furnish information concerning his identity, personal history, experience, business record, purposes, and any other information the commissioner may reasonably require;~~
 - ~~(f) Pay the fee provided in Subtitle 4 of this chapter; and~~
 - ~~(g) Take an examination given by the commissioner as a test of his qualifications and competence.~~
- ~~(2) Agents' licenses shall expire at midnight on March 31 unless the licensee prior thereto has filed with the commissioner, on forms prescribed and furnished by him, a request for continuation of license accompanied by payment of the renewal fee as provided in Subtitle 4 of this chapter, except that any request for continuation filed with the commissioner after such March 31 and prior to the next following June 30 may be accepted and effectuated by the commissioner, in his discretion, if accompanied by a penalty as prescribed in Subtitle 99 of this chapter.~~
- ~~(3) Agents shall satisfactorily complete a minimum of twenty four (24) hours of continuing education courses, of which twelve (12) must be classroom hours, during each continuing education biennium, as provided by KRS 304.9 295 and any administrative regulations promulgated thereunder].~~

Section 49. KRS 304.32-270 is amended to read as follows:

Nonprofit hospital, medical-surgical, dental, and health service corporations shall be subject to the provisions of this subtitle, and to the following provisions of this code, to the extent applicable and not in conflict with the express provisions of this subtitle:

- (1) Subtitle 1 -- Scope -- General Definitions and Provisions;

- (2) Subtitle 2 -- Insurance Commissioner;
- (3) Subtitle 7 -- Investments;
- (4) Subtitle 8 -- Administration of Deposits;
- (5) Subtitle 12 -- Trade Practices and Frauds;
- (6) Subtitle 25 -- Continuity of Management;
- (7) Subtitle 33 -- Insurers Rehabilitation and Liquidation;
- (8) Subtitle 18 -- KRS 304.18-110, 304.18-120 -- Group Conversion and KRS 304.18-045;
- (9) Subtitle 4 -- Fees and Taxes;
- (10) Subtitle 99 -- Penalties;
- (11) Subtitle 14 -- KRS 304.14-500 to 304.14-560;
- (12) Subtitle 17A -- Health Benefit Plans;~~and~~
- (13) Subtitle 17B -- Kentucky Access; *and*
- (14) ***Subtitle 9 -- Agents, Consultants, Solicitors and Adjusters.***

Section 50. KRS 304.38-110 is repealed and reenacted to read as follows:

- (1) ***An agent of a health maintenance organization shall be licensed as an agent with a health line of authority in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent licenses.***
- (2) ***Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 27 of this Act.***
- (3) ***An agent of a health maintenance organization shall be appointed by the health maintenance organization in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments***~~[The commissioner shall promulgate such reasonable rules and regulations as are necessary to provide for the licensing of agents, and the termination or revocation of such license. An "agent" means any person directly or indirectly associated with such organization who engages in solicitation or enrollment of persons for profit or pecuniary gain in a health maintenance organization.]~~
- ~~(2) Agents shall satisfactorily complete a minimum of twenty four (24) hours of continuing education courses, of which twelve (12) must be classroom hours, during each continuing education biennium, as provided in KRS 304.9-295 and any administrative regulations promulgated thereunder.~~

Section 51. KRS 304.48-100 is repealed and reenacted to read as follows:

- (1) ***An agent of a liability self-insurance group shall be licensed as an agent with property and casualty lines of authority in accordance with Subtitle 9 of this chapter regulating all aspects of agent licenses.***
- (2) ***Subsection (1) of this section includes the requirement that the agent shall satisfactorily complete the continuing education requirements in accordance with Section 27 of this Act.***
- (3) ***An agent of a liability self-insurance group shall be appointed by the liability self-insurance group in accordance with the provisions of Subtitle 9 of this chapter regulating all aspects of agent appointments***~~[The commissioner shall promulgate reasonable administrative regulations as are necessary to provide for the licensing of agents appointed or sponsored by the liability self insurance group and the termination or revocation of such license].~~

Section 52. KRS 304.99-020 is amended to read as follows:

- (1) For any violation of this code where the commissioner has the power to revoke or suspend a license or certificate of authority he may in lieu thereof or in addition to such revocation or suspension impose a civil penalty against the violator in the case of an insurer, a fraternal benefit society, nonprofit hospital, medical-surgical, dental, and health service corporation, *or* health maintenance organization~~, or prepaid dental plan organization~~, of not more than ten thousand dollars (\$10,000) per violation; in the case of an agent, ***surplus lines broker, rental vehicle agent or managing employee, specialty credit producer or managing employee, or reinsurance intermediary broker or manager***~~[or solicitor]~~ of not more than one thousand dollars (\$1,000)

per violation; in the case of an adjuster, administrator, *viatical settlement broker, viatical settlement producer*, or consultant of not more than two thousand dollars (\$2,000) per violation.

- (2) Such civil penalty may be recovered in an action brought thereon in the name of the Commonwealth of Kentucky in any court of appropriate jurisdiction.
- (3) In any court action with respect to a civil penalty, the court may review the penalty as to both liability and reasonableness of amount.

Section 53. KRS 304.99-100 is amended to read as follows:

- (1) *The appointment of an agent, including rental vehicle agent, rental vehicle managing employee, specialty credit producer, and specialty credit managing employee, may be renewed by an insurer under subsection (8) of Section 26 of this Act if the request and late payment for renewal is accompanied by a penalty equal to the amount of the biennial renewal fee specified in Subtitle 4 of this chapter.*
- (2) *A license issued under Subtitle 9 of this chapter, surplus lines broker license, viatical settlement broker license, and viatical settlement provider license*~~[The licenses of each solicitor, consultant, adjuster, surplus lines broker, agent, and fraternal benefit society agent]~~ may be *reissued*~~[continued or renewed]~~ under KRS 304.9-260(2)~~[and 304.9-270]~~ if the request *and late payment for reissue are*~~[continuation or renewal is]~~ accompanied by a penalty equal to the amount of the biennial~~[continuation or]~~ renewal fee specified in Subtitle 4 of this chapter.

Section 54. KRS 304.9-240 is amended to read as follows:

- (1) A licensed~~[resident]~~ agent may solicit for and issue personal travel accident insurance policies by means of mechanical vending machines supervised by the agent and placed at airports and similar places of convenience to the traveling public, if the commissioner finds that:
 - (a) The policy provides reasonable coverage and benefits, is suitable for sale and issuance by vending machine, and that use of such a machine in a proposed location would be of material convenience to the public;
 - (b) The type of machine proposed to be used is reasonably suitable for the purpose;
 - (c) Reasonable means are provided for informing prospective purchasers of policy coverages and restrictions;
 - (d) Reasonable means are provided for the refund of money inserted in defective machines and for which insurance so paid for is not received; and
 - (e) The cost of maintaining such a machine at a particular location is reasonable in amount.
- (2) For each machine to be used, the commissioner shall issue to the agent upon his application a special vending machine license. The license shall specify the name and address of the insurer and agent, the name of the policy to be sold, the serial number and operating location of the machine. The license shall be subject to annual continuation, to expiration, suspension or revocation coincidentally with that of the agent. The commissioner shall also revoke the license of any machine as to which he finds that the license qualifications no longer exist. The license fee shall be the same as specified in KRS 304.4-010, for an agent, for each license year or part thereof for each respective machine. Proof of the existence of a subsisting license shall be displayed on or about each machine in use, in such manner as the commissioner reasonably requires.

Section 55. The following KRS sections are repealed:

- 304.9-136 Compensation for referral of consumers by employees of a general agency -- Conditions.
- 304.9-142 Fees charged to out-of-state individuals or business entities.
- 304.9-490 Banks exempt from KRS 304.9-480 and 304.9-485.
- 304.12-170 Using insurance information to detriment of another.
- 304.32-190 Agents: appointment.
- 304.32-200 Revocation of agent's license.

CHAPTER 274**(SB 184)**

AN ACT relating to local governments.

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

Section 1. KRS 67A.360 is amended to read as follows:

Words and phrases, wherever used in KRS 67A.360 to 67A.690, unless a different meaning is clearly indicated by the context, shall have the following meanings:

- (1) "Fund" shall mean the "Policemen's and Firefighter's Retirement Fund of the Urban-County Government";
- (2) "Government" shall mean the governmental unit of any urban-county government in the Commonwealth of Kentucky, including the governmental unit of any former urban-county government which changes its form of government, class or other status;
- (3) "Department" shall mean the police department or the fire department of a government;
- (4) "Board" shall mean the board of trustees provided in KRS 67A.360 to 67A.690 as the agency responsible for the direction and operation of the affairs and business of the fund. The board shall hold title to all assets of the fund;
- (5) "Member" shall mean any member of the police or fire department who is included in the membership of the fund;
- (6) "Service" shall mean actual employment in a department of a government, or a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government, for salary or compensation, or service otherwise creditable as herein provided;
- (7) "Prior service" shall mean service rendered prior to the date of establishment of the fund or the fund of a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government;
- (8) "Membership service" shall mean service rendered on or after the date of establishment of the fund or the fund of a city existing within the boundaries of the government immediately prior to the establishment of an urban-county government;
- (9) "Total service" shall mean prior service, membership service, and service credit purchased by a member as provided in KRS 67A.402;
- (10) "Regular interest" shall mean such rate of interest as shall be fixed by the board, provided that for the first five (5) years of operation of the fund the rate shall be not less than three percent (3%) per annum, compounded annually;
- (11) "Occupational disability" shall mean disability due to occupational causes, including but not limited to injury or disease. The presumption of contracting disease "while on active duty as a result of strain or the inhalation of noxious fumes, poisons or gases" created by KRS 79.080 shall be a presumption of "occupational disability" hereunder;
- (12) "Occupational death" shall mean death due to occupational causes, including, but not limited to, injury or disease;
- (13) "Average salary" shall mean the highest average annual salary of the member for any three (3) consecutive years of service within the total service of the member, including employee contributions picked up after August 1, 1982 pursuant to KRS 67A.510(2);
- (14) The masculine pronoun, wherever used, shall include the feminine pronoun; and widow shall include widower;
- (15) The fiscal year of the fund shall date from July 1 of any year to June 30 of the next year following;
- (16) "Total disability" shall mean a disability which substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation in the service of the

department that he would be competent to perform were it not for the fact that the impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely;

- (17) "Minor child" includes, as applicable, a child under the age of twenty-three (23) still engaged in full-time education;
- (18) "Mayor," "commissioner of finance," "commissioner of public safety," and "director of human resources" shall mean the persons holding the office or job most closely resembling the ordinary meaning of such terms, in the event that a government does not have an office so described; and
- (19) "Salary" means the member's actual base rate of pay and any other compensation that the government chooses to include. "Salary" ~~shall~~~~may~~ include longevity pay, training incentive pay, and hazardous duty and special duty pay but shall exclude uniform and equipment allowances, uniform maintenance allowances, education incentive pay, annual payments for excess accumulated sick leave credit, compensation for overtime work, except for scheduled overtime of fire department members, and any other compensation excluded by the government.

Section 2. KRS 67A.410 is amended to read as follows:

- (1) Any member may, at his option, retire on a service retirement annuity upon or after attainment of the age of forty-six (46) years, if he shall have completed at least twenty (20) years of total service. Upon fulfillment of these terms, the board shall grant the retirement annuity upon receipt of the application of the member.
- (2) Any member who withdraws from service prior to age forty-six (46) years after having completed at least twenty (20) years of total service, and who does not accept a refund of contributions, shall receive, upon application, a certificate entitling him to a service retirement annuity upon his attainment of age forty-six (46) and specifying the amount of the annuity earned and accrued at the date of withdrawal from service.
- (3) Upon the death, prior to age forty-six (46), of a member holding a certificate granted pursuant to subsection (2) of this section, the surviving spouse shall receive an annuity equal to sixty percent (60%) of the annuity specified on the certificate, subject to the conditions and additional benefits found in KRS 67A.450(1)(a), 67A.450(1)(b), 67A.450(2), and 67A.450(3).
- (4) The benefits provided in KRS 67A.600 and 67A.690 to an eligible member who retires or withdraws from service under the provisions of subsection (1) or (2) of this section after July 15, 1994, or to the member's surviving spouse or dependent children, shall be calculated when the member is retired for one (1) year or attains the age of forty-seven (47), whichever is later, or would have been retired for one (1) year or reached the age of forty-seven (47), whichever is later, if the member died before being retired one (1) year or reaching the age of forty-seven (47).
- (5) ***On or before March 3, 2003, the board shall provide for a vote by the full active membership on a provision that would allow members to retire with full benefits after twenty (20) years of total service, regardless of age. If a majority of the active membership voting votes in favor of a twenty (20) year service provision, the urban-county government, in coordination with the board, shall enact the twenty (20) year service provision within a period of six (6) months. Notwithstanding any statute to the contrary, any member retiring after the enactment of the twenty (20) year service provision, if enacted, shall be eligible to retire with twenty (20) years of service regardless of age.***

Section 3. KRS 67A.430 is amended to read as follows:

- (1) The rate of retirement annuity shall be two and one-half percent (2.5%) of average salary, as defined in KRS 67A.360(13), for each year of total service. Fractional periods of service shall be considered in the calculation of such annuities according to the aforesaid rate. Provided, however, that no retiree, or his surviving widow, whether he retired before or after June 16, 1972, under this section shall receive a pension of less than \$100 a month and when Social Security benefits are increased the minimum shall be increased by a like amount, provided that the increase shall not exceed five percent (5%).
- (2) Any retiree or surviving spouse who as of July 1, 2001, is receiving a monthly annuity of less than one thousand dollars (\$1,000) shall have the pension increased to one thousand dollars (\$1,000), and the board ~~shall~~~~may~~ increase this annuity ***at the same rate as annually*** provided by KRS 67A.690(1), ***and such increase shall be determined and granted annually thereafter by the board.***

Section 4. KRS 67A.440 is amended to read as follows:

- (1) Upon death of a member due to occupational causes, regardless of length of service, his surviving widow shall be entitled immediately upon cessation of salary to an annuity equal to sixty percent (60%) of the member's last rate of salary. This annuity shall be payable until she dies~~[-or remarries]~~. In addition, if any minor children of the member, under age eighteen (18), survive the member, the widow or parent or legal guardian shall receive on account of each child, ten percent (10%) of the member's last rate of salary until each child attains age eighteen (18). In the case of a child regularly engaged in full-time educational activities, payments shall continue until age twenty-three (23), but payments shall be made directly to a child between the ages of eighteen (18) and twenty-three (23). The combined payments to a widow and minor children shall not exceed seventy-five percent (75%) of his final rate of salary. When more than one (1) child survives the member, the amount payable by reason of such children shall be divided equally among them.
- (2) If the member is not survived by a widow, or, if she remarries, and there are minor children of the member, the following benefits shall be paid:
 - (a) One (1) minor child, fifty percent (50%) of the final rate of salary;
 - (b) Two (2) minor children, an additional fifteen percent (15%) of final salary;
 - (c) Three (3) or more minor children, an additional ten percent (10%) of final salary, subject to a maximum combined payment of seventy-five percent (75%) of the member's final rate of salary.

These benefits shall be divided in equal amounts for each child and paid to the parent or legal guardian of each child under eighteen (18). In the case of a child regularly engaged in full-time educational activities, payments shall continue until age twenty-three (23), but payments shall be made directly to the child between the ages of eighteen (18) and twenty-three (23). As eligibility of children expires, the total annuity payment shall be reduced by percentage amount in reverse order.

- (3) If neither a widow nor minor children eligible for benefits survive the member, each dependent parent shall be entitled to an annuity equal to twenty-five percent (25%) of the member's last rate of salary, or fifty percent (50%) to both parents.

Section 5. KRS 67A.520 is amended to read as follows:

The government shall make current contributions to the fund on an actuarially funded basis, toward the annuities and benefits herein provided. These contributions shall be equal to the sum of the following:

- (1) An annual amount resulting from the application of a rate percent of salaries of active members determined by the entry age normal cost funding method. Such rate percent shall be fixed by the board every **two (2)**~~three (3)~~ years, within six (6) months after the actuarial study required by subsection (6) of KRS 67A.560 (actuarial survey of the fund), and shall be in effect for a period of at least **two (2)**~~three (3)~~ years.
- (2) An amount resulting from the application of a rate percent of the salaries of active members which will provide each year regular interest on the remaining liability for prior service.
- (3) In any event, the total contribution of the government shall be at least seventeen percent (17%) of the salaries of the active members participating in the fund.
- (4) In addition to other remedies provided by law, any member of the fund or any annuitant may obtain in the Circuit Court of any county in which the government is located an injunction or mandamus requiring the government to comply herewith.

Section 6. KRS 67A.580 is amended to read as follows:

- (1) An adequate system of accounts and records shall be established and maintained for the fund that will reflect fully the requirements of the provisions of KRS 67A.360 to 67A.690. This system shall be integrated, to the extent possible with the accounts, records, and procedures of the government to the end that the same shall operate most effectively and at minimum expense, and that duplication of records and accounts may be avoided.
- (2) All assets of the fund shall be credited according to the purposes for which they are held in the following designated reserve accounts:
 - (a) Members' Contribution Reserve. The amounts contributed by the members, including those picked up pursuant to KRS 67A.510(2), shall be credited to this reserve, together with regular interest thereon as herein provided. An individual account shall be maintained for each member, to which shall be credited

the amounts of his contributions or amounts picked up by the urban-county government. Upon the granting of a service retirement annuity, disability annuity, or survivor's annuity or benefit, the accumulated contributions to the credit of the member concerned shall be transferred from this reserve to the retirement reserve. Refunds and death payments representing member's contributions shall be charged to this reserve.

- (b) Employer's Contribution Reserve. The amounts contributed by the government under the provisions hereof, for service retirement annuity, disability retirement annuity, and benefits to survivors covering membership service and prior service, shall be credited to this reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, an amount representing the excess of the actuarial value of the annuity, or benefit over the accumulated contributions of the member, shall be transferred from this reserve to the retirement reserve.
- (c) Retirement Reserve. Upon the granting of a service retirement annuity, disability retirement annuity, or survivor's benefit, the accumulated contributions of the member, including those picked up pursuant to KRS 67A.510(2), and an amount representing the excess of the actuarial value of the annuity or benefit over such accumulated contributions, shall be transferred to this reserve from the member's contribution reserve and employer's contribution reserve, respectively. All income from investments, including gains on investment transactions, shall be credited to this reserve. All losses on investments shall be charged to this reserve. All payments on account of any annuity made by the fund shall be charged to this reserve. Any excess balance in this reserve, as determined by actuarial valuation as of the close of any fiscal year, shall be applied to reduce the ~~employee's~~^{government's} contributions for membership service for the fiscal years next following the date of such valuation. Any deficiency in this reserve shall be removed by an increase in the amount of government's contributions for future membership service.

Section 7. KRS 67A.690 is amended to read as follows:

- (1) When a member has been retired for one (1) year or attained forty-seven (47) years of age, whichever is later, or when he would have been retired for one (1) year or attained forty-seven (47) years of age in the event the member is deceased, the board shall increase his retirement annuity or the annuity paid to his widow or dependent children by not less than two percent (2%) nor more than five percent (5%) per year, compounded annually; and such increase shall be determined and granted annually thereafter by the board.
- ~~(2) (a) Notwithstanding the provisions of subsection (1), any member who retires under a disability arising from any cause other than in the performance of duty shall be entitled to an increase in his retirement annuity, or in the event he is deceased, in the annuity paid to his widow or dependent children by two percent (2%) per year; and such increase shall be granted annually thereafter by the board. Such increase shall be compounded until and including the date upon which the member would have been retired for one (1) year or the date upon which he has attained forty seven (47) years of age, whichever is later, or would have been retired for one (1) year or would have attained forty seven (47) years of age in the event the member is deceased. Thereafter, the annuity paid to the member or to his widow or to the guardian of his minor children shall be increased as provided in subsection (1) of this section.~~
- ~~(b)~~ Beginning July 1, 2001, notwithstanding any other provision to the contrary, any member, retired under occupational disability, as provided in KRS 67A.460, **or nonoccupational disability** shall be entitled to an increase in his or her annuity, or in the event of death the annuity paid to his or her spouse or dependent, after he or she has been retired one (1) year regardless of age or date of retirement. The amount of the annual increase shall be the same as described in subsection (1) of this section, compounded annually, and the increase shall be determined and granted annually thereafter by the board. For a member retired on occupational disability for a length of time in excess of one (1) year prior to June 21, 2001, the board shall increase the member's annuity as described in this paragraph, on July 1, 2001, and each July 1 thereafter.
- (3) (a) A member who retired pursuant to the provisions of KRS 67A.360 to 67A.690 prior to July 15, 1980, or pursuant to KRS 67A.690(2) after July 15, 1980, or his surviving spouse or eligible surviving children, shall receive an upward adjustment in their retirement or survivor's annuity by calculation of a two percent (2%) annual increase compounded from July 1, 1974, until July 15, 1980, and annual increases compounded, from July 15, 1980, until July 15, 1990, in the same percentage amount by which the pension board increased other pensions pursuant to subsection (1) of this section for those same years. For purposes of calculation, unless the member retired under disability, the member's or survivor's first increase shall occur after the member was retired for one (1) year or attained the age of forty-seven (47), whichever was later, or would have been retired one (1) year or reached the age of forty-seven (47),

whichever was later, in the event the member died before being retired one (1) year or reaching the age of forty-seven (47). In the case of retirement under disability, no age or length of retirement criteria shall apply.

- (b) After calculation of the new annuity level, members of age forty-seven (47) or more affected by this subsection, or survivors of a member who would have been forty-seven (47) or more in the event the member is deceased, shall be granted the same annual increase granted to retirees who retired July 15, 1980, or thereafter, pursuant to subsection (1) of this section, and the annuity on which this cost-of-living increment is based shall be the annuity level reached through the addition of annual compounded increases calculated pursuant to paragraph (a) of this subsection, but not less than the annuity level in effect prior to July 15, 1990. If the member has not attained the age of forty-seven (47) or would not have attained the age of forty-seven (47) in the event the member is deceased, then the member or survivor shall receive increases of two percent (2%) compounded annually until the member attains or would have attained age forty-seven (47), at which time the same annual increase granted to retirees who retired July 15, 1980, or thereafter shall apply.
- (4) The provisions of subsection (3) of this section shall not apply to any retiree or surviving spouse who receives a minimum retirement annuity, annually adjusted, pursuant to KRS 67A.430. If, in the future, any retiree or spouse annuity granted pursuant to this section falls below the adjusted minimum annuity, the affected retiree or spouse shall be granted, from that time forward, the adjusted minimum annuity calculated pursuant to KRS 67A.430.

SECTION 8. A NEW SECTION OF KRS 67A.210 TO 67A.350 IS CREATED TO READ AS FOLLOWS:

- (1) *All members of the policemen's and firefighters' retirement fund of the urban-county government, operated pursuant to KRS 67A.360 to 67A.690, and all members of the urban-county government city employees pension fund who retired prior to July 1, 1999, and who did not terminate their participation in the group health insurance plan provided by the urban-county government before that date, and all members who retire on or after July 1, 1999, or who withdraw from service on a certificate pursuant to subsection (2) of Section 2 of this Act, shall continue to be eligible to participate, at the member's cost, in a group health insurance plan approved by the urban-county council for such retirees.*
- (2) *The urban-county government shall provide, on behalf of all eligible members of the policemen's and firefighters' retirement fund and city employees pension, the following benefits:*
 - (a) *A sum equal to the single premium for the plan coverage selected by the retiree, but not more than one hundred percent (100%) of the urban-county government's contribution to the health insurance component of the benefit pool for current urban-county government employees; and*
 - (b) *Upon the death of a member of the policemen's and firefighters' retirement fund due to occupational causes, the urban-county government shall pay to the approved provider of the group health insurance plan one hundred percent (100%) of the cost of the family medical coverage for the member's surviving spouse and dependent children as long as they remain eligible for a monthly retirement allowance from the retirement fund.*
- (3) *No benefits shall be available under this section to retired members who were not, immediately prior to July 1, 1999, participants in the group health insurance plan coverage provided to urban-county government employees and retirees or who retire on or after July 1, 1999, and, at the time of their retirement, do not elect to participate in the group health insurance plan coverage provided pursuant to subsection (1) of this section.*
- (4) *Benefits shall be available under this section to members of the policemen's and firefighters' retirement fund who withdraw from service on a certificate pursuant to subsection (2) of Section 2 of this Act when they attain the age of forty-six (46) years if, at the time they withdraw from service, they elect to participate in the group health insurance plan coverage provided pursuant to subsection (1) of this section upon attaining age forty-six (46).*
- (5) *All payments shall be made to the approved provider of the group health insurance plan, not to the retiree, and the retiree shall not be entitled to receive any portion of the government contribution remaining after payment is made to the approved provider.*

- (6) *Group rates under the group health insurance plan approved by the urban-county council under subsection (1) of this section shall be made available to the spouse, dependents, and disabled children, regardless of the disabled child's age, of a qualified and participating retiree, if the premium for the spouse, dependent, or disabled child is paid by the retired member, spouse, dependent, or disabled child, by payroll deduction or similar method.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "local government" means the governing body of:*
- (a) *A consolidated local government organized under KRS Chapter 67C; or*
 - (b) *An urban-county government organized under KRS Chapter 67A.*
- (2) *Notwithstanding any other provision of this chapter, a local government that complies with the requirements of this section may be granted authority over the regulation of taxicabs in that local government's jurisdiction.*
- (3) *A local government that desires to regulate taxicab service within its jurisdiction shall:*
- (a) *Adopt a resolution by October 1 of any given year expressing its intent to exercise regulatory authority over taxicabs and requesting that the Transportation Cabinet grant the local government regulatory authority over taxicabs; and*
 - (b) *Enact an ordinance by January 1 of the following year pursuant to subsection (4) of this section and submit it to the cabinet for approval pursuant to subsection (5) of this section.*
- (4) *A local government that desires to regulate taxicab service within its jurisdiction shall adopt an ordinance regarding the regulation of taxicabs which addresses the following areas of public comfort, safety, and convenience:*
- (a) *A local taxicab permit system to ensure the safety and road worthiness of each taxicab as outlined in Section 10 of this Act, including inspection requirements, out-of-service criteria, and penalties for submitting fraudulent service records. All taxicabs operated under this section shall be required to be registered and display registration plates under the provisions of KRS Chapters 186 and 186A;*
 - (b) *A local taxicab driver permit system to ensure the fitness of drivers, including criminal background checks, display of permits, and revocation or suspension of local driver permits. All drivers of taxicabs operated under this section shall be required to possess a motor vehicle operator's license under the provisions of KRS Chapter 186;*
 - (c) *Rates and fares, and receipts therefor;*
 - (d) *Procedures for considering applications from a permit holder to change the number of taxicabs that a taxi permit holder has in operation;*
 - (e) *Procedures for the sale, transfer, and leasing of taxicab permits;*
 - (f) *Routes and areas of service, including changes of route or abandonment of service areas;*
 - (g) *Dispatching of taxicabs;*
 - (h) *Bonding and liability insurance requirements which shall not be less than those requirements in KRS 281.655(4);*
 - (i) *Handling of claims for loss, damage, or injury;*
 - (j) *Fees to be paid by taxicab permit holders;*
 - (k) *Record keeping required by permit holders and drivers, including trip records;*
 - (l) *Hearing and appeals processes;*
 - (m) *Taxicab permit renewal procedures;*
 - (n) *Competition in the market; and*
 - (o) *Penalties for the operation of unlicensed taxicabs, and for any other violations.*
- (5) *Before granting a local government's request to regulate taxicab service, the cabinet shall review the ordinance passed by the local government and determine that the required elements of subsection (4) of this*

section are properly addressed. If the cabinet determines that the ordinance meets the requirements of subsection (4) of this section, the cabinet shall grant regulatory authority over taxicab service in that jurisdiction to the local government.

- (6) *If, at any time, the cabinet determines that a local government granted regulatory control over taxicab service under this section is not providing adequate control over that service, the cabinet may revoke the regulatory authority it granted to the local government under this section.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "taxicab" means a vehicle operating under:*
- (a) *A local taxicab permit issued by a local government in accordance with Section 1 of this Act;*
 - (b) *A city taxicab certificate issued by the department under this chapter; or*
 - (c) *A county taxicab certificate issued by the department under this chapter.*
- (2) *All taxicabs operating under a permit issued by a local government in accordance with Section 9 of this Act or a certificate issued by the department under this chapter shall undergo an annual safety inspection. The inspection shall be performed by an automotive technician who holds a valid automotive service excellence (a.s.e.) certification recognized by the department.*
- (3) *All taxicab operators shall, when applying for or renewing a taxicab permit or certificate, file proof with the department or local government that each taxicab to be operated under the permit or certificate has successfully passed a safety inspection. The inspection shall be performed by an automotive technician who holds a valid automotive service excellence (a.s.e.) certification recognized by the department.*
- (4) *A local government with regulatory authority under Section 9 of this Act shall enact an ordinance and the department shall promulgate administrative regulations under KRS Chapter 13A to establish safety and out-of-service criteria for a taxicab that it regulates that fails to successfully pass the annual safety inspection required by subsection (2) of this section. The department or local government shall immediately reinstate a taxicab taken out-of-service under this subsection upon receipt of written proof documenting that the deficiencies causing the taxicab to fail the annual safety inspection have been corrected.*
- (5) *The department or local government shall have the authority to revoke the taxicab certificate or permit of, and to permanently deny a taxicab certificate or permit to, any person who willfully and intentionally files a fraudulent safety inspection record for any taxicab.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO READ AS FOLLOWS:

If the Transportation Cabinet grants a local government regulatory authority over taxicabs under Section 9 of this Act, the local government shall grant an existing certificate holder a local taxicab permit for the number of vehicles the certificate holder has in effect on the date the local government is granted regulatory authority, provided the vehicles meet the safety requirements outlined in Section 10 of this Act. Renewal of the permit shall be subject to the local ordinance passed pursuant to Section 9 of this Act.

Section 12. KRS 138.446 is amended to read as follows:

- (1) City and suburban bus companies and taxicab companies operating under a certificate of convenience and necessity issued pursuant to KRS Chapter 281, *taxicab companies regulated by a consolidated local government organized under KRS Chapter 67C or by an urban-county government organized under KRS Chapter 67A*, holders of a nonprofit bus certificate as provided by KRS 281.619, and senior citizen programs which utilize Title III funds of the Older Americans Act in the provision of transportation services shall be entitled to a refund of seven-ninths (7/9) of the amount of KRS Chapter 138 taxes paid on motor fuels used in their regularly scheduled operations in Kentucky.
- (2) No person shall be entitled to a refund pursuant to this section unless he shall have first filed with the cabinet a bond issued by a surety company authorized to do business in Kentucky in an amount of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) to be determined by the cabinet, conditioned upon faithful compliance with this section and upon the payment to the Commonwealth of any refunds to which he was not entitled.
- (3) Applications for refund shall be filed with the cabinet on a calendar quarter or calendar year basis on forms and in the manner prescribed by it for refund of tax paid on motor fuel used by buses or taxicabs. Each application

for a refund shall show the number of gallons of motor fuel purchased during the quarter for use in buses or taxicabs; the date and quantity of each purchase; the vendor from whom the fuel was purchased; the number of gallons on which refund is claimed; and other information the cabinet may require. Invoices shall be attached to applications from taxicab companies.

- (4) The cabinet may require any gasoline dealer or any dealer's authorized agent to identify gasoline sold by him for taxicab use by adding any chemical or substance, which shall be furnished by the cabinet and used in the manner as prescribed by the cabinet. The cabinet also may require that the dealer keep a complete record of all the gasoline sold by him, which records shall give the date of each sale, the number of gallons sold, the name of the person to whom sold, and the sale price.
- (5) The cabinet shall audit the application and make any other investigation it deems necessary to determine whether it constitutes a proper claim. When the cabinet is satisfied that a refund is proper, it shall authorize seven-ninths (7/9) of the amount of the tax paid to be refunded as other refunds are made and the amount refunded shall be deducted from current motor fuel tax receipts. The tax shall be refunded with interest at the tax interest rate as defined in KRS 131.010(6).
- (6) When the cabinet finds that an application for a refund contains a false or fraudulent statement or that a refund has been fraudulently obtained, the cabinet shall refuse to grant any refunds to the person making the false or fraudulent statement or fraudulently obtaining a refund for a period of two (2) years from the date of the findings.
- (7) The cabinet may prescribe, promulgate and enforce administrative regulations relating to the administration and enforcement of this section.
- (8) The refund provided for in this section shall be effective on motor fuel purchased on or after July 1, 1978.

Approved April 9, 2002

CHAPTER 275

(HB 637)

AN ACT relating to the Kentucky Teachers' Retirement System and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS 161.220 TO 161.716 IS CREATED TO READ AS FOLLOWS:

Effective July 1, 2002, any individual occupying a position on a part-time basis that requires certification or graduation from a four (4) year college or university as a condition of employment and any individual providing part-time or substitute teaching services that are the same or similar to those teaching services provided by certified, full-time teachers shall be a member of the Kentucky Teachers' Retirement System, according to the conditions set forth in this section, if the individual is employed by one (1) of the public boards, institutions, or agencies set forth in Section 3 of this Act. Members providing part-time and substitute services shall participate in the retirement system as follows:

- (1) *Members providing part-time and substitute services shall accrue service credit as provided under KRS 161.500 and be entitled to a retirement allowance upon meeting the service retirement conditions of KRS 161.600. The board of trustees shall adopt a methodology for accrediting service credit to these members on a pro rata basis. The methodology adopted by the board of trustees may be amended as necessary to ensure its actuarial soundness. The retirement allowance for members providing part-time and substitute services shall be calculated pursuant to Section 28 of this Act. Members providing part-time and substitute services who meet the service retirement conditions of KRS 161.600 may also be eligible to participate as approved by the board of trustees in the medical insurance program provided by the retirement system under Section 32 of this Act. Members providing part-time and substitute services shall make contributions to the Kentucky Teachers' Retirement System at the rate provided under Section 16 of this Act. A member who provides part-time or substitute services, or in the event of the death of the member, the member's estate or applicably designated beneficiary, will be entitled, within ninety (90) days of the posting of the annual report submitted by the member's employer, to a refund of contributions as permitted and limited by Section 11 of this Act.*

- (2) *The board of trustees shall adopt eligibility conditions under which members providing part-time and substitute services may participate in the benefits provided under KRS 161.520, KRS 161.663, and Sections 22 and 31 of this Act. The board of trustees may adopt eligibility conditions under which members providing part-time or substitute services may participate in other benefits offered by the retirement system. All eligibility conditions adopted by the board of trustees pursuant to this subsection may be amended as necessary to ensure their actuarial soundness.*
- (3) *In addition to the pro rata methodology adopted by the board of trustees under subsection (1) of this section, members providing part-time and substitute services shall be subject to all limitations and conditions regarding the accrual, retention, accreditation, and use of service credit that apply to members providing full-time services. In addition to the eligibility conditions set forth by the board of trustees under subsection (2) of this section, members providing part-time and substitute services shall be subject to all limitations and conditions regarding both the eligibility to participate and the extent of participation in any benefit offered under KRS 161.220 to 161.716 that apply to members providing full-time services.*
- (4) *The board of trustees of the Teachers' Retirement System shall be responsible for final determination of membership eligibility and may direct employers to take whatever action that may be necessary to correct any error relating to membership.*
- (5) *The provisions of this section are not subject to KRS 161.714.*

SECTION 2. A NEW SECTION OF KRS 161.220 TO 161.716 IS CREATED TO READ AS FOLLOWS:

A court order awarding additional back salary to or reinstating a member as a result of employment in a position covered by the Kentucky Teachers' Retirement System shall entitle the member to additional salary or service credit, or both, under the following circumstances:

- (1) *Members shall make contributions to the Kentucky Teachers' Retirement System at the rate set forth in Section 16 of this Act and members' employers shall make contributions at the rate set forth in Section 20 of this Act, with interest accruing on all contributions at the rate of eight percent (8%) per annum from the end of each fiscal year that back salary or the reinstatement was ordered. Contributions, plus interest, shall be made for each year that back salary or reinstatement was ordered. No service or salary credit shall be credited to a member's account unless full contributions are paid to the Kentucky Teachers' Retirement System.*
- (2) *The member may have court-ordered back salary credited to his or her account only to the extent that the member actually received payment for the back salary and only to the extent that the court-ordered back salary is within the salary scale that was available to the member in the covered position for the years that the back salary was awarded. Court-ordered back salary can be credited to the member's account only as permitted under subsections (9) and (10) of Section 3 of this Act.*
- (3) *The member's employer ordered to pay back salary or to reinstate the member by a court of competent jurisdiction shall provide the retirement system with a breakdown of the back salary awarded to the member on a year-by-year basis.*
- (4) *The calculations of the contributions and interest required to be paid for court-ordered back salary or reinstatement shall be provided by the retirement system to the member or the member's employer at the member's or employer's request. Requests for these calculations shall be made with at least two (2) weeks of advance notice to the retirement system to provide these calculations. The retirement system will calculate accrued interest as of the last day of the month during which payment of the full contributions are made.*
- (5) *For purposes of this section, a settlement agreement that provides back salary or reinstatement, and is adopted by order or judgment of a court of competent jurisdiction or is referenced in an order dismissing the action as settled shall have the same effect as a court order adjudicating the matter. Orders entered by a government board or agency as a result of litigation conducted on an administrative hearing level shall be considered as court orders for the purposes of this section.*
- (6) *Under no circumstances shall a member be entitled to service credit as a result of court-ordered reinstatement that is in violation of the provisions of Section 20 of this Act.*

Section 3. KRS 161.220 is amended to read as follows:

As used in KRS ~~161.220~~~~[161.230]~~ to 161.716 and KRS 161.990:

- (1) "Retirement system" means the arrangement provided for in KRS 161.230 to 161.716 and KRS 161.990 for payment of allowances to members;
- (2) "Retirement allowance" means the amount annually payable during the course of his natural life to a member who has been retired by reason of service;
- (3) "Disability allowance" means the amount annually payable to a member retired by reason of disability;
- (4) "Member" means the commissioner of education, deputy commissioners, associate commissioners, and all division directors in the State Department of Education, and any *full-time*~~regular or special~~ teacher~~[-]~~ or professional occupying a position requiring certification or graduation from a four (4) year college or university, as a condition of employment, and who is employed by public boards, institutions, or agencies as follows:
 - (a) Local boards of education;
 - (b) Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Western Kentucky University, and any community colleges established under the control of these universities;
 - (c) State-operated secondary area vocational education or area technology centers, Kentucky School for the Blind, and Kentucky School for the Deaf;
 - (d) The State Department of Education, *the Education Professional Standards Board*, other public education agencies as created by the General Assembly,~~[- including the Education Professional Standards Board,]~~ and those members of the administrative staff of the Teachers' Retirement System of the State of Kentucky whom the board of trustees may designate by administrative regulation;
 - (e) Regional cooperative organizations formed by local boards of education or other public educational institutions listed in this subsection, for the purpose of providing educational services to the participating organizations;
 - (f) All full-time members of the staffs of the Kentucky Association of School Administrators, Kentucky Education Association, Kentucky Vocational Association, Kentucky High School Athletic Association, Kentucky Academic Association, and the Kentucky School Boards Association who were members of the Kentucky Teachers' Retirement System or were qualified for a position covered by the system at the time of employment by the association in the event that the board of directors of the respective association petitions to be included. The board of trustees of the Kentucky Teachers' Retirement System may designate by resolution whether part-time employees of the petitioning association are to be included. The state shall make no contributions on account of these employees, either full-time or part-time. The association shall make the employer's contributions, including any contribution that is specified under KRS 161.550. The provisions of this paragraph shall be applicable to persons in the employ of the associations on or subsequent to July 1, 1972;
 - (g) The Department for Adult Education and Literacy, except that the commissioner shall not be a member;
 - (h) The Department for Technical Education, except that the commissioner shall not be a member;
 - (i) The Department of Vocational Rehabilitation;
 - (j) The Kentucky Educational Collaborative for State Agency Children;
 - (k) The Governor's Scholars Program;
 - (l) Any person who is retired for service from the retirement system and is reemployed by an employer identified in this subsection in a position that the board of trustees deems to be a member;
 - (m) Employees of the Cabinet for Workforce Development who are transferred to the Kentucky Community and Technical College System and who occupy positions covered by the Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System. New employees occupying these positions, as well as newly created positions qualifying for Teachers' Retirement System coverage that would have previously been included in the Cabinet for Workforce Development, shall be members of the Teachers' Retirement System;
 - (n) Effective January 1, 1998, employees of state community colleges who are transferred to the Kentucky Community and Technical College System shall continue to participate in federal old age, survivors,

disability, and hospital insurance and a retirement plan other than the Kentucky Teachers' Retirement System offered by Kentucky Community and Technical College System. New employees occupying positions in the Kentucky Community and Technical College System as referenced in KRS 164.5807(5) that would not have previously been included in the Cabinet for Workforce Development, shall participate in federal old age, survivors, disability, and hospital insurance and have a choice at the time of employment of participating in a retirement plan provided by the Kentucky Community and Technical College System, including participation in the Kentucky Teachers' Retirement System, on the same basis as faculty of the state universities as provided in KRS 161.540 and 161.620; and

- (o) Employees of the Office of General Counsel, the Office for Policy and Budget, the Office of Personnel Services, and the Office for Administrative Services within the Office of the Secretary of the Cabinet for Workforce Development and the commissioners of the Department for Adult Education and Literacy and the Department for Technical Education who were contributing to the Kentucky Teachers' Retirement System as of July 15, 2000;
- (5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940, and became a member of the retirement system created by 1938 (1st Extra. Sess.) Ky. Acts ch. 1, on the date of the inauguration of the system or within one (1) year after that date, and any teacher who was a member of a local teacher retirement system in the public elementary or secondary schools of the state on or before July 1, 1940, and continued to be a member of the system until he, with the membership of the local retirement system, became a member of the state Teachers' Retirement System or who becomes a member under the provisions of KRS 161.470(4);
- (6) "New teacher" means any member not a present teacher;
- (7) "Prior service" means the number of years during which the member was a teacher in Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior service shall be allowed or credited to any teacher;
- (8) "Subsequent service" means the number of years during which the teacher is a member of the Teachers' Retirement System after July 1, 1941;
- (9) "Final average salary" means the average of the five (5) highest annual salaries which the member has received for service in a covered position and on which the member has made contributions, or on which the public board, institution, or agency has picked-up ~~member~~~~[employee]~~ contributions pursuant to KRS 161.540(2), or the average of the five (5) years of highest salaries as defined in KRS 61.680(2)(a), which shall include picked-up ~~member~~~~[employee]~~ contributions. Additionally, the board of trustees may approve a final average salary based upon the average of the three (3) highest salaries for members who are at least fifty-five (55) years of age and have a minimum of twenty-seven (27) years of Kentucky service credit. However, if any of the five (5) or three (3) highest annual salaries used to calculate the final average salary was paid within the three (3) years immediately prior to the date of the member's retirement, the amount of salary to be included for each of those three (3) years for the purpose of calculating the final average salary shall be limited to the lesser of:
 - (a) The member's actual salary; or
 - (b) The member's annual salary that was used for retirement purposes during each of the prior three (3) years, plus a percentage increase equal to the percentage increase received by all other members employed by the public board, institution, or agency, or for ~~members~~~~[employees]~~ of school districts, the highest percentage increase received by members on any one (1) rank and step of the salary schedule of the school district. The increase shall be computed on the salary that was used for retirement purposes.

This limitation shall not apply if the member receives an increase in salary in a percentage exceeding that received by the other members, and this increase was accompanied by a corresponding change in position or in length of employment. This limitation shall also not apply to the payment to a member for accrued annual leave or accrued sick leave which is authorized by statute and which shall be included as part of a retiring member's annual compensation for the member's last year of active service;

- (10) "Annual compensation" means the total salary received by a member as compensation for all services performed in employment covered by the retirement system during a fiscal year. Annual compensation shall not include payment for any benefit or salary adjustments made by the public board, institution, or agency to the member or on behalf of the member which is not available as a benefit or salary adjustment to other members employed by that public board, institution, or agency. Annual compensation shall not include the salary supplement received by a member under KRS 158.782 on or after July 1, 1996. ***Under no circumstances shall annual compensation include compensation that is earned by a member while on***

assignment to an organization or agency that is not a public board, institution, or agency listed in subsection (4) of this section. In the event that federal law requires that a member continue membership in the retirement system even though the member is on assignment to an organization or agency that is not a public board, institution, or agency listed in subsection (4) of this section, the member's annual compensation for retirement purposes shall be deemed to be the annual compensation, as limited by subsection (9) of this section, last earned by the member while still employed solely by and providing services directly to a public board, institution, or agency listed in subsection (4) of this section. The board of trustees shall determine if any benefit or salary adjustment qualifies as annual compensation;

- (11) "Age of member" means the age attained on the first day of the month immediately following the birthdate of the member. This definition is limited to retirement eligibility and does not apply to tenure of members;
- (12) *"Employ," and derivatives thereof, means relationships under which an individual provides services to an employer as an employee, as an independent contractor, as an employee of a third party, or under any other arrangement as long as the services provided to the employer are provided in a position that would otherwise be covered by the Kentucky Teachers' Retirement System and as long as the services are being provided to a public board, institution, or agency listed in subsection (4) of this section.*~~["Age of entrance" means the age attained at the last birthday of any member at the time of the establishment of the retirement system, if the member was a member subject to membership in the system at that time. Otherwise it means the age attained as of July 1 of the fiscal year in which he first becomes a member of the retirement system. Any birthday occurring on February 29 shall be considered as occurring on February 28];~~
- (13) "Regular interest" means interest at three percent (3%) per annum;
- (14) "Accumulated contributions" means the contributions of a member to the teachers' savings fund, including picked-up ~~member~~~~employee~~ contributions as described in KRS 161.540(2), plus accrued regular interest;
- (15) "Annuitant" means a person who receives a retirement allowance or a disability allowance;
- (16) "Local retirement system" means any teacher retirement or annuity system created in any public school district in Kentucky in accordance with the laws of Kentucky;
- (17) "Fiscal year" means the twelve (12) month period from July 1 to June 30. *The retirement plan year is concurrent with this fiscal year.* A contract for a member employed by a local board of education may not exceed two hundred sixty-one (261) days in the fiscal year;
- (18) "Public schools" means the schools and other institutions mentioned in subsection (4) of this section;
- (19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was receiving, at the time of death of the member, at least one-half (1/2) of the support from the member for maintenance, including board, lodging, medical care, and related costs;
- (20) "Active contributing member" means a member currently making contributions to the Teachers' Retirement System, who made contributions in the next preceding fiscal year, for whom picked-up ~~member~~~~employee~~ contributions are currently being made, or for whom these contributions were made in the next preceding fiscal year;
- (21) *"Full-time" means employment in a position that*~~["Regular teacher, supervisor, or administrator," when used to determine eligibility for membership in the retirement system, means a professional employee holding a position which]~~ requires services on a continuing basis equal to at least seven-tenths (7/10) of normal full-time service on a ~~fiscal year~~~~daily or weekly~~ basis; ~~and]~~
- (22) "Full actuarial cost," when used to determine the payment that a member must pay for service credit means the actuarial value of all costs associated with the enhancement of a member's benefits or eligibility for benefit enhancements, including health insurance supplement payments made by the retirement system. The actuary for the retirement system shall determine the full actuarial value costs and actuarial cost factor tables as provided in KRS 161.400; *and*
- (23) *"Last annual compensation" means the annual compensation, as defined by subsection (10) of Section 3 of this Act and as limited by subsection (9) of Section 3 of this Act, earned by the member during the twelve (12) months immediately preceding the member's effective retirement date, excluding bonuses, retirement incentives, payments for accumulated sick, annual, personal and compensatory leave, and any other lump-sum payment.*

Section 4. KRS 161.250 is amended to read as follows:

- (1) The general administration and management of the retirement system, and the responsibility for its proper operation and for making effective provisions of KRS 161.155 and 161.220 to 161.714 are vested in a board of trustees to be known as the "Board of Trustees of the Teachers' Retirement System of the State of Kentucky." The board of trustees shall consist of the chief state school officer, the State Treasurer, and seven (7) other trustees elected as provided in KRS 161.260. Four (4) of the elective trustees shall be members of the retirement system, to be known as teacher trustees, two (2) shall be persons who are not members of the teaching profession, to be known as the lay trustees, and one (1) shall be an annuitant of the retirement system to be known as the retired teacher trustee. One (1) teacher trustee shall be elected annually for a four-year term. The retired teacher trustee shall be elected every four (4) years. The chief state school officer and the State Treasurer are considered ex-officio members of the board of trustees and may designate in writing a person to represent them at board meetings.
- (2) A member, retired member, or designated beneficiary may appeal the retirement system's decisions that materially affect the amount of service retirement allowance, amount of service credit, eligibility for service retirement or eligibility for survivorship benefits to which that member, retired member, or designated beneficiary claims to be entitled. All appeals must be in writing and filed with the retirement system within thirty (30) days of the claimant's first notice of the retirement system's decision. For purposes of this section, notice shall be complete and effective upon the date of mailing of the retirement system's decision to the claimant at the claimant's last known address. Failure by the claimant to file a written appeal with the retirement system within the thirty (30) day period shall result in the decision of the retirement system becoming permanent with the effect of a final and unappealable order. Appeals may include a request for an administrative hearing which shall be conducted in accordance with the provisions of KRS Chapter 13B. ***The board of trustees may establish an appeals committee whose members shall be appointed by the chairperson and who shall have the authority to act upon the report and recommendation of the hearing officer by issuing a final order on behalf of the full board of trustees.*** A member, retired member, or designated beneficiary who has filed a timely, written appeal of a decision of the retirement system may, following the administrative hearing and issuance of the final order by the board of trustees, appeal the final order of the board of trustees to the Franklin Circuit Court in accordance with the provisions of KRS Chapter 13B.

Section 5. KRS 161.310 is amended to read as follows:

- (1) The board of trustees shall from time to time promulgate administrative regulations for the administration of the funds of the retirement system and for the transaction of business.
- (2) All rules, regulations, or policies adopted by school districts, universities, or other employers participating in the Teachers' Retirement System that pertain to the retirement system shall conform to this chapter.
- (3) All rules, regulations, or policies adopted, ***or decisions made***, by school districts, universities, or other employers participating in the Teachers' Retirement System that pertain to retirement incentives for members as defined in KRS 161.220(4) shall contain provisions for the school district, university, or other employer to make full payment to the retirement system at the time a member retires for all actuarial obligations that occur to the retirement system as a result of retirement incentive payments. This subsection shall not apply to retirement incentive plans adopted by local boards of education prior to December 31, 1997, and to those employees of local school districts who retired on or before July 1, 1998.

Section 6. KRS 161.340 is amended to read as follows:

- (1) The board of trustees shall elect from its membership a chairperson and a vice chairperson on an annual basis as prescribed by the administrative regulations of the board of trustees. The board of trustees shall employ an executive secretary by means of a contract not to exceed a period of four (4) years and fix the compensation and other terms of employment for this position without limitation of the provisions of KRS Chapters 18A, 45A, 56, and KRS 64.640. The executive secretary shall be the chief administrative officer of the board. The executive secretary, at the time of employment, shall be a graduate of a four (4) year college or university, and shall possess qualifications as the board of trustees may require. The executive secretary shall not have held by appointment or election an elective public office within the five (5) year period next preceding the date of employment.
- (2) The board shall employ clerical, administrative, and other personnel as are required to transact the business of the retirement system. The compensation of all persons employed by the board shall be paid at the rates and in amounts as the board approves. Anything in the Kentucky Revised Statutes to the contrary notwithstanding, the

power over and the control of determining and maintaining an adequate complement of employees in the system shall be under the exclusive jurisdiction of the board of trustees.

- (3) The board shall contract for actuarial, auditing, **legal**, medical, investment counseling, and other professional or technical services as are required to carry out the obligations of the board in accordance with the provisions of this chapter without limitations, including KRS Chapters **12, 13B, 56, 57, 45,** and 45A, and shall provide for legal counsel and other legal services as may be required in defense of trustees, officers, and employees of the system who may be subjected to civil action arising from the performance of their legally assigned duties if counsel and services are not provided by the Attorney General.
- (4) The board shall require the trustees, executive secretary, and employees it determines proper to execute bonds for the faithful performance of their duties notwithstanding the limitations of KRS Chapter 62.
- (5) The board of trustees may expend funds from the expense fund as necessary to insure the trustees, employees, and officials of the Teachers' Retirement System against any liability arising out of an act or omission committed in the scope and course of performing legal duties.
- (6) Notwithstanding any statute to the contrary, employees shall not be considered legislative agents as defined in KRS 6.611.

Section 7. KRS 161.400 is amended to read as follows:

- (1) The board of trustees shall designate as actuary a competent person who shall be a fellow of the Conference of **Consulting** Actuaries~~[in Public Practice]~~ or a member of the American Academy of Actuaries. He shall be the technical adviser of the board on matters regarding the operation of the funds of the system and shall perform such other duties as are required in connection therewith. At least once in each six (6) year period after the first year of operation of the system, the actuary shall make an actuarial investigation into the actuarial assumptions used, including, but not limited to, mortality, **investment rate of return**~~[earnable interest]~~, and service and compensation of the members and beneficiaries of the retirement system; **and** make a valuation of the assets and liabilities of the funds of the system~~]; and recommend to the board of trustees such changes as may be deemed necessary to keep the retirement system on a sound financial basis].~~ **At least annually the actuary shall make an actuarial valuation of the retirement system. The valuation shall include a description of the actuarial assumptions used, and the assumptions shall be reasonably related to the experience of the system and represent the actuary's best estimate of anticipated experience.** On the basis of the results of **the valuations**~~[such investigations]~~, the board of trustees shall make necessary changes in the retirement system within the provisions of law and shall recommend the contributions payable by the state within the limits specified in KRS 161.550.~~[At least once in each two (2) year period the actuary shall make an actuarial valuation of the retirement system. The valuation shall include a description of the actuarial assumptions used, and such assumptions shall be reasonably related to the experience of the system and represent the actuary's best estimate of anticipated experience.]~~
- (2) Actuarial factors and actuarial cost factor tables in use by the retirement system for all purposes shall be determined by the actuary of the retirement system and approved by the board of trustees by resolution and implemented without the necessity of an administrative regulation. The assets of the system shall be valued at market value, or at a modified market value determined by the board to be a prudent measure of asset value. Effective July 1, 1992, the spread between investment and salary assumptions shall be reviewed and adjusted at the time of actuarial valuation, based upon the most recent five (5) year experience of the system.
- (3) A copy of each actuarial investigation and valuation shall be forwarded to the Legislative Research Commission no later than ten (10) days after receipt by the board.

Section 8. KRS 161.420 is amended to read as follows:

All of the assets of the retirement system are for the exclusive purpose of providing benefits to members and annuitants and defraying reasonable expenses of administering the system. The board of trustees shall be the trustee of all funds of the system and shall have full power and responsibility for administering the funds. It is hereby declared that the restrictions and rights provided herein shall not be subject to reduction or impairment by alteration, amendment, or repeal. All the assets of the retirement system shall be credited according to the purpose for which they are held to one (1) of the following funds:

- (1) The expense fund shall consist of the funds set aside from year to year by the board of trustees to defray the expenses of the administration of the retirement system. Each fiscal year an amount not greater than four

percent (4%) of the *dividends and interest* income earned from investments during the immediate past fiscal year shall be set aside into the expense fund or expended for the administration of the retirement system;

- (2) The teachers' savings fund shall consist of the contributions paid by members of the retirement system into this fund and regular interest assigned by the board of trustees from the guarantee fund. ***A member may not borrow any amount of his or her accumulated contributions to this fund, or any interest earned thereon.*** The accumulated contributions of a member returned to him upon his withdrawal or paid to his estate or designated beneficiary in the event of his death shall be paid from the teachers' savings fund. Any accumulated contributions forfeited by a failure of a teacher or his estate to claim these contributions shall be transferred from the teachers' savings fund to the guarantee fund. The accumulated contributions of a member shall be transferred from the teachers' savings fund to the allowance reserve fund in the event of retirement by reason of service or disability;
- (3) The state accumulation fund shall consist of funds appropriated by the state for the purpose of providing annuities, survivor benefits, and death benefits, including any sums appropriated for meeting unfunded liabilities, together with regular interest assigned by the board of trustees from the guarantee fund. At the time of retirement or death of a member there shall be transferred from the state accumulation fund to the allowance reserve fund an amount which together with the sum transferred from the teachers' savings fund will be sufficient to provide the member a retirement allowance and provide for benefits under KRS 161.520, 161.525, and 161.655;
- (4) The allowance reserve fund shall be the fund from which shall be paid all retirement allowances and benefits provided under KRS 161.520, 161.525, and 161.655. In addition, whenever a change in the status of a member results in an obligation on this fund, there shall be transferred to this fund from the teachers' savings fund, and the state accumulation fund, the amounts as may be held in those funds for the account or benefit of the member;
- (5) The medical insurance fund shall consist of amounts accumulated for the purpose of providing benefits as provided in KRS 161.675. One and five tenths percent (1.5%) of the gross annual payroll of all members shall be deposited to this fund. One-half (1/2) of this amount shall derive from member contributions and one-half (1/2) from a state appropriation. The board of trustees may allocate the three and twenty-five hundredths percent (3.25%) of the total salaries of active members that the state appropriates annually as provided under KRS 161.550. ***The medical insurance fund shall receive all interest income from the investments of the fund.*** All claims for benefits under KRS 161.675 shall be paid from this fund. Any amounts not required to meet current costs shall be maintained as a reserve for these benefits; and
- (6) The guarantee fund shall be maintained to facilitate the crediting of uniform interest on the amounts of the other funds, except the expense fund, to finance operating expenses directly related to investment management services, and to provide a contingent fund out of which special requirements of any of the other funds may be covered. All income, interest, and dividends derived from the authorized deposits and investments shall be paid into the guarantee fund. Any funds received from gifts and bequests, which the board is hereby authorized to accept and expend without limitation in a manner either expressed by the donor or deemed to be in the best interest of the membership, shall be credited to the guarantee fund. Any funds transferred from the teachers' savings fund by reason of lack of claimant or because of a surplus in any fund and any other moneys whose disposition is not otherwise provided for, shall also be credited to the guarantee fund. The interest allowed by the board of trustees to each of the other funds shall be paid to these funds from the guarantee fund. Any deficit occurring in any fund that would not be automatically covered shall be met by the payments from the guarantee fund to that fund. The board of trustees may, at any time during a fiscal year, transfer from the guarantee fund to the medical insurance fund an amount not to exceed four percent (4%) of the income earned from investments during the immediate past year.
- (7) The school employee annuity fund shall consist of those funds voluntarily contributed under the provisions of section 403(b) of the Internal Revenue Code by a retired member of the Teachers' Retirement System with accounts that existed on or after July 1, 1996. The contributions shall not be picked up as provided in KRS 161.540(2). Separate member accounts shall be maintained for each member. The board of trustees may promulgate administrative regulations pursuant to KRS Chapter 13A to manage this program.
- (8) The supplemental retirement benefit fund shall consist of those funds contributed by ~~the member and~~ the employer for the purpose of constituting a qualified government excess benefit plan as described in Section 415 of the Internal Revenue Code for accounts that existed on or after July 1, 1996. ~~The contributions shall~~

~~not be picked up as provided in KRS 161.540(2). Separate member accounts shall be maintained for each member.~~ The board of trustees may promulgate administrative regulations pursuant to KRS Chapter 13A to administer this program.

- (9) The defined contribution fund shall consist of those funds contributed by retired members who have been approved by the retirement system for full-time reemployment in a position covered by the retirement system and contributions made by the employer for the purpose of providing separate retirement allowances for periods of reemployment. Separate member accounts shall be maintained for each member. The board of trustees may promulgate administrative regulations pursuant to KRS Chapter 13A to administer this program. The contributions shall not be picked up as provided in KRS 161.540(2).
- (10) ***The life insurance benefit fund shall consist of amounts accumulated for the purpose of providing benefits provided under Section 30 of this Act. The board of trustees may allocate to this fund a percentage of the employer and state contributions as provided under Section 20 of this Act. The allocation to this fund will be in an amount that the actuary determines necessary to fund the obligation of providing the benefits provided under Section 30 of this Act.***

Section 9. KRS 161.430 is amended to read as follows:

- (1) The board of trustees shall be the trustee of the funds of the retirement system and shall have full power and responsibility for the purchase, sale, exchange, transfer, or other disposition of the investments and moneys of the retirement system. The board shall, by administrative regulation, establish investment policies and procedures to carry out their responsibilities. The board shall employ experienced competent investment counselors to advise it on all matters pertaining to investment, except the board may employ qualified investment personnel to advise it on investment matters not to exceed fifty percent (50%) of the book value of the system's assets. ***All individuals associated with the investment and management of retirement system assets, whether contracted investment advisors or staff employees, shall adhere to "The Code of Ethics" and "The Standards of Professional Conduct" promulgated by the Association for Investment Management and Research.*** Effective July 1, 1991, no investment counselor shall manage more than forty percent (40%) of the funds of the retirement system. The board may appoint an investment committee consisting of the executive secretary and two (2) trustees to act for the board in all matters of investment, subject to the approval of the board of trustees. The board of trustees, in keeping with their responsibilities as trustees and wherever consistent with their fiduciary responsibilities, shall give priority to the investment of funds in obligations calculated to improve the industrial development and enhance the economic welfare of the Commonwealth. Toward this end, the board shall develop procedures for informing the business community of the potential for in-state investments by the retirement fund, accepting and evaluating applications for the in-state investment of funds, and working with members of the business community in executing in-state investments which are consistent with the board's fiduciary responsibilities. The board shall include in the criteria it uses to evaluate in-state investments their potential for creating new employment opportunities and adding to the total job pool in Kentucky. The board may cooperate with the board of trustees of Kentucky Retirement Systems in developing its program and procedures, and shall report to the Legislative Research Commission annually on its progress in placing in-state investments. The first report shall be submitted by October 1, 1991, and subsequent reports shall be submitted by October 1 of each year thereafter. The report shall include the number of applications for in-state investment received, the nature of the investments proposed, the amount requested, the amount invested, and the percentage of applications which resulted in investments.
- (2) The board members and investment counselor shall discharge their duties with respect to the assets of the system solely in the interests of the active contributing members and annuitants and:
 - (a) For the exclusive purpose of providing benefits to members and annuitants and defraying reasonable expenses of administering the system;
 - (b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims;
 - (c) By diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
 - (d) In accordance with the laws, administrative regulations, and other instruments governing the system.
- (3) (a) In choosing and contracting for professional investment management services the board must do so prudently and in the interest of the members and annuitants. Any contract that the board makes with an

investment counselor shall set forth policies and guidelines of the board with reference to standard rating services and specific criteria for determining the quality of investments. Expenses directly related to investment management services shall be financed from the guarantee fund in amounts approved by the board.

- (b) An investment counselor appointed under this section shall acknowledge in writing his fiduciary responsibilities to the fund. To be eligible for appointment, an investment counselor must be:
 - 1. Registered under the Federal Investment Advisors Act of 1940; or
 - 2. A bank as defined by that Act; or
 - 3. An insurance company qualified to perform investment services under the laws of more than one (1) state.
- (4) No investment or disbursement of funds shall be made unless authorized by the board of trustees, except that the board, in order to ensure timely market transactions, shall establish investment guidelines, by administrative regulation, and may permit its staff and investment counselors employed pursuant to this section to execute purchases and sales of investment instruments within those guidelines without prior board approval.

Section 10. KRS 161.440 is amended to read as follows:

At the end of each fiscal year the board of trustees shall assign from the guarantee fund interest at the rate of three percent (3%) to the teachers' savings fund, the state accumulation fund, and the allowance reserve fund~~[- and, effective July 1, 1978, interest at a rate of interest not to exceed the average yield on fixed income security investments for the immediate past year to the medical insurance fund].~~ The amounts so allowed shall be due and payable to the funds and shall be annually credited thereto by the board of trustees from interest and other earnings on money of the retirement system.

Section 11. KRS 161.470 is amended to read as follows:

- (1) The membership of the retirement system shall consist of all new members, all present teachers, and all persons participating under the retirement system as of June 30, 1986, except as provided in Acts 1938 (1st Ex. Sess.), Ch. 1, paragraph 29. The board of trustees of the Teachers' Retirement System shall be responsible for final determination of membership eligibility and may direct employers to take whatever action that may be necessary to correct any error relating to membership.
- (2) Service credit shall be forfeited upon withdrawal. If a member again enters service it shall be as a new member, except that any teacher who withdraws by claiming his deposits may repay the system the amount withdrawn plus interest and reestablish his service credit as provided in subsection (3) of this section.
- (3) Effective July 1, 1988, and thereafter, an active contributing member of the retirement system with contributing service equal to one (1) year may regain service credit by depositing in the teachers' savings fund the amount withdrawn with interest at the rate to be set by the board of trustees, and computed from the first of the month of withdrawal and including the month of redeposit.
- (4) Effective July 1, 1974, any active contributing member with at least two (2) years of contributing service credit who declined membership as provided in Acts 1938 (1st Ex. Sess.), Ch. 1, paragraph 29, may secure service credit for prior service, and for any subsequent service prior to date of membership, by depositing in the teachers' savings fund contributions for each year of subsequent service prior to date of membership, with interest at the rate of eight percent (8%) compounded annually to the date of deposit.
- (5) Membership in the retirement system shall be terminated:
 - (a) By retirement for service;
 - (b) By death;
 - (c) By withdrawal of the member's accumulated contributions;
 - (d) When a member, having less than five (5) years of Kentucky service is absent from service for more than three (3) consecutive years; or
 - (e) For persons hired on or after August 1, 2000, when a member is convicted, in any state or federal court of competent jurisdiction, of a felony related to his employment as provided in subparagraphs 1. and 2. of this paragraph.

1. Notwithstanding any provision of law to the contrary, a member hired on or after August 1, 2000, who is convicted, in any state or federal court of competent jurisdiction, of a felony related to his employment shall forfeit rights and benefits earned under the retirement system, except for the return of his accumulated contributions and interest credited on those contributions.
2. The payment of retirement benefits ordered forfeited shall be stayed pending any appeal of the conviction. If the conviction is reversed on final judgment, no retirement benefits shall be forfeited.

Except for paragraph (e) of this subsection, upon termination of member accounts under this subsection, funds in the account shall be transferred to the guarantee fund. Inactive members may apply for refunds of these funds at any time. The terminated service shall be reinstated, if not withdrawn by the member, in the event that the member returns to active contributing service.

- (6) In case of withdrawal from service prior to eligibility for retirement, the board of trustees shall on request of the member return all of his accumulated contributions with regular interest, including any payments made by the member to the state accumulation fund, but the member shall have no claim on any contributions made by the state with a view to his retirement or to contributions made to the medical insurance fund. If the member is eligible for an immediate service retirement allowance as provided in KRS 161.600, no withdrawal and refund shall be permitted, unless the allowance would prohibit the member from qualifying for Social Security benefits or the member elects to withdraw part or all of his service for the purpose of obtaining credit in another retirement plan. Requests for refund of contributions by the member must be filed on forms prescribed by the Teachers' Retirement System and the employer shall be financially responsible for all information that is certified on the prescribed form. ***A member may not withdraw any part of his or her contributions to the retirement system except as provided by this subsection.***
- (7) Except as provided in KRS 161.520 and 161.525, in case of death prior to retirement, the board of trustees shall pay to the estate of the deceased member, ***unless a beneficiary was otherwise applicably designated by the deceased member, then to the beneficiary,***~~for to his assigns~~ all of his accumulated contributions, with regular interest, including any payments made by the member to the state accumulation fund, but the estate or ***beneficiary***~~assigns~~ shall have no claim on any contributions made by the state with a view to the retirement of the member or to contributions made to the medical insurance fund.
- (8) Any active contributing member of the Kentucky Employees Retirement System, the County Employees Retirement System, the State Police Retirement System, or the Judicial Retirement System may use service, under that retirement system for the purpose of meeting the service requirement of subsections (3) and (4) of this section.

Section 12. KRS 161.480 is amended to read as follows:

Each person, upon becoming a member of the retirement system, shall file a detailed statement as required by the board of trustees and shall designate a ***primary*** beneficiary to receive any benefits accruing from the death of the member. ***A contingent beneficiary may be designated in addition to the primary beneficiary. Any beneficiary designation made by the member***~~This designation~~ shall remain in effect until changed by the member on forms prescribed by the Kentucky Teachers' Retirement System, except ***in the event of that***~~that~~ subsequent marriage or divorce. ***Subsequent marriage*** by the member shall void the ***primary beneficiary*** designation and the spouse of the member at death shall be considered as ***the primary beneficiary***~~in the event of subsequent marriage, and the estate of the member shall be considered as beneficiary in the event of subsequent divorce~~, unless the member subsequent to marriage~~or divorce~~ designates another beneficiary. ***A final divorce decree shall terminate an ex-spouse's status as either primary or contingent beneficiary, unless subsequent to divorce the member redesignates the former spouse as primary or contingent beneficiary. To the extent permitted by the Internal Revenue Code, a trust may be designated as beneficiary for receipt of a member's contributions to the retirement system as provided under subsection (7) of Section 11 of this Act and KRS 161.650, and for receipt of the life insurance benefit provided under Section 30 of this Act.*** The provisions of this section shall be retroactive as they relate to election of beneficiaries by members still in active status on the effective date of this section.

Section 13. KRS 161.507 is amended to read as follows:

- (1) An active contributing member of the Teachers' Retirement System may receive service credit for active service rendered in the uniformed services of the Armed Forces of the United States, including the commissioned corps of the Public Health Service, subject to the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 and to administrative regulations promulgated by the

board of trustees. Military service includes service in the uniformed services that occurs before the employment of a member in a position covered by the retirement system or where a member leaves covered employment without giving advance written or verbal notice of performing duty in the uniformed services. Service in the uniformed services also includes uniformed service that occurs after employment in a position covered by the retirement system where the member has given advance written or verbal notice of performing duty in the uniformed services and the member returns directly from uniformed services to covered employment. Military service may be credited only if discharge was honorable or was not terminated upon the occurrence of any of the events listed in 38 U.S.C. sec. 4304. Service shall be considered as Kentucky teaching service, except that service may not be used for meeting the service requirements set forth in KRS 161.600(1)(a) or 161.661(1) unless the service occurred after the member gave written or verbal notice of performing duty in the uniformed services and the member returned directly from uniformed services to covered employment. A maximum of six (6) years of military service may be credited, but in no case a greater number of years than the actual years of contributing service in Kentucky.

- (2) No credit shall be granted for military service which has been or will be used in qualifying for annuity benefit payments from another retirement system financed wholly or in part by public funds.
- (3) A member having twenty (20) years or more of active duty in the military service, and who is qualified for regular federal retirement benefits based on this military service, may not receive credit for any military service in the Teachers' Retirement System. This subsection shall apply to service presented for credit on July 1, 1975, and after this date.
- (4) (a) A member receiving retirement credit for active duty in the armed services of the United States prior to employment in a position covered by the retirement system or where the member leaves covered employment without giving advance written or verbal notice of performing duty in the uniformed services shall **pay to the retirement system the full actuarial cost of the service credit purchased as provided under subsection (22) of Section 3 of this Act**~~contribute to the retirement system an amount equal to thirty five percent (35%) of the actuarial cost for each year of service for which the member is receiving credit~~. Two percent (2%) of the ~~thirty five percent (35%)~~ required payment shall be allocated to the medical insurance fund. These contributions shall not be picked up, as described in KRS 161.540(2). In purchasing retirement credit for active duty in the armed services, the latest years of service shall be considered first in allowing credit toward retirement. The board of trustees shall adopt a table of actuarial factors to be used in calculating the amount of contribution required for crediting this service.
- (b) If military service occurred after the member gave written or verbal notice of performing duty in the uniformed services and the member returns directly from uniformed services to covered employment, the member shall contribute the regular member contribution required by KRS 161.540. The member may make the payment of delayed contributions in a lump sum payment or in installments not to exceed five (5) years beginning with the member's date of reemployment. Interest at the rate of eight percent (8%) per annum shall be charged for delayed contributions beginning with the member's date of reemployment until paid.
- (5) An active contributing member of the Teachers' Retirement System may receive service credit for service in the military reserves of the United States or the National Guard. The member may purchase one (1) month of service for each six (6) months of service in the reserves or the National Guard. Notwithstanding any other statute, regulation, or policy to the contrary, the system shall provide a member, upon request, the estimated actuarial cost of the National Guard or military reserves service purchase based upon the information available at the time of the request. The member shall be entitled to enter into a contract with the system at the time of the request to purchase the National Guard or military reserve service by paying to the system the estimated actuarial cost, either by installments or in lump sum. The member shall pay the full actuarial cost of this service in the military reserves or the National Guard as provided in KRS 161.220(22). Service in the military reserves or the National Guard shall be treated as service earned prior to participation in the system and shall not be used for meeting the service requirements set forth in KRS 161.600(1)(a) or 161.661(1). The payment shall not be picked up by the employer, as described in KRS 161.540(2).

Section 14. KRS 161.515 is amended to read as follows:

- (1) For the purposes of this section, "out-of-state service" shall mean service in any state in a comparable position, which would be covered if in Kentucky.

- (2) (a) ***An active contributing member***~~[A member in active status]~~ who has been a contributing member of the retirement system for at least one (1) full scholastic year subsequent to the latest out-of-state service, may present for credit service rendered out of state, not to exceed ten (10) years actually taught as a certified or licensed teacher. With the exception of university faculty members, all members who elect to purchase this service shall pay to the retirement system an amount equal to the current member contribution rate based on the first Kentucky salary of the member subsequent to the out-of-state service, provided this service was rendered after ***June 30, 1983***~~January 1, 1984~~. In the event this service was rendered prior to ***July 1, 1983***~~January 1, 1984~~, the contribution rate shall be seven and eighty-four hundredths percent (7.84%). University faculty members shall pay on a contribution rate of seven and eighty-four hundredths percent (7.84%) based on the first Kentucky salary subsequent to the out-of-state service, regardless of when the service was rendered. ***Members shall pay to the retirement system the employer contribution at the rates set forth in Section 20 of this Act.*** In addition, all members shall pay interest on the contributions for this service at a rate to be set by the board of trustees on each annual contribution from the last day of the scholastic year in which the service was rendered to date of payment to the retirement system. The payments shall not be picked up as described in KRS 161.540(2). For each year of which the retirement system shall accept the contribution and interest, one (1) year of service credit shall be given. This credit may not be used to meet the service requirements of KRS 161.525, 161.600, or 161.661, except as provided in subsection (2)(c) of this section. No credit shall be granted for service which has been or will be used in qualifying for annuity benefit payments from another retirement system financed wholly or in part by public funds;
- (b) A member of the retirement system having teaching service in the elementary or secondary schools operated by the United States overseas or in this country, or in a public college or university in Kentucky, not included in the Teachers' Retirement System of the State of Kentucky, may present this service for credit in the retirement system on the same basis as provided above for out-of-state service credit; however, no service may be presented which shall be used as a basis for retirement benefits in any program supported wholly or in part by a public institution or governmental agency. This service when added to service credited under subsection (2)(a) of this section shall not exceed a total of ten (10) years' service credit; and
- (c) A member having service referred to in subsection (2)(a) or (2)(b) of this section may elect to use this service for meeting the requirements of KRS 161.600(1)(c) by making an additional contribution to the state accumulation fund equal to a member contribution rate of eight percent (8%) for each year so used. These payments shall not be picked up as described in KRS 161.540(2). The salary base to be used in determining this additional contribution shall be the final average salary which is used in calculating the member's regular retirement annuity.
- (3) Members entering the Teachers' Retirement System for the first time, July 1, 1976, and after this date, shall not receive credit for service defined in subsections (2)(a) or (2)(b) of this section in excess of one (1) year of credit for each two (2) years of Kentucky service in a covered position or ten (10) years, whichever is the lesser number.
- (4) A member, having completed service as a volunteer in the Kentucky Peace Corps created by KRS 154.01-720, may purchase service credit for the time served in the corps on the same basis as provided in this section for the purchase of out-of-state service credit. A member, having completed service as a federal Peace Corps volunteer, may purchase up to two (2) years of service credit for time served in the Peace Corps on the same basis as provided in this section for the purchase of out-of-state service credit.

Section 15. KRS 161.522 is amended to read as follows:

Upon the death of a member retired for disability who had a minimum of twenty-seven (27) years of service at the time of death, except as provided in KRS 161.661(6), the spouse, if named as the beneficiary of the member's account, shall be entitled to elect, in lieu of a refund of the member's account, an annuity actuarially equivalent to the annuity that would have been paid to the deceased member had retirement for service been effective on the day immediately preceding the member's death. In selecting this right, the spouse shall be limited to selecting an option providing a straight life annuity with refundable balance or a term certain option. There shall be a monthly minimum allowance of three hundred dollars (\$300) as the basic straight life annuity. This section applies to surviving spouses of members who were receiving benefit payments under KRS 161.520 as of June 30, 1988, and to surviving spouses of members who die on or after July 1, 1984, ***except that the member shall have been retired for disability with a minimum of thirty (30) years of service if either of these two (2) conditions were met prior to July 1, 1990.***

Section 16. KRS 161.540 is amended to read as follows:

- (1) Effective July 1, 1988, each member shall contribute to the retirement system nine and eight hundred fifty-five thousandths percent (9.855%) of annual compensation, except that university faculty members shall contribute eight and three hundred seventy-five thousandths percent (8.375%) of annual compensation. Payments authorized by statute that are made to retiring members for not more than sixty (60) days of unused accrued annual leave shall be considered as part of the member's annual compensation, and shall be used only for the member's final year of active service. The contribution of members shall not exceed these applicable percentages on annual compensation. When a member retires, if it is determined that he has made contributions on a salary in excess of the amount to be included for the purpose of calculating his final average salary, any excess contribution shall be refunded to him in a lump sum at the time of the payment of his first retirement allowance. In the event a member is awarded a court-ordered back salary payment the employer shall deduct and remit the member contribution on the salary payment, plus interest to be paid by the employer, to the retirement system unless otherwise specified by the court order.
- (2) Each public board, institution, or agency, listed in KRS 161.220(4) shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the ~~member~~~~{employee}~~ contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(10). The picked-up ~~member~~~~{employee}~~ contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982, by the ~~member~~~~{employee}~~ contribution, and the picked-up ~~member~~~~{employee}~~ contribution shall be in lieu of ~~a member~~~~{an employee}~~ contribution. Each employer shall pay these picked-up ~~member~~~~{employee}~~ contributions from the same source of funds which is used to pay earnings to the ~~member~~~~{employee}~~. The ~~member~~~~{employee}~~ shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. ~~Member~~~~{Employee}~~ contributions picked-up after August 1, 1982, shall be treated for all purposes of KRS 161.220 to 161.714 in the same manner and to the same extent as ~~member~~~~{employee}~~ contributions made prior to August 1, 1982.

Section 17. KRS 161.545 is amended to read as follows:

- (1) Members may make contributions and receive service credit for substitute, part-time, or any service other than regular full-time teaching as provided in the administrative regulations of the board of trustees ***if contributions were not otherwise made as a result of the service.*** Members placed on leave of absence may make contributions and receive service credit for this leave only if contributions are made by the end of the fiscal year next succeeding the year in which the leave was effective as provided in administrative regulations promulgated by the board of trustees. Contributions permitted after August 1, 1982, shall not be picked-up pursuant to KRS 161.540(2).
- (2) Active contributing members of the Teachers' Retirement System, or former members who are currently participating in a state-administered retirement system, who were granted leaves of absence since July 1, 1964, for reasons of health, child rearing, or to improve their educational qualifications, and did not qualify at the time of the leave of absence to make contributions to the retirement system for the leave of absence as provided in subsection (1) of this section, may obtain credit for the leave of absence under the following conditions:
 - (a) The leave of absence shall be verified by a copy of the board of education minutes which granted the leave of absence; and
 - (b) The member shall contribute the required percentage based on the salary received for the year immediately preceding the leave of absence plus interest at the rate of eight percent (8%) compounded annually from the beginning of the school year following the year of the leave of absence, and by depositing in the state accumulation fund an amount equal to this total.
 - (c) The member shall receive credit for no more than two (2) years under the provisions of this subsection.
- (3) ~~Active contributing members who had breaks in their participation in the retirement system for reasons of health or for the purpose of obtaining Rank I status, a master's degree in education, or a doctorate degree in education and did not qualify at the time of the absence to obtain credit for the absence, may qualify to obtain credit for the absence under the following conditions:~~

- ~~(a) The period of a qualified absence shall be substantiated and verified in a manner required by the board of trustees;~~
- ~~(b) The member shall receive credit for no more than two (2) years of service under the provisions of this subsection;~~
- ~~(c) The member shall contribute the required percentage based on the salary received the year immediately preceding the qualified absence plus interest at the rate of eight percent (8%) compounded annually from the beginning of the school year following the year of the absence, and by depositing an amount equal to this total in the state accumulation fund; and~~
- ~~(d) Credit for service obtained under this subsection shall be purchased prior to July 1, 1997.~~

~~(4)~~ Contributions permitted under this section after August 1, 1982, shall not be picked-up pursuant to KRS 161.540(2).

Section 18. KRS 161.5461 is amended to read as follows:

- (1) Any active contributing member may purchase service credit as authorized under KRS Chapter 161 by rolling over funds from a previous plan ~~qualified under Section 401(a) or 401(k) of the Internal Revenue Code~~ to the extent that rollovers are permitted by the rules set forth in the Internal Revenue Code. The rollovers may be made directly from a previous qualified plan or through a conduit individual retirement account as permitted by the rules set forth in the Internal Revenue Code.
- (2) Any active contributing member may purchase service credit as authorized under KRS Chapter 161 by transferring funds directly from a retirement plan maintained by the Commonwealth of Kentucky ~~and qualified under Section 401(a) or 401(k) of the Internal Revenue Code,~~ to the extent that transfers are permitted by the rules set forth in the Internal Revenue Code.
- (3) The amount of any transfer or rollover purchase as permitted under subsections (1) and (2) of this section, excluding that portion credited to the medical insurance fund under KRS 161.420(5), shall be credited to the individual member's account and shall be considered accumulated contributions of the member.

Section 19. KRS 161.5465 is amended to read as follows:

On or after August 1, 1998, a member of the Teachers' Retirement System in active contributing status who has a minimum of twenty (20) years of service credit may purchase up to a maximum of five (5) years of service credit that is not otherwise purchasable under any of the provisions of KRS 161.230 to 161.716 and that meets the definition of nonqualified service as provided in Section 1526 of the Federal Taxpayer Relief Act of 1997. The member shall pay the full actuarial cost of the service credit as provided in KRS 161.220(22). The payment shall not be picked up by the employer as described in KRS 161.540(2), and the member's payment shall be credited to the member's contribution account and shall be considered accumulated contributions of the member. Payment by the member may be by lump sum or by installment payments as provided in KRS 161.597. ***Notwithstanding any other statute to the contrary, the Kentucky Teachers' Retirement System shall recognize nonqualified service credit purchased with another retirement system only to the extent that the member had an equivalent number of full months of active employment in the position covered by the other retirement system during the period that the nonqualified service was purchased.***

Section 20. KRS 161.550 is amended to read as follows:

Beginning with July 1, each employer, except as provided under KRS 161.555, shall contribute annually to the retirement system a permanent amount equal to that contributed by ~~its employees who are~~ members of the retirement system ***it employs*** plus an additional three and one-fourths percent (3.25%) of the total of salaries of ~~its employees who are~~ members of the retirement system ***it employs*** to discharge the system's unfunded obligations with interest assumed by the state and to provide funding to the medical insurance fund as provided under KRS 161.420(5). Each employer shall remit the required employer contributions to the retirement system under the terms and conditions specified for member contributions under KRS 161.560. The state shall provide annual appropriations based upon estimated funds needed to meet the requirements of KRS 161.155; 161.507(4); 161.515; 161.545; ***Section 25 of this Act***, 161.620(1), (3), (5), (6), and (7); ***Section 1 of this Act***; and 161.553. In the event an annual appropriation is less than the amount of these requirements, the state shall make up the deficit in the next biennium budget appropriation to the retirement system. Employer contributions to the retirement system are for the exclusive purpose of providing benefits to members and annuitants and these contributions shall be considered deferred compensation to the members.

Section 21. KRS 161.553 is amended to read as follows:

- (1) The cost of providing statutory benefit improvements for annuitants may be funded by annual appropriations from the state on an actuarial amortized basis over the lifetime of the annuitants. The schedules in subsections (1)(a), (1)(b), and (1)(c) of this section are the annual appropriations which shall be made by the state for benefit improvements approved in the respective fiscal years or bienniums prior to July 1, ~~2004~~~~[2002]~~:

(a)	Cost of Living 2002-2003 [2000-2001]	Each Succeeding Fiscal Year
	Allowance	
	[1986-1988	\$4,465,400 \$2,331,300 in 2001-2002]
	1988-1990	\$5,761,700 [\$5,761,700 through 2002-2003
		and]
		\$2,972,700 in 2003-2004
	1990-1992	\$4,901,700 \$4,901,700 through 2004-2005
		and
		\$2,486,800 in 2005-2006
	1992-1994	\$2,229,400 \$2,229,400 through 2006-2007
		and
		\$1,125,700 in 2007-2008
	1994-1996	\$6,142,000 \$6,142,000 through 2010-2011
	1996-1998	\$4,459,000 \$4,459,000 through 2010-2011
	1998-2000	\$15,333,900 \$15,333,900 through 2012-2013
		and
		\$7,938,600 through 2013-2014
	2000-2002	\$12,511,400 [\$2,311,500 \$6,132,100 through 2001-2002
		and]
		\$12,511,400 through 2014-2015
		and
		\$7,227,700 in 2015-2016

	2002-2004	\$4,406,000	\$9,213,400 in 2003-2004 \$21,405,600 through 2021-2022 and \$11,204,000 in 2022-2023
(b)	Minimum Value 2002-2003 [2000-2001]		Each Succeeding Fiscal Year
	Annuities		
	[1986-1988	\$1,227,000	\$1,020,400 in 2001-2002]
	1988-1990	\$1,718,200	[\$1,718,200 through 2002-2003
			and]
			\$879,500 in 2003-2004
	1990-1992	\$2,246,900	\$2,246,900 through 2004-2005
			and
			\$1,232,100 in 2005-2006
	1992-1994	\$2,217,700	\$2,217,700 through 2006-2007
	1994-1996	\$2,126,000	\$2,126,000 through 2008-2009
	2002-2004	\$694,800	\$1,451,800 in 2003-2004 \$3,375,900 through 2016-2017 and \$2,027,800 in 2017-2018
(c)	Sick Leave 2002-2003 [2000-2001]		Each Succeeding Fiscal Year
	Allowance		
	1998-2000 \$4,660,300	[\$5,140,000]	\$4,660,300 [\$5,140,000] through 2012-2013
			and
			\$2,425,900 [\$2,905,600] through 2013-2014
	2000-2002 \$6,167,100	[\$3,698,800]	\$6,167,100 [\$7,886,400] through 2014-2015

and

~~\$3,579,100~~ ~~[\$4,187,600]~~ in 2015- 2016

2002-2004

\$3,668,400

\$7,636,700 through 2021-2022

and

\$3,968,300 in 2022-2023

- (2) The present values of providing statutory cost-of-living increases for annuitants not included in subsection (1) of this section are to be assigned to the unfunded obligations of the retirement system and are identified as follows:

1986-1988	\$34,689,893
1990-1992	\$68,107,473
1992-1994	\$15,749,976

Section 22. KRS 161.555 is amended to read as follows:

Each employer employing members of the Teachers' Retirement System in positions established under educational acts adopted by the federal Congress shall contribute to the Teachers' Retirement System an amount equal to that contributed by the members of that employer ***plus an additional two and forty-five hundredths percent (2.45%) for fiscal years 2003 and 2004. Beginning fiscal year 2005 and each year thereafter, each employer shall contribute an amount equal to the employer contribution provided under Section 20 of this Act.***

Section 23. KRS 161.560 is amended to read as follows:

- (1) Each agency employing members of the retirement system shall deduct from the compensation of each member for each payroll period subsequent to the date the ~~individual~~~~teacher~~ became a member, the percentage of his compensation due under the rates prescribed in KRS 161.540. No later than fifteen (15) days following the end of each payroll period, the agency shall forward all amounts deducted to the Teachers' Retirement System. The retirement system shall charge the employing agency interest at an annual rate not to exceed twelve percent (12%) for deductions not remitted within the specified fifteen (15) days. Payroll reports, contributions lists, and other data required by administrative regulation of the board of trustees shall be submitted. Employers shall submit an annual report, in compliance with requirements of the retirement system, of ~~member~~~~teacher~~ contributions and periods employed to the retirement system no later than August 1 following the completion of each fiscal year. The retirement system may impose a penalty on the employer not to exceed one thousand dollars (\$1,000) when the employer does not meet the August 1 reporting date. The deductions shall be made notwithstanding the fact that the salary as a result may be less than the minimum compensation provided by law. Every member shall be deemed to consent and agree to the deductions, and the deductions shall be considered as having been paid to the member. After August 1, 1982, ~~member~~~~employee~~ contributions shall be picked up by the agency pursuant to KRS 161.540(2).
- (2) If an employer fails to deduct the correct retirement contribution from a member's compensation, the member may make the contribution that should have been deducted by the employer and receive retirement credit for the payment. For correction of omitted member contributions that occur more than one (1) year after the year in which the error was made, the employer shall be responsible for paying interest to the retirement system at a rate of eight percent (8%) from the end of the year in which the service was performed to the date of payment.

Section 24. KRS 161.603 is amended to read as follows:

- (1) Any member retired by reason of service may waive his annuity and return to ~~full-time~~~~regular~~ employment in a position covered by the Teachers' Retirement System. The member shall receive no annuity payments while employed in a covered position, ***shall waive his or her medical insurance coverage with the Kentucky Teachers' Retirement System during the period of reemployment, and shall receive the medical insurance coverage that is generally offered by the member's active employer to the other members of the retirement system employed by the active employer. The member's***~~[but shall continue to be covered by the system's]~~

~~hospital and medical insurance program and his~~ estate **or, if there is a beneficiary applicably designated by the member, then the beneficiary**, shall continue to be eligible for ~~life insurance~~^{death} benefits as provided in KRS 161.655. Service subsequent to retirement shall not be used to improve an annuity, except as provided in subsections (2) and (3) of this section.

- (2) Any member who waives regular annuity benefits and returns to teaching or covered employment shall be entitled to make contributions on the salaries received for this service and have their retirement annuity recalculated as provided in the regular retirement formula in KRS 161.620(1) less any applicable actuarial discount applied to the original retirement allowance due to the election of a joint and last survivor option. Retirement option and beneficiary designation on original retirement shall not be altered by post-retirement employment nor shall dependents and spouses of the members become eligible for benefits under KRS 161.520, 161.525, and 161.661 because of post-retirement employment.
- (3) When a member returns to full-time teaching or covered employment as provided in subsection (2) of this section, the employer is required to withhold and remit regular retirement contributions. The member must be employed full-time for at least one (1) consecutive contract year to be eligible to improve an annuity. The member will be returned to the annuity rolls on July 1 following completion of the contract year or on the first day of the month following the month of termination of service if full-time employment exceeds one (1) consecutive contract year. Any discounts applied at the time of the original retirement due to service or age may be reduced or eliminated due to additional employment if full-time employment is for one (1) contract consecutive year or longer.
- (4) A member retired by reason of service who has been employed the equivalent of twenty-five (25) days or more during a school year under the provisions of KRS 161.605 may waive the member's retirement annuity and return to regular employment covered by the Teachers' Retirement System during that school year a maximum of one (1) time during any five (5) year period, beginning with that school year.

Section 25. KRS 161.605 is amended to read as follows:

Any member retired by reason of service may return to work in a position covered by the Kentucky Teachers' Retirement System and continue to receive his or her retirement allowance under the following conditions:

- (1) ***Any member who is retired with thirty (30) or more years of service may return to work in a full-time or a part-time position covered by the Kentucky Teachers' Retirement System and earn up to a maximum of seventy-five percent (75%) of the member's last annual compensation measured on a daily rate to be determined by the board of trustees. For purposes of determining whether the salary of a member returning to work is seventy-five percent (75%) or less of the member's last annual compensation, all remuneration paid and benefits provided to the member, on an actual dollar or fair market value basis as determined by the retirement system, shall be considered. Members who were retired on or before June 30, 2002, shall be entitled to return to work under the provisions of this section as if they had retired with thirty (30) years of service. Service credit purchased under the provisions of Section 19 of this Act may not be used to meet the thirty (30) year requirement set forth in this subsection.***
- (2) ***Any member who is retired with less than thirty (30) years of service after June 30, 2002, may return to work in a full-time or part-time position covered by the Kentucky Teachers' Retirement System and earn up to a maximum of sixty-five percent (65%) of the member's last annual compensation measured on a daily rate to be determined by the board of trustees. For purposes of determining whether the salary of a member returning to work is sixty-five percent (65%) or less of the member's last annual compensation, all remuneration paid and benefits provided to the member, on an actual dollar or fair market value basis as determined by the retirement system, shall be considered.***
- (3) ***Reemployment of a retired member under subsection (1) or (2) of this section in a full-time teaching or nonteaching position in a local school district shall be permitted only if the employer certifies to the Kentucky Teachers' Retirement System that there are no other qualified applicants available to fill the teaching or nonteaching position. The employer may use any source considered reliable including but not limited to data provided by the Education Professional Standards Board and the Department of Education to determine whether other qualified applicants are available to fill the teaching or nonteaching position. The Kentucky Board of Education shall promulgate administrative regulations to establish procedures to determine whether other qualified applicants are available to fill a teaching or nonteaching position and, if not, for filling the position with a retired member who will then be permitted to return to work in that position under subsection (1) or (2) of this section. The administrative regulations shall assure that a retired member shall not be hired in a teaching or nonteaching position by a local school district until the***

superintendent of the school district assures the Kentucky Teachers' Retirement System that every reasonable effort has been made to recruit other qualified applicants for the position on an annual basis.

- (4) Under this section, an employer may employ full-time a number of retired members not to exceed four percent (4%) of the membership actively employed full-time by that employer. The board of trustees may reduce this four percent (4%) cap upon recommendation of the retirement system's actuary if a reduction is necessary to maintain the actuarial soundness of the retirement system. The board of trustees may increase the four percent (4%) cap upon a determination that an increase is warranted to help address a shortage in the number of available teachers and upon the determination of the retirement system's actuary that the proposed cap increase allows the actuarial soundness of the retirement system to be maintained. For purposes of this subsection, "full-time" means the same as defined by subsection (21) of Section 3 of this Act. A local school district may exceed the quota established by this subsection by making an annual written request to the Kentucky Department of Education which the department may approve on a year-by-year basis if the statewide quota has not been met.*
- (5) A member returning to work in a full-time or part-time position under subsection (1) or (2) of this section will establish a second account with the retirement system that will be administered independently from and with no reciprocal impact with the member's original retirement account. A member returning to work under subsection (1) or (2) of this section shall make contributions to the retirement system at the rate provided under Section 16 of this Act. The second account shall independently meet the five (5) year vesting requirement as well as all other conditions set forth in KRS 161.600(1) before any retirement allowance is payable from this account. The retirement allowance accruing under this second account shall be calculated pursuant to subsection (1)(b) of Section 28 of this Act. This second account shall not entitle the member to a duplication of the benefits offered under Section 30 or 32 of this Act, nor shall this second account provide the benefits offered by KRS 161.520, 161.525, Section 31 of this Act, or KRS 161.663. A member returning to work under subsection (1) or (2) of this section shall waive his or her medical insurance with the Kentucky Teachers' Retirement System during the period of reemployment and shall receive the medical insurance coverage that is generally provided by the member's active employer to the other members of the retirement system that the active employer employs. If medical insurance coverage is not available from the employer, the Kentucky Teachers' Retirement System may provide coverage for the member. A member returning to work under subsection (1) or (2) of this section shall not be eligible to purchase service credit for any service provided after the member's effective date of retirement but prior to the date that the member returns to work. A member returning to work under subsection (1) or (2) of this section shall not be eligible to purchase service credit that the member would have otherwise been eligible to purchase prior to the member's initial retirement. A member who returns to work under subsection (1) or (2) of this section, or in the event of the death of the member, the member's estate or applicably designated beneficiary, shall be entitled, within ninety (90) days of the posting of the annual report submitted by the employer, to a refund of contributions as permitted and limited by Section 11 of this Act.*
- (6) The board of trustees may annually adjust the daily rate of a member's last annual compensation, for each year that the member has been retired for a full twelve (12) month period, by the percentage increase in the annual average of the consumer price index for all urban consumers for the calendar year preceding the adjustment as published by the Federal Bureau of Labor Statistics, not to exceed five percent (5%) annually. Failure to comply with the salary limitations set forth in subsections (1) and (2) of this section as may be adjusted by this subsection shall result in a reduction of the member's retirement allowance or any other benefit to which the member would otherwise be entitled on a dollar-for-dollar basis for each dollar that the member exceeds these salary limitations.*
- (7) A retired member returning to work under subsection (1) or (2) of this section shall have separated from service for a period of at least one (1) year if returning to work for the same employer on a full-time basis, and at least three (3) months if returning to work for a different employer on a full-time basis. A retired member returning to work under subsection (1) or (2) of this section on a part-time basis shall have separated from service for a period of at least three (3) months before returning to work for any employer. Failure to comply with these separation-from-service requirements voids a member's retirement and the member shall be required to return all the retirement benefits he or she received, with interest, for the period of time that the member returned to work without a sufficient separation from service.*
- (8) Members who retired on or before June 30, 2002 may, for the fiscal year concluding on June 30, 2007, be reemployed under the one hundred (100) day provisions of this section as they existed on June 30, 2002, except that members returning to work under those provisions shall make contributions to the Kentucky*

Teachers' Retirement System at the rate provided under Section 16 of this Act and members' employers shall make contributions to the Kentucky Teachers' Retirement System at the rates specified under Section 20 of this Act. Those members returning to work under the one hundred (100) day provisions of this section as they existed on June 30, 2002, shall further waive their medical insurance coverage with the retirement system during the period of reemployment and will instead receive the medical insurance coverage generally provided by their active employer to other members of the retirement system that the active employer employs. If medical insurance coverage is not available from the employer, the Kentucky Teachers' Retirement System may provide coverage for the member. Notwithstanding any other statute to the contrary, retired members returning to work shall under no circumstances be permitted to purchase as service credit service provided under the one hundred (100) day provisions of this section as they existed on June 30, 2002. ~~[Retired members may perform substitute teaching in the public schools for the equivalent of one hundred (100) days in any one (1) school year and receive compensation based on a standard salary schedule adopted by a district for all substitute teachers without reduction in retirement annuities].~~

~~[(2)]~~ A retired member may be employed as a part time or temporary teacher in the public schools for a period not to exceed the equivalent of one hundred (100) days in any one (1) school year.

~~[(3)]~~ Retired members may be employed part time or temporarily in a nonteaching capacity in the public schools and receive compensation for this employment without reduction in retirement annuities, except that retired members may not be employed in excess of a one hundred (100) day period in any one (1) school year.

(9) *The return to work limitations set forth in this section and Section 24 of this Act shall apply to retired members who are returning to work* in the same position from which they retired, or a position substantially similar to the one from which they retired, or any position listed in KRS 161.220(4) which requires membership in the retirement system. Positions which generally require certification or graduation from a four (4) year college or university as a condition of employment which are created, or changed to remove the position from coverage under KRS 161.220(4) are also subject to the *return to work limitations set forth in this section and Section 24 of this Act* ~~one hundred (100) day limitation in this subsection~~. The board of trustees shall determine *whether* ~~if~~ employment in a nonteaching position *is subject to* ~~qualifies for an exemption under~~ this subsection.

(10) *The provisions of subsections (1) to (8) of this section are not subject to KRS 161.714.*

~~[(11)]~~ ~~[(4)]~~ Members retired from an agency listed in KRS 161.220(4)(b) *or (n)* may be employed in a part-time teaching capacity by one (1) of the universities *or community colleges* participating in the Teachers' Retirement System, not to exceed the equivalent of twelve (12) teaching hours in any one (1) fiscal year. *Members retired from an agency listed in subsection (4)(b) or (n) of Section 3 of this Act may be employed for a period not to exceed the equivalent of one hundred (100) days in any one (1) fiscal year in a part-time administrative or nonteaching capacity by one (1) of the universities or community colleges participating in the Teachers' Retirement System in a position that would otherwise be covered by the retirement system. None of these members shall be subject to the return to work provisions set forth in subsections (1) to (8) of this section.*

~~[(5)]~~ Calculation of the number of days for part-time teaching, substitute teaching, or part-time employment in a nonteaching capacity under this section shall not exceed the ratio between a school year and the actual months of retirement for the member during that school year. The board of trustees by administrative regulation may establish fractional equivalents of a day of teaching service.

~~[(12)]~~ ~~[(6)]~~ When a retired member returns to employment *in* ~~as~~ a part-time *teaching capacity* ~~teacher~~ or in a nonteaching capacity as provided in *subsection (11)* ~~subsections (2), (3), and (4)~~ of this section, the employer shall contribute annually to the retirement system on the compensation paid to the retired member at rates determined by the retirement system actuary that reflect accrued liability for *retired members who return to work under subsection (11) of this section* ~~nonuniversity and university members~~.

~~[(7)]~~ The board of trustees shall provide for reemployment of retired members as full time teachers or in a nonteaching capacity under the following conditions:

(a) A retired teacher or administrator may return to full time teaching in a position that has been determined by the commissioner of education to be a critical shortage area as defined in KRS 156.106 and for which the person is certified. When the commissioner of education certifies to the retirement system that qualified applicants are not available to fill teaching or administrative positions in critical academic subject areas, grade levels, or geographic areas, local school districts may employ, as full time

~~employees, during a school fiscal year, up to a maximum of two (2) retired members, or one percent (1%) of the total active members of the retirement system in a school district, whichever is greater. Retired members who are reemployed in a full time position covered by the retirement system shall be rehired on a one (1) year contract in a district other than the one from which they retired following an absence of at least three (3) months or in the same district from which they retired following an absence of at least one (1) year.~~

- ~~(b) Retired members reemployed under this subsection shall remain eligible to receive their retirement annuity.~~
- ~~(c) Retired members reemployed under this subsection shall waive their health insurance coverage with the retirement system during the period of reemployment and receive health insurance coverage that is provided to regular full time employees of the district.~~
- ~~(d) Local school districts shall make annual payments to the retirement system on the compensation paid to the reemployed retirees at rates determined by the retirement system's actuary that reflect accrued liability for nonuniversity members.~~
- ~~(e) Retirees who are reemployed under this provision shall make retirement contributions to the retirement system at rates specified under KRS 161.540 and the employer shall make contributions to the retirement system at rates specified under KRS 161.550. The member's entire contribution and a matching amount from the employer's contribution shall be placed in a separate defined contribution fund administered by the retirement system, with annual interest applied at the actuarially assumed rate. When the retiree's reemployment terminates, the total contributions with interest will be paid in a lump sum or on a monthly straight life basis to the retiree. If the member dies before retiring, the designated beneficiary shall receive a refund, and if there is a remaining balance at the death of the member after retirement, it shall be paid to the beneficiary designated by the member for this benefit.~~
- ~~(f) The provisions pertaining to the reemployment of retired members as full time employees shall be granted by the board of trustees when it is deemed necessary to assist school districts in filling teaching or nonteaching positions in critical academic or geographic areas and when doing so would not create a significant negative impact on the funding status of the retirement system. The provisions of this subsection are optional with the board of trustees and shall not be covered under KRS 161.714].~~

Section 26. KRS 161.611 is amended to read as follows:

- (1) The board of trustees is authorized to provide a supplemental retirement benefit plan for the sole purpose of enabling the employer to apply the same formula for determining benefits payable to all *members of employees covered by* the retirement system *employed by the employer*, whose benefits under the retirement system are limited by Section 415 of the Internal Revenue Code of 1986, as amended from time to time. This plan is intended to constitute a qualified governmental excess benefit plan as described in Section 415 of the Internal Revenue Code.
- (2) The board of trustees shall administer this plan and have full discretionary fiduciary authority to determine all questions in connection with the plan. The board of trustees may adopt procedural rules and administrative regulations and may employ and rely on any legal counsel, actuaries, accountants, and agents as it deems advisable to assist in the administration of this plan.
- (3) All members and retired former members in the retirement system shall be eligible to participate in this plan whenever their benefits under the retirement system would exceed the limitation on benefits imposed by Section 415 of the Internal Revenue Code.
- (4) On or after the effective date of this plan, the employer shall pay to each eligible member in the retirement system who retires on or after that date and to each former member who retired before that date and his or her beneficiaries a supplemental pension benefit, equal to the amount by which the benefit that would have been payable under the retirement system, without regard to any provision therein incorporating the limitation on benefits imposed by Section 415 of the Internal Revenue Code, exceeds the benefit actually payable, taking into account the limitation imposed on the retirement system by Section 415 of the code. These supplemental pension benefits shall be computed and payable under the same terms and conditions and to the same person as the benefits payable to, or on account of, an eligible member under the retirement system.

- (5) Benefits payable under this plan shall not be subject to the dollar limit applicable to eligible deferred compensation plans under Section 457 of the Internal Revenue Code, nor to the "substantial risk or forfeiture" rules of Section 457(f) of the code applicable to ineligible deferred compensation plans. In addition, benefits payable under this plan shall not be taken into account in determining whether any other plan of the employer is an eligible deferred compensation plan under Section 457 of the code.
- (6) Funding of benefits payable under this plan shall be provided by the state, as employer, and shall be segregated from funds that are maintained by the retirement system for payment of the regular benefits provided by the retirement system. The employer may establish a grantor trust for payment of benefits provided under this plan, with the employer treated as "grantor" thereof for purposes of Section 677 of the Internal Revenue Code. The rights of any person to receive benefits under this plan are limited to those of a general creditor of the employer.

Section 27. KRS 161.615 is amended to read as follows:

- (1) The board of trustees is authorized to implement a limited defined contribution plan for the sole purpose of providing retirement allowance payments for retired members who have been approved by the retirement system for full-time reemployment as provided in KRS 161.605.
- (2) The defined contribution plan shall be administered separately from the regular benefits provided for members of the retirement system, except that the contributions to the plan shall be invested in the same manner as other contributions to the retirement system.
- (3) ***The provisions of this section apply only to those retired members who were permitted to return to work under the critical shortage provisions of KRS 161.605(7) as they existed on June 30, 2002. The provisions of this section shall not apply to any retired member returning to work on or after July 1, 2002.*** ~~All retired members of the retirement system who are approved by the retirement system for full time reemployment as provided in KRS 161.605 shall be eligible to participate in the plan.~~
- (4) Separate member accounts shall be maintained for participants in this plan which shall reflect the annual contributions made to the participant's account based on the rates and interest levels specified in KRS 161.605.
- (5) When the retiree's reemployment terminates, the total contributions and accrued interest in the participant's account will be paid in a lump sum payment or on an actuarial straight life monthly basis to the retiree. If the member dies prior to making application for a retirement allowance under this plan, the beneficiary designated by the participant for this plan shall receive a refund of the funds in the account. If there is a remaining balance in the account at the death of the participant after retirement from this plan, it shall be paid to the beneficiary designated by the participant for this benefit.
- (6) Retired members shall be eligible to receive their retirement annuity when approved for reemployment and participation in this plan. Service as a reemployed retiree may not be used in any manner for credit under the regular retirement benefit plans provided by the retirement system.

Section 28. KRS 161.620 is amended to read as follows:

- (1) The retirement allowance, in the form of a life annuity with refundable balance, of a member retiring for service shall be calculated as follows:
 - (a) For retirements effective July 1, 1998, and thereafter, ***except as otherwise provided by this section***, the annual allowance for each year of service shall be two percent (2%) of the final average salary for service performed prior to July 1, 1983, and two and one-half percent (2.5%) of the final average salary for service performed after July 1, 1983, for all members not employed by a state college or university. The annual retirement allowance for each year of service performed ~~by members of state colleges or universities that participate in~~ ***the Teachers' Retirement System who are members under the provisions of subsection (4)(b) or (n) of Section 3 of this Act*** shall be two percent (2%) of the final average salary. Actuarial discounts due to age or service credit at retirement may be applied as provided in this section; and
 - (b) ***For individuals who become members of the Kentucky Teachers' Retirement System on or after July 1, 2002, except those persons who become members under subsection (4)(b) or (n) of Section 3 of this Act, and who upon retirement have earned less than ten (10) full years of service credit, the retirement allowance shall be two percent (2%) of the member's final average salary for each year of service. For individuals who become members of the Kentucky Teachers' Retirement System on or after July 1, 2002, except those persons who become members under subsection (4)(b) or (n) of***

Section 3 of this Act, and who upon retirement have earned at least ten (10) full years of service credit, the annual allowance for each year of service shall be two and one-half percent (2.5%) of the member's final average salary.

- (c) *The board of trustees may approve for members who initially retire on or after July 1, 2004, except those persons who are members under subsection (4)(b) or (n) of Section 3 of this Act, a retirement allowance of three percent (3%) of the member's final average salary for each year of service credit earned in excess of thirty (30) years. This three percent (3%) factor shall be in lieu of the two and one-half percent (2.5%) factor provided for in paragraph (b) of this subsection for every year or fraction of a year of service in excess of thirty (30) years. Upon approval of this three percent (3%) retirement factor, the board of trustees may establish conditions of eligibility regarding the type of service credit that will qualify for meeting the requirements of this subsection. This subsection is optional with the board of trustees and shall not be subject to KRS 161.714.*
- (d) The retirement allowance of a member at retirement shall not exceed the member's last annual compensation or the member's final average salary, whichever is the greater amount.
- (2) Effective July 1, ~~2002~~~~[1990]~~, and annually on July 1 thereafter, the retirement allowance of each retired member and of each beneficiary of a retirement option~~[who has been retired at least ten (10) months]~~ shall be increased in the amount of one and one-half percent (1.5%), *provided the retired member had been retired for at least the full twelve (12) months immediately preceding the date that the increase is effective. In the event that the retired member had been retired for less than the full twelve (12) months immediately preceding the date that the increase is effective, then the increase shall be reduced on a pro rata basis by each month that the retired member had not been retired for the full twelve (12) months immediately preceding the effective date of the increase.*
- (3) Any member qualifying for retirement under a life annuity with refundable balance shall be entitled to receive an annual allowance amounting to not less than *four hundred dollars (\$400) effective July 1, 2002, and not less than four hundred forty dollars (\$440) effective July 1, 2003*~~[three hundred twenty five dollars (\$325) effective July 1, 2000, and three hundred thirty five dollars (\$335) effective July 1, 2001]~~, multiplied by the service credit years of the member. These minimums shall apply to the retired members receiving annuity payments and to those members retiring on or subsequent to the effective dates listed in this subsection.
- (4) The minimum retirement allowance provided in this section shall apply in the case of members retired or retiring under an option other than a life annuity with refundable balance in the same proportion to the benefits of the member and his beneficiary or beneficiaries as provided in the duly-adopted option tables at the time of the member's retirement.
- (5) Effective July 1, ~~2002~~~~[2000]~~, the monthly allowance of each *retired* member~~[retired for at least one (1) year,]~~ and each recipient of a retirement option of the retired member *may*~~[shall]~~ be increased in an amount not to exceed *one and four-tenths percent (1.4%)*~~[eight tenths of one percent (0.8%)]~~ of the monthly allowance in effect the previous month, *provided the retired member had been retired for at least the full twelve (12) months immediately preceding the date that the increase is effective. In the event that the retired member had been retired for less than the full twelve (12) months immediately preceding the date that the increase is effective, then the increase shall be reduced on a pro rata basis by each month that the retired member had not been retired for the full twelve (12) months immediately preceding the effective date of the increase.* The level of increase provided for in this subsection shall be determined by the funding provided in the ~~2002-2004~~~~[2000-2002]~~ biennium budget appropriation.
- (6) Effective July 1, ~~2003~~~~[2004]~~, the monthly allowance of each *retired* member~~[retired for at least one (1) year,]~~ and each recipient of a retirement option of the retired member *may*~~[shall]~~ be increased in an amount not to exceed *one and one-half percent (1.5%)*~~[1.0%]~~ of the monthly allowance in effect the previous month, *provided the retired member had been retired for at least the full twelve (12) months immediately preceding the date that the increase is effective. In the event that the retired member had been retired for less than the full twelve (12) months immediately preceding the date that the increase is effective, then the increase shall be reduced on a pro rata basis by each month that the retired member had not been retired for the full twelve (12) months immediately preceding the effective date of the increase.* The level of increase provided for in this subsection shall be determined by the funding provided in the ~~2002-2004~~~~[2000-2002]~~ biennium budget appropriation.

- (7) Effective July 1, 1990, monthly payments of two hundred dollars (\$200) shall be payable for the benefit of an adult child of a member retired for service when the child's mental or physical condition is sufficient to cause dependency on the member at the time of retirement. Eligibility for this payment shall continue for the life of the child or until the time the mental or physical condition creating the dependency no longer exists or the child marries. Benefits under this subsection shall apply to legally adopted survivors provided the proceedings for the adoption were initiated at least one (1) year prior to the death of the member. The board of trustees shall be the sole judge of eligibility or dependency and may require formal application or information relating thereto.
- (8) Members of the Teachers' Retirement System shall be subject to the annuity income limitations imposed by Section 415 of the Internal Revenue Service Code~~[as enacted in 1988]~~.
- (9) Compensation in excess of the limitations imposed by Section 401(a)(17) of the Internal Revenue Code shall not be used in determining a member's~~[regular]~~ retirement annuity~~[but shall be used in determining retirement allowance payments under the supplemental retirement plan of the retirement system which is intended to constitute a qualified governmental excess benefit plan as provided in Section 415 of the Internal Revenue Code]~~. The limitation on compensation for eligible members shall not be less than the amount which was allowed to be taken into account by the retirement system in effect on July 1, 1993. For this purpose, an eligible member is an individual who was a member of the retirement system before the first plan year beginning after December 31, 1995.

Section 29. KRS 161.623 is amended to read as follows:

- (1) Effective July 1, 1982, and thereafter, a district board of education or other employer of members of the Teachers' Retirement System may compensate, at the time of retirement for service, an active **contributing member**~~[teacher]~~ for unused sick-leave days in accordance with this section.
- (2) Upon the member's application for service retirement, the employer shall certify the retiring member's unused accumulated sick-leave balance to the board of trustees of the Kentucky Teachers' Retirement System. The member's sick-leave balance, expressed in days, shall be divided by one hundred eighty-five (185) days to determine the amount of service credit that may be considered for addition to the member's retirement account for the purpose of determining the retirement allowance under KRS 161.620. Such sick-leave credit shall not be used for the purpose of determining whether the member is eligible to receive a retirement allowance~~[under KRS 161.600]~~.
- (3) The board shall compute the cost to the retirement system of the sick-leave credit for each retiring member and shall bill the last employer of the retiring member for such cost. The employer shall pay the cost of such service credit to the retirement system within fifteen (15) days after receiving notification of the cost from the board.
- (4) Retiring members who receive service credit under this section shall not be eligible to receive compensation for accrued sick leave under KRS 161.155(9) or any other statutory provision.
- (5) Employer participation is optional and the employer may opt to purchase less service credit than the member is eligible to receive provided the same percentage of reduction is made applicable to all retiring members of the employer during a school fiscal year.
- (6) The board of trustees shall formulate and adopt necessary rules and regulations for the administration of the foregoing provisions.
- (7) Payments to the retirement system for service credit obtained under this section or for compensation credit obtained under KRS 161.155(9) shall be based on the full actuarial cost as defined in KRS 161.220(22).

Section 30. KRS 161.655 is amended to read as follows:

- (1) Effective July 1, 2000, the Teachers' Retirement System shall provide a life insurance benefit in a minimum amount of five thousand dollars (\$5,000) for its members who are retired for service or disability. This life insurance **benefit**~~[policy]~~ shall be payable upon the death of a member retired for service or disability to the member's estate or to a party designated by the member on a form prescribed by the retirement system. The Teachers' Retirement System shall provide a life insurance benefit in a minimum amount of two thousand dollars (\$2,000) for its active contributing members. This life insurance **benefit**~~[policy]~~ shall be payable upon the death of an active contributing member to the member's estate or to a party designated by the member on a form prescribed by the retirement system. Application for payment of life insurance proceeds shall be made to the Teachers' Retirement System together with acceptable evidence of death and eligibility. The reciprocal

provisions of KRS 61.680(2)(a) shall not apply to the coverage and payment of proceeds by the life insurance benefit under this section.

- (2) Suit or civil action shall not be required for the collection of the proceeds of the life insurance benefit provided for by this section, but nothing in this section shall prevent the maintenance of suit or civil action against the beneficiary or legal representative receiving the proceeds of the life insurance benefit.

Section 31. KRS 161.661 is amended to read as follows:

- (1) Any member who has completed five (5) or more years of accredited service in the public schools of Kentucky after July 1, 1941, may retire for disability and be granted a disability allowance if found to be eligible as provided in this section. Application for disability benefits shall be made within one (1) year of the last contributing service in Kentucky, and the disability must have occurred during the most recent period of employment in a position covered by the Teachers' Retirement System and subsequent to the completion of five (5) years of teaching service in Kentucky. A disability occurring during the regular vacation immediately following the last period of active service in Kentucky or during an official leave for which the member is entitled to make regular contributions to the retirement system, shall be considered as having occurred during a period of active service. The annual disability allowance shall be equal to sixty percent (60%) of the member's final average salary. ***Members with twenty-seven (27) or more years of service credit are eligible for service retirement only***~~[, except that a member retiring for disability who is also eligible for service retirement may elect to have the benefit calculated on the service retirement formula and may choose any of the retirement options provided for service retirement].~~
- (2) The provisions of KRS 161.520, 161.525, and subsections (3), (4), and (5) of this section shall not apply to disability retirees whose benefits were calculated on the service retirement formula nor to survivors of these members.
- (3) Members shall earn one (1) year of entitlement to disability retirement, at sixty percent (60%) of the member's final average salary, for each four (4) years of service in a covered position, but any member meeting the service requirement for disability retirement shall be credited with no less than five (5) years of eligibility.
- (4) A member retired by reason of disability shall continue to earn service credit at the rate of one (1) year for each year retired for disability. This service shall be credited to the member's account at the expiration of entitlement as defined in subsection (3) of this section, or when the member's eligibility for disability benefits is terminated upon recommendation of a medical review committee, and this service shall be used in calculating benefits as provided in subsection (5) of this section, ***but under no circumstances shall this service be used to provide the member with more than twenty-seven (27) years of total service credit***. The service credit shall be valued at the same level as service earned by active members ***as provided under KRS 161.600 and Section 28 of this Act***.
- (5) Any member retired by reason of disability and remaining disabled at the expiration of the entitlement period shall have his disability benefits recalculated using the service retirement formula with service credit as set out in subsection (4) of this section. The retirement allowance shall be calculated as set forth in KRS 161.620, except that those persons less than sixty (60) years of age shall be considered as sixty (60) years of age. ***Members having their disability benefits recalculated under this subsection shall not be entitled to a benefit based upon an average of their three (3) highest salaries as set forth in subsection (9) of Section 3 of this Act, unless approved otherwise by the board of trustees***.
- (6) Members who have their disability retirement allowance recalculated at the expiration of the entitlement period shall continue to have coverage under the post-retirement medical insurance program. Restrictions on employment shall remain in effect until the member attains age seventy (70) or until the member's eligibility is discontinued. KRS 161.520 and 161.525 shall not apply to survivors of disability retirees whose retirement allowances have been recalculated at the expiration of the entitlement period. Members who have their disability retirement allowance recalculated at the expiration of their entitlement period shall be entitled to a minimum monthly allowance of five hundred dollars (\$500) as the basic straight life annuity. The minimum allowance shall be effective July 1, 1992, and shall apply to those members who have had their allowance recalculated prior to that date and to disability retirees who will have their benefit allowance recalculated on or after that date.

- (7) Effective July 1, 1992, members retired for disability prior to July 1, 1964, shall be entitled to a minimum monthly allowance of five hundred dollars (\$500) as their basic straight life annuity and their surviving spouse shall be eligible for survivor benefits as provided in KRS 161.520(1)(a) and (b).
- (8) Any member retired by reason of disability may voluntarily waive disability benefits and return to teaching or any member, who is age sixty (60) years or older, may elect to waive disability benefits and retire for service on the basis of service credited to the member on the effective date of the disability retirement.
- (9) In order to qualify for retirement by reason of disability a member must suffer from a physical or mental condition presumed to be permanent in duration and of a nature as to render the member incapable of being gainfully employed in a covered position. The incapability must be revealed by a competent examination by a licensed physician or physicians and must be approved by a majority of a medical review committee.
- (10) A member retired by reason of disability shall be required to undergo periodic examinations at the discretion of the board of trustees to determine whether the disability allowance shall be continued. When examination and recommendation of a medical review committee indicate the disability no longer exists, the allowance shall be discontinued.
- (11) Eligibility for payment shall begin on the first day of the month following receipt of the application in the Teachers' Retirement System office, or the first of the month next following the last payment of salary or sick leave benefits by the employer, whichever is the later date.
- (12) No person who receives a disability allowance may be employed in a position that entails duties or qualification requirements similar to positions subject to participation in the retirement system either within or without the State of Kentucky. So doing shall constitute a misdemeanor and shall result in loss of the allowance from the first date of this service. *A member who applies for and is approved for disability retirement on or after July 1, 2002, and whose annual disability benefit is less than forty thousand dollars (\$40,000) may earn income in any occupation other than covered employment only to the extent that the annual income from the other employment when added to the annual disability benefit does not exceed forty thousand dollars (\$40,000). For any member who exceeds this limit as a result of income from other employment, the Kentucky Teachers' Retirement System shall reduce the member's disability benefit on a dollar-for-dollar basis for each dollar that the member's combined annual disability benefit and annual income from other employment exceeds forty thousand dollars (\$40,000). The board of trustees may annually increase the forty thousand dollar (\$40,000) limit by the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year as published by the Federal Bureau of Labor Statistics, not to exceed five percent (5%). All members who applied for disability retirement before July 1, 2002, and were approved as a result of that application shall be subject to the income limitations as they existed on June 30, 2002.* The recipient of a disability allowance who engages in any gainful occupation other than covered employment must make a report of the duties involved, compensation received, and any other pertinent information required by the board of trustees. ~~If the annual income from other employment plus the disability benefit exceed the sum of twenty seven thousand dollars (\$27,000) or the last earned compensation, whichever is the greater amount, the benefit shall be reduced to an amount which with earned income will not exceed the last earned compensation or twenty seven thousand dollars (\$27,000); whichever is the greater amount. In no case shall the benefit be reduced to less than seventy five dollars (\$75) per month, if the member has five (5) or more years of contributing service in the Teachers' Retirement System.~~
- (13) The board of trustees shall designate medical review committees, each consisting of three (3) licensed physicians. A medical review committee shall pass upon all applications for disability retirement and upon all *applicant* statements, *medical* certifications, and examinations submitted in connection with disability applications. The disposition of each case shall be recommended by a medical review committee in writing to the *retirement system* ~~board of trustees~~. Members of a medical review committee shall follow administrative regulations regarding procedures as the board of trustees may enact and shall be paid reasonable fees and expenses as authorized by the board of trustees in compliance with the provisions of KRS 161.330 and 161.340. The *retirement system* ~~board of trustees~~ may secure additional medical *examinations* ~~service~~ and information as it deems necessary. *A member may appeal any final agency decision denying his or her disability retirement application pursuant to the provisions of subsection (2) of Section 4 of this Act* ~~The board of trustees shall promulgate administrative regulations that specify member appeal procedures.~~
- (14) A disability may be presumed to be permanent if the condition creating the disability may be reasonably expected to continue for one (1) year or more from the date of application for disability benefits.

- (15) Any member who has voluntarily waived disability benefits or whose disability benefits have been discontinued on recommendation of a medical review committee, may apply for reinstatement of disability benefits. The application for reinstatement must be made to the retirement system within twelve (12) months of the date disability benefits terminated. If the termination of benefits were voluntary, the reinstatement may be made without medical examination if application is made within three (3) months of the termination date. Other applications for reinstatement will be processed in the same manner as new applications for benefits.
- (16) No person who is receiving disability benefits under this section may be employed in a position which qualifies the person for membership in a retirement system financed wholly or in part with public funds. Employment in a position prohibited by this subsection shall result in disqualification for those disability benefits from the date of employment in the prohibited position.
- (17) Any person who is receiving benefits and becomes disqualified from receiving those benefits under this section, ***or becomes disqualified from receiving a portion of those benefits due to income from other than covered employment***, shall immediately notify the Teachers' Retirement System of this disqualification in writing and shall return all benefits paid after the date of disqualification. Failure to comply with these provisions shall create an indebtedness of that person to the Teachers' Retirement System. Interest at the rate of eight percent (8%) per annum shall be charged if the debt is not repaid within sixty (60) days after the date of disqualification. Failure to repay this debt creates a lien in favor of the Teachers' Retirement System upon all property of the person who improperly receives benefits and does not repay those benefits. ***The Kentucky Teachers' Retirement System may, in order to collect an outstanding debt, reduce or terminate any benefit that a member is otherwise entitled to receive.***

Section 32. KRS 161.675 is amended to read as follows:

- (1) The board of trustees shall arrange by appropriate contract or on a self-insured basis to provide a broad program of group hospital and medical insurance for present and future eligible recipients of a retirement allowance from the Teachers' Retirement System. The board of trustees may also arrange to provide health insurance coverage by health maintenance organizations as defined in KRS 18A.225 as an alternative to group hospital and medical insurance for persons eligible for hospital and medical benefits under this section. The board of trustees may authorize present and future eligible recipients of a retirement allowance from the Teachers' Retirement System who are less than age sixty-five (65) to be included in the state-sponsored health insurance that is provided to active teachers and state employees under KRS 18A.225. Members who are sixty-five (65) or older and retired for service shall not be eligible to participate in the state employee health insurance program as described in KRS 18A.225.
- (2) The coverage provided shall be as set forth in the contracts and the administrative regulations of the board of trustees. The board of trustees may change the levels of coverage and eligibility conditions to meet the changing needs of the annuitants and when necessary to contain the expenses of the insurance program within the funds available to finance the insurance program. The contracts and administrative regulations shall provide for, but not be limited to, hospital room and board, surgical procedures, doctors' care in the hospital, and miscellaneous hospital costs. ***An annuitant***~~[A retiree]~~ whose effective date of retirement is July 1, 1974, and thereafter, must have a minimum of five (5) years creditable Kentucky service in the Teachers' Retirement System or ***five (5) years of combined creditable service in the state-administered retirement systems if the member is retiring under the reciprocity provisions of KRS 61.680 and 61.702. A member retiring under the reciprocity provisions of KRS 61.680 and 61.702 may not elect coverage through more than one (1) of the state-administered retirement systems***~~[of combined service in the Kentucky Employees Retirement System, of which at least two (2) years was creditable service under KRS 161.607(2), to qualify for the coverage]~~. The board of trustees shall offer coverage to the disabled child of ***an annuitant***~~[a retired member]~~ regardless of the disabled child's age if the ***annuitant***~~[retired member]~~ pays the entire premium for the disabled child's coverage. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
- (3) All expenses for benefits under this section shall be paid from the funding provisions contained in KRS 161.420(5), premium charges received from the annuitants and the spouses, and from funds that may be appropriated or allocated by statute.
- (4) (a) The board of trustees shall determine the amount of health insurance supplement payments that the Teachers' Retirement System will provide to assist eligible ***annuitants***~~[recipients of a retirement allowance]~~ in paying the cost of their health insurance, based on the funds available in the medical

insurance fund. The board of trustees shall establish the maximum monthly amounts of health insurance supplement payments that will be made by the retirement system for eligible ~~annuitants~~~~[recipients of a retirement allowance]~~. The board of trustees shall annually establish the percentage of the maximum monthly health insurance supplement payment that will be made, based on age and years of service credit of eligible recipients of a retirement allowance. Monthly health insurance supplement payments made by the retirement system may not exceed the amount of the single coverage insurance premium chosen by the eligible ~~annuitants~~~~[recipients of a retirement allowance]~~. In order to qualify for health insurance supplements made by the retirement system, the ~~annuitant~~~~[recipient of a supplement payment]~~ must agree to pay the difference between the insurance premium and the applicable supplement payment, by payroll deduction from his retirement allowance, or by a payment method approved by the retirement system.

- (b) The board of trustees may offer, on a full-cost basis, health care insurance coverage provided by the retirement system to spouses and dependents of eligible ~~annuitants~~~~[retirees]~~ not *otherwise* eligible for regular coverage. Recipients of a retirement allowance from the retirement system must agree to pay the cost of this coverage by payroll deduction from their retirement allowance or by a payment method approved by the retirement system.
- (c) The board of trustees shall offer, on a full-cost basis, health insurance coverage provided by the retirement system to the disabled child of *an annuitant*~~[a retired member]~~, regardless of the age of the disabled child. A child shall be considered disabled for purposes of this section if the child has been determined to be eligible for federal Social Security disability benefits.
- (5) The board of trustees is empowered to require the annuitant and the annuitant's spouse to pay a premium charge to assist in the financing of the hospital and medical insurance program. The board of trustees is empowered to pay the expenses for insurance coverage from the medical insurance fund, from the premium charges received from the annuitants and the spouses, and from funds that may be appropriated or allocated by statute. The board may provide insurance coverage by making payment to insurance carriers including health insurance plans that are available to active and retired state employees and active teachers, institutions, and individuals for services performed, or the board of trustees may elect to provide insurance on a "self-insurance" basis or a combination of these provisions.
- (6) The board of trustees may approve health insurance supplement payments to eligible ~~annuitants~~~~[retirees or recipients]~~ who are less than sixty-five (65) years of age, as reimbursement for hospital and medical insurance premiums made by ~~annuitants~~~~[retirees]~~ for their individual coverage. Eligible ~~annuitants~~~~[retirees]~~ or recipients are those ~~annuitants~~~~[retirees or recipients]~~ who are not eligible for Medicare and who do not reside in Kentucky or in an area outside of Kentucky where comparable coverage is available. The reimbursement payments shall not exceed the minimum supplement payment that would have been made had the ~~annuitant~~~~[retiree]~~ lived in Kentucky. Eligible ~~annuitants~~~~[retirees]~~ or recipients shall submit proof of payment to the retirement system for hospital and medical insurance that they have obtained. Reimbursement payments shall be made on a quarterly basis.
- (7) Contracts negotiated may include the provision that a stated amount of hospital cost or period of hospitalization shall incur no obligation on the part of the insurance carrier or the retirement system.
- (8) The board of trustees is empowered to promulgate administrative regulations to assure efficient operation of the hospital and medical insurance program.
- (9) Premiums paid for hospital and medical insurance coverage procured under authority of this section shall be exempt from any premium tax which might otherwise be required under KRS Chapter 136. The payment of premiums by the insurance fund shall not constitute taxable income to an insured recipient.
- (10) *In the event that a member is providing services on less than a full-time basis under Section 25 of this Act, the retirement system may pay the full cost of the member's health insurance coverage for the full fiscal year that the member is providing those services, at the conclusion of which, the retirement system may then bill the active employer and the active employer shall reimburse the retirement system for the cost of the health insurance coverage incurred by the retirement system on a pro rata basis for the time that the member was employed by the active employer.*

Section 33. KRS 161.700 is amended to read as follows:

- (1) The right of a ~~member~~~~[teacher]~~ to a retirement allowance and to the return of contributions, any benefit or right accrued or accruing to any person under the retirement system, and the money in the various funds of the

retirement system are exempt from any state or municipal tax, are not subject to execution, garnishment, attachment, or other process, and are unassignable except as provided in this chapter, and except for court or administratively ordered current child support, owed child support, or to-be-owed child support. Except retirement benefits accrued or accruing to any person under this retirement system on or after January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent provided in KRS 141.010 and 141.0215.

- (2) Retirement allowance, disability allowance, accumulated contributions, or any other benefit under the retirement system shall not be classified as marital property pursuant to KRS 403.190(1). Retirement allowance, disability allowance, accumulated contributions, or any other benefit under the retirement system shall not be considered as an economic circumstance during the division of marital property in an action for dissolution of marriage pursuant to KRS 403.190(1)(d).

Section 34. KRS 18A.225 is amended to read as follows:

- (1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and
 - (b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included ***unless that member is reemployed in a position covered by any one (1) of the state-administered retirement systems.***
- (2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The

Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.
 - (c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.
 - (d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.
 - (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.
 - (f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.
 - (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.
- (3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.
- (4) The premiums may be paid by the policyholder:
- (a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;

- (b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or
 - (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.
- (5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.
 - (6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.
 - (7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.
 - (8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.
 - (9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.
 - (10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
 - (11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.
 - (12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.
 - (13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.

- (14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

Section 35. Whereas, retirement annuity adjustments are implemented at the beginning of the fiscal year, an emergency is declared to exist, and this Act takes effect July 1, 2002.

Approved April 9, 2002

CHAPTER 276

(HB 521)

AN ACT relating to the disposition of human remains.

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

Section 1. KRS 381.231 is amended to read as follows:

- (1) A "trespasser" means any person who enters or goes upon the real estate of another without any right, lawful authority or invitation, either expressed or implied, but does not include persons who come within the scope of the "attractive nuisance" doctrine.
- (2) An owner of real estate means any person who possesses any interest in real estate or any lawful occupant of real estate, *including a burial ground*.
- (3) *"Burial ground" means any public or privately owned parcel of land upon which a person or persons are interred or buried.*

Section 2. KRS 381.697 is amended to read as follows:

- (1) Every cemetery in Kentucky except private family cemeteries shall be maintained by its legal owner or owners, without respect to the individual owners of burial plots in the cemetery, in such a manner so as to keep the burial grounds or cemetery free of growth of weeds, free from accumulated debris, displaced tombstones or other signs and indication of vandalism or gross neglect.
- (2) *The owner or owners of public or private burial grounds, regardless of size or number of graves, shall protect the burial grounds from desecration or destruction as stipulated in KRS 525.115(1)(a), (b), or (c) or from being used for dumping grounds, building sites, or any other use which may result in the burial grounds being damaged or destroyed. The provisions of this subsection shall not apply to the owner or owners of public or private burial grounds when the public or private burial grounds have been desecrated, damaged, or destroyed as the result of a crime by another as defined by KRS 500.080.*
- (3) *The owner or owners of private burial grounds shall be required to construct cemetery protection structures only if the burial ground is located in a county with a county cemetery board and if the board provides compensation to the private burial ground owner for supplies, labor, and other expenses associated with such construction.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

- (1) *A county acting under authority of this section may by ordinance create a county cemetery board that may apply to the Department for Local Government for grants to restore and maintain nonprofit cemeteries that do not receive perpetual care funds pursuant to KRS 367.962.*
- (2) *The county cemetery boards shall meet three (3) times annually in space provided by the fiscal court and shall have five (5) volunteer members with no more than three (3) representing the same political party. Members shall be appointed by the county judge/executive with approval of the fiscal court, shall have lived in the county for at least one (1) year prior to appointment, and shall have demonstrated an interest in cemetery preservation, genealogy, local history, or a related area.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 67 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department for Local Government shall establish a county cemetery fund to receive appropriations, gifts, grants, federal funds, revolving funds, and any other funds from public and private sources.*

- (a) *Moneys deposited in the fund shall be disbursed by the State Treasurer and any unallocated or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9).*
- (b) *Income earned from investment including unalloted or unencumbered balances in the fund shall not lapse, shall be returned to the Department for Local Government, and may be redistributed to other counties.*
- (2) *The Department for Local Government shall promulgate administrative regulations related to responsibilities of the boards, grant appropriation amounts and eligible expenditures, application and reporting procedures, accountability criteria for grant recipients, and other issues of importance to the board's operation.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 307 IS CREATED TO READ AS FOLLOWS:

- (1) *In any instance where the operator of any cemetery is informed or becomes aware that it has improperly interred or has allowed to be improperly interred a body or cremated remains, including but not limited to interment in the wrong space, the burial container shall be disinterred and properly reinterred.*
- (2) *Prior to disinterment and proper reinterment of the body or cremated remains, the cemetery shall give reasonable notice to the next of kin of the deceased and, if requested, the owner of the burial space, informing them of the improper interment and the agreed upon date of the disinterment and proper reinterment.*
- (3) *The expense of the disinterment and proper reinterment shall be paid by the cemetery in which the body or cremated remains were improperly interred.*

Section 6. KRS 525.105 is amended to read as follows:

- (1) A person is guilty of desecration of venerated objects in the first degree when, other than authorized by law, he intentionally excavates or disinters human remains for the purpose of commercial sale or exploitation of the remains themselves or of objects buried contemporaneously with the remains.
- (2) Desecration of venerated objects in the first degree is a Class ~~C~~^D felony.

Section 7. KRS 525.115 is amended to read as follows:

- (1) A person is guilty of violating graves when he intentionally:
 - (a) Mutilates the graves, monuments, fences, shrubbery, ornaments, grounds, or buildings in or enclosing any cemetery or place of sepulture; or
 - (b) Violates the grave of any person by destroying, removing, or damaging the headstone or footstone, or the tomb over the enclosure protecting any grave; or
 - (c) Digs into or plows over or removes any ornament, shrubbery, or flower placed upon any grave or lot.
- (2) The provisions of subsection (1) of this section shall not apply to ordinary maintenance and care of a cemetery nor the removal and relocation of graves pursuant to procedures authorized by and in accordance with applicable statutes.
- (3) Violating graves is ~~[a Class A misdemeanor for the first offense and]~~ a Class D felony ~~[for each subsequent offense].~~
- (4) The court shall order the defendant to restore the cemetery to its pre-damage condition.

Section 8. KRS 525.120 is amended to read as follows:

- (1) A person is guilty of abuse of a corpse when except as authorized by law he intentionally treats a corpse in a way that would outrage ordinary family sensibilities. *A person shall also be guilty of abuse of a corpse if that person enters into a contract and accepts remuneration for the preparation of a corpse for burial or the burial or cremation of a corpse and then deliberately fails to prepare, bury, or cremate that corpse in accordance with that contract.*

- (2) Abuse of a corpse is a Class A misdemeanor, unless the act attempted or committed involved sexual intercourse or deviate sexual intercourse with the corpse *or the deliberate failure to prepare, bury, or cremate a corpse after the acceptance of remuneration in accordance with any contract negotiated*, in which case it is a Class D felony.

Approved April 9, 2002

CHAPTER 277

(SB 142)

AN ACT relating to health care.

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

SECTION 1. A NEW SECTION OF KRS 205.510 TO 205.645 IS CREATED TO READ AS FOLLOWS:

An adult day health care program shall be required to provide skilled nursing services to Medicaid recipients only during the posted hours of operation.

Section 2. KRS 156.070 is amended to read as follows:

- (1) The Kentucky Board of Education shall have the management and control of the common schools and all programs operated in these schools, including interscholastic athletics, the Kentucky School for the Deaf, the Kentucky School for the Blind, and community education programs and services.
- (2) The Kentucky Board of Education may designate an organization or agency to manage interscholastic athletics in the common schools, provided that the rules, regulations, and bylaws of any organization or agency so designated shall be approved by the board, and provided further that any administrative hearing conducted by the designated managing organization or agency shall be conducted in accordance with KRS Chapter 13B.
 - (a) The state board or its designated agency shall assure through promulgation of administrative regulations that if a secondary school sponsors or intends to sponsor an athletic activity or sport that is similar to a sport for which National Collegiate Athletic Association members offer an athletic scholarship, the school shall sponsor the athletic activity or sport for which a scholarship is offered. The administrative regulations shall specify which athletic activities are similar to sports for which National Collegiate Athletic Association members offer scholarships.
 - (b) The state board or any agency designated by the state board to manage interscholastic athletics shall not promulgate rules, administrative regulations, or bylaws ~~that which~~ prohibit pupils in grades seven (7) to eight (8) from participating in any high school sports except for high school varsity soccer and football, or from participating on more than one (1) school-sponsored team at the same time in the same sport. The Kentucky Board of Education, or an agency designated by the board to manage interscholastic athletics, may promulgate administrative regulations restricting, limiting, or prohibiting participation in high school varsity soccer and football for students who have not successfully completed the eighth grade.
 - (c) ***Every local board of education shall require an annual medical examination performed and signed by a physician, physician assistant, advanced registered nurse practitioner, or chiropractor, if performed within the professional's scope of practice, for each student seeking eligibility to participate in any high school athletic activity or sport. The Kentucky Board of Education or any organization or agency designated by the state board to manage interscholastic athletics shall not promulgate administrative regulations or adopt any policies or bylaws that are contrary to the provisions of this paragraph.***
 - (d) Any student who turns nineteen (19) years of age prior to August 1 shall not be eligible for high school athletics in Kentucky. Any student who turns nineteen (19) years of age on or after August 1 shall remain eligible for that school year only.
 - ~~(e)(d)~~ If the state board or any agency designated by the state board to manage interscholastic athletics promulgates administrative regulations that permit a school district to employ or assign nonteaching personnel to serve in a coaching position, those administrative regulations shall apply to all sports and sports activities, including basketball and football. The administrative regulations shall give preference to the hiring or assignment of certified personnel over nonteaching personnel in coaching positions.

- (3) (a) The Kentucky Board of Education is hereby authorized to lease from the State Property and Buildings Commission, or others, whether public or private, any lands, buildings, structures, installations, and facilities suitable for use in establishing and furthering television and related facilities as an aid or supplement to classroom instruction, throughout the Commonwealth, and for incidental use in any other proper public functions. The lease may be for any initial term commencing with the date of the lease and ending with the next ensuing June 30, which is the close of the then-current fiscal biennium of the Commonwealth, with exclusive options in favor of the board to renew the same for successive ensuing bienniums, July 1 in each even year to June 30 in the next ensuing even year; and the rentals may be fixed at the sums in each biennium, if renewed, sufficient to enable the State Property and Buildings Commission to pay therefrom the maturing principal of and interest on, and provide reserves for, any revenue bonds which the State Property and Buildings Commission may determine to be necessary and sufficient, in agreement with the board, to provide the cost of acquiring the television and related facilities, with appurtenances, and costs as may be incident to the issuance of the bonds.
- (b) Each option of the Kentucky Board of Education to renew the lease for a succeeding biennial term may be exercised at any time after the adjournment of the session of the General Assembly at which appropriations shall have been made for the operation of the state government for such succeeding biennial term, by notifying the State Property and Buildings Commission in writing, signed by the chief state school officer, and delivered to the secretary of the Finance and Administration Cabinet as a member of the commission. The option shall be deemed automatically exercised, and the lease automatically renewed for the succeeding biennium, effective on the first day thereof, unless a written notice of the board's election not to renew shall have been delivered in the office of the secretary of the Finance and Administration Cabinet before the close of business on the last working day in April immediately preceding the beginning of the succeeding biennium.
- (c) The Kentucky Board of Education shall not itself operate leased television facilities, or undertake the preparation of the educational presentations or films to be transmitted thereby, but may enter into one (1) or more contracts to provide therefor, with any public agency and instrumentality of the Commonwealth having, or able to provide, a staff with proper technical qualifications, upon which agency and instrumentality the board, through the chief state school officer and the Department of Education, is represented in such manner as to coordinate matters of curriculum with the curricula prescribed for the public schools of the Commonwealth. Any contract for the operation of the leased television or related facilities may permit limited and special uses of the television or related facilities for other programs in the public interest, subject to the reasonable terms and conditions as the board and the operating agency and instrumentality may agree upon; but any contract shall affirmatively forbid the use of the television or related facilities, at any time or in any manner, in the dissemination of political propaganda or in furtherance of the interest of any political party or candidate for public office, or for commercial advertising. No lease between the board and the State Property and Buildings Commission shall bind the board to pay rentals for more than one (1) fiscal biennium at a time, subject to the aforesaid renewal options. The board may receive and may apply to rental payments under any lease and to the cost of providing for the operation of the television or related facilities not only appropriations which may be made to it from state funds, from time to time, but also contributions, gifts, matching funds, devises, and bequests from any source, whether federal or state, and whether public or private, so long as the same are not conditioned upon any improper use of the television or related facilities in a manner inconsistent with the provisions of this subsection.
- (4) The state board may, on the recommendation and with the advice of the chief state school officer, prescribe, print, publish, and distribute at public expense such administrative regulations, courses of study, curriculums, bulletins, programs, outlines, reports, and placards as each deems necessary for the efficient management, control, and operation of the schools and programs under its jurisdiction. All administrative regulations published or distributed by the board shall be inclosed in a booklet or binder on which the words "informational copy" shall be clearly stamped or printed.
- (5) Upon the recommendation of the chief state school officer or his designee, the state board shall establish policy or act on all matters relating to programs, services, publications, capital construction and facility renovation, equipment, litigation, contracts, budgets, and all other matters which are the administrative responsibility of the Department of Education.

Approved April 9, 2002

CHAPTER 278**(HB 59)**

AN ACT relating to Kentucky educational excellence scholarship awards.

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

Section 1. KRS 164.7879 is amended to read as follows:

- (1) Kentucky educational excellence scholarship awards shall be based upon an established base scholarship amount and an eligible high school student's grade point average. The base scholarship amount for students attaining a grade point average of at least 2.5 for the 1998-1999 academic year shall be as follows:

GPA	Amount	GPA	Amount
2.50	\$125.00	3.30	\$325.00
2.60	\$150.00	3.40	\$350.00
2.70	\$175.00	3.50	\$375.00
2.75	\$187.00	3.60	\$400.00
2.80	\$200.00	3.70	\$425.00
2.90	\$225.00	3.75	\$437.00
3.00	\$250.00	3.80	\$450.00
3.10	\$275.00	3.90	\$475.00
3.20	\$300.00	4.00	\$500.00
3.25	\$312.00		

The council shall review the base amount of the Kentucky educational excellence scholarship beginning with the 1999-2000 academic year and each academic year thereafter and may promulgate an administrative regulation to make adjustments after considering the availability of funds.

- (2) (a) The authority shall commit to provide to each eligible high school student the base amount of the Kentucky educational excellence scholarship for each academic year of high school study in the Kentucky educational excellence scholarship curriculum that the high school student has attained at least a 2.5 grade point average. The award shall be based upon the eligible high school student's grade point average at the close of each academic year. An award attributable to a past academic year shall not be increased after the award has been earned by an eligible high school student, regardless of any subsequent increases made to the base amount of the Kentucky educational excellence scholarship through the promulgation of an administrative regulation by the council.
- (b) Notwithstanding the definitions of "eligible high school student" and "high school" in KRS 164.7874, any high school student who maintains Kentucky residency and completes the academic courses that are required for a Kentucky educational excellence scholarship while participating in an approved educational high school foreign exchange program or participating in the United States Congressional Page School may apply his or her grade point average for that academic year toward the base as described in paragraph (a) of this subsection. The grade point average shall be reported by the student's Kentucky home high school, based on an official transcript from the school that the student attended during the out-of-state educational experience. The council shall promulgate administrative regulations that describe the approval process for the educational exchange programs that qualify under this paragraph. The provisions in this paragraph shall likewise apply to any Kentucky high school student who participated in an approved educational exchange program or in a Congressional Page School since the 1998-99 school year and maintained his or her Kentucky residency throughout.
- (c) *Notwithstanding the definitions of "eligible high school student" and "high school" in KRS 164.7874 and the requirement that a student graduate from a Kentucky high school, a high school student who completes the KEES curriculum while attending an accredited out-of-state high school or Department of Defense school may apply the grade point average for any applicable academic*

year toward the base as described in paragraph (a) of this subsection and shall also qualify for a supplemental award under subsection (3) of this section when:

- 1. His or her custodial parent or guardian is in active service of the Armed Forces of the United States; and*
- 2. The custodial parent or guardian maintained Kentucky as the home of record at the time the student attended an accredited out-of-state high school or a Department of Defense school.*

The student or parent shall arrange for the out-of-state school to report the student's grade point average each academic year and the student's highest ACT score to the Kentucky Department of Education as required under KRS 164.7885. The Council on Postsecondary Education shall promulgate administrative regulations implementing the requirements in this paragraph, including:

- 1. The documentation that the parent shall submit to the council establishing the student's eligibility for the scholarship; and*
- 2. The assurances that an out-of state institution shall submit to the Kentucky Department of Education for submission of the student grade point average.*

The provisions in this paragraph shall apply to the 2001-2002 school year and thereafter.

- (3) (a) The authority shall commit to provide to each eligible high school student graduating from high school before June 30, 1999, and achieving a score of at least 15 on the American College Test, a supplemental award for the award period beginning in the fall of 1999, based on the eligible high school student's highest ACT score attained by the date of graduation from high school. The amount of the supplemental award shall be determined as follows:

ACT Score	Annual Bonus	ACT Score	Annual Bonus
15	\$21	22	\$171
16	\$43	23	\$193
17	\$64	24	\$214
18	\$86	25	\$236
19	\$107	26	\$257
20	\$129	27	\$279
21	\$150	28 or above	\$300

Subsequent supplemental awards for eligible high school students graduating before June 30, 1999, shall be determined in accordance with the provisions of paragraph (b) of this subsection.

- (b) The authority shall commit to provide to each eligible high school student upon achievement after June 30, 1999, of an ACT score of at least 15 on the American College Test a supplemental award based on the eligible high school student's highest ACT score attained by the date of graduation from high school. The amount of the supplemental award shall be determined as follows:

ACT Score	Amount	ACT Score	Amount
15	\$36	22	\$286
16	\$71	23	\$321
17	\$107	24	\$357
18	\$143	25	\$393
19	\$179	26	\$428
20	\$214	27	\$464

21	\$250	28 and above	\$500
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The council shall review the base amount of the supplemental award beginning with the 2001-2002 academic year and each academic year thereafter and may promulgate an administrative regulation to make adjustments after considering the availability of funds.

- (c) The council shall promulgate administrative regulations establishing the eligibility criteria and procedures for making a supplemental award to Kentucky residents who are citizens, nationals, or permanent residents of the United States and who graduate from a nonpublic secondary school not certified by the Kentucky Board of Education and Kentucky residents who are citizens, nationals, or permanent residents of the United States and who obtain a General Educational Development (GED) diploma within five (5) years of their high school graduating class, ***and students under subsection (2)(c) of this section who do not attend an accredited high school.***

Section 2. KRS 164.7881 is amended to read as follows:

- (1) Eligible high school students who have graduated from high school and eligible postsecondary students who have earned a Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and a supplemental award, or a supplemental award only pursuant to KRS 164.7879(3)(c), shall be eligible to receive the Kentucky educational excellence scholarship, the Kentucky educational excellence scholarship and the supplemental award, or a supplemental award only for a maximum of eight (8) academic terms in an undergraduate or other postsecondary program of study at a participating institution, except as provided in subsection (6) of this section.
- (2) To receive the Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and supplemental award, or a supplemental award only, an eligible high school or postsecondary student shall:
 - (a) Enroll in and attend a participating institution as a full-time student or a part-time student; and
 - (b) Maintain eligibility as provided in subsection (3) of this section.
- (3) Eligibility for a Kentucky educational excellence scholarship or a Kentucky educational excellence scholarship and supplemental award shall terminate upon the earlier of:
 - (a) The expiration of five (5) years following the student's graduation from high school, except as provided in subsection (5) or (6) of this section; or
 - (b) The successful completion of an undergraduate or other postsecondary course of study. However, any student who successfully completes the requirements for a degree or certification involving a postsecondary course of study that normally requires less than eight (8) academic terms to complete may continue to receive the benefits of a Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and supplemental award, or a supplemental award only, for a cumulative total of eight (8) academic terms if the student enrolls as at least a part-time student in a four (4) year program.
- (4)
 - (a) The maximum award amount shall be determined by the council and shall be adjusted as provided in this subsection. The award amount ultimately determined to be available to an eligible postsecondary student for an award period shall be disbursed by the authority to the eligible postsecondary student in two (2) installments, with one (1) installment being disbursed in each of the two (2) academic terms during the award period.
 - (b) The authority shall, by promulgation of administrative regulations, provide for the proportionate reduction of the maximum award amount for an eligible postsecondary student for any academic term in which the student is enrolled on a part-time basis. Each academic term for which any scholarship or supplemental award funds are accepted by an eligible postsecondary student shall count as a full academic term, even if the award amount was reduced to reflect the part-time status of the eligible postsecondary student.
- (c)
 1. An eligible postsecondary student who is enrolled full-time in an undergraduate program of study ***or in the pharmacy program at the University of Kentucky*** shall receive the maximum award amount for the first award period that the student is enrolled in and attending the program of study. To retain the maximum award for the second award period, an eligible postsecondary student shall have at least a 2.5 grade point average at the end of the first award period. To retain

the maximum award amount for subsequent award periods, an eligible postsecondary student shall have a cumulative grade point average of 3.0 or greater at the end of the prior award period.

2. Any eligible postsecondary student who maintains a cumulative grade point average of less than 3.0 but at least 2.5 at the completion of any award period shall receive a reduction in the maximum award amount equal to fifty percent (50%) of the maximum award amount for the next award period.
 3. Any eligible postsecondary student who maintains a cumulative grade point average of less than 2.5 at the completion of any award period shall lose his or her award for the next award period.
 4. Each participating institution shall certify to the authority at the close of each award period the cumulative grade point average of each Kentucky educational excellence scholarship recipient enrolled as a full-time or part-time student at the participating institution.
 5. Any student who loses eligibility through failure to maintain the required cumulative grade point average may regain eligibility in a subsequent award period upon reestablishing at least a 2.5 cumulative grade point average or its equivalent during a subsequent award period, as certified by the participating institution.
- (5) The expiration of a student's five (5) year eligibility shall be extended by the authority upon a determination that the student was unable to enroll for or complete an academic term due to any of the following circumstances:
- (a) A serious and extended illness or injury of the student, certified by an attending physician;
 - (b) The death or serious and extended illness or injury of an immediate family member of the student, certified by an attending physician, which would render the student unable to attend classes;
 - (c) Natural disasters that would render a student unable to attend classes; or
 - (d) Active duty status for the student in the United States Armed Forces or as an officer in the Commissioned Corps of the United States Public Health Service, or active service by the student in the Peace Corps Act or the Americorps, for up to three (3) years.
- (6) An eligible postsecondary student who is enrolled at a participating institution in a five (5) year undergraduate degree program designated in an administrative regulation promulgated by the council shall be eligible to receive the Kentucky educational excellence scholarship, the Kentucky educational excellence scholarship and the supplemental award, or the supplemental award only for a maximum of ten (10) academic terms. The expiration of an eligible postsecondary student's five (5) year eligibility shall be extended to six (6) years for eligible postsecondary students meeting the requirements of this subsection.
- (7) Each eligible high school student who attains a 28 or above on the ACT and a 4.0 grade point average for all four (4) years of high school shall be designated as a "Senator Jeff Green Scholar" in honor of the late Senator Jeff Green of Mayfield, Kentucky, First District, and shall be recognized by the high school in a manner consistent with recognition given by the high school to other high levels of academic achievement.

Section 3. The changes made in Section 2.(4)(c)1. of this Act shall first apply to the 2000-2001 academic year.

Approved April 9, 2002

CHAPTER 279

(HB 202)

AN ACT relating to foster and adopted children.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The General Assembly of the Commonwealth of Kentucky finds and declares that it is in the best interests of the Commonwealth to encourage and support adults to adopt and provide foster care for children in the custody of the state. The General Assembly recognizes that a child whose care, custody, and control has been assumed by the

Commonwealth as evidenced by termination of the rights of the biological parents and adoption from state custody or a custodial commitment to the Cabinet for Families and Children or the Department of Juvenile Justice is a special ward of the state and faces particular challenges in pursuing higher education. Because it is the intent of the General Assembly to support adoption, foster parenting, and educational advancement, the purpose of Section 2 of this Act is to provide postsecondary education advancement opportunity for foster and adopted children who are or were wards of the state.

Section 2. KRS 164.2847 is amended to read as follows:

- (1) Tuition and mandatory student fees for any *undergraduate program of any Kentucky* public postsecondary institution, including all four (4) year universities and colleges and institutions of the Kentucky Community and Technical College System, shall be waived for a Kentucky foster or adopted child who is a full-time *or part-time* student if:
 - ~~(a) — } the student meets all entrance requirements *and* for the postsecondary institution;~~
 - ~~(b) — The student } maintains academic eligibility while enrolled at the postsecondary institution, } and if:~~
 - ~~{(c) — The student is over age eighteen (18) and }~~
 - (a) The student's family receives state-funded adoption assistance under KRS 199.555;
 - (b) *The student* is currently *committed to the Cabinet for Families and Children under KRS 610.010(4) and placed in a family foster home or is placed in accordance with KRS 605.090(3)* ~~care by the Cabinet for Families and Children or the Department of Juvenile Justice~~;
 - (c) *The student* is in an independent living program *and the placement is funded by the Cabinet for Families and Children*;
 - (d) *The student who is an adopted child* was in the *permanent legal* custody of *and placed for adoption* by the Cabinet for Families and Children. *A student who meets the eligibility criteria of the paragraph and lives outside of Kentucky at the time of application to a Kentucky postsecondary institution may apply for the waiver up to the amount of tuition for a Kentucky resident* ~~for the Department of Juvenile Justice prior to being adopted by a family that resides in Kentucky~~; or
 - (e) ~~{was in the custody of } The Cabinet for Families and Children was the student's legal custodian for the Department of Juvenile Justice }~~ on his or her eighteenth birthday.
- (2) *Tuition and mandatory student fees for any undergraduate program of any Kentucky public postsecondary institution, including all four (4) year universities and colleges and institutions of the Kentucky Community and Technical College System, shall be waived for a Department of Juvenile Justice foster child who is a full-time or part-time student if the student meets all entrance requirements and maintains academic eligibility while enrolled at the postsecondary institution and obtains a recommendation for participation from an official from the Department of Juvenile Justice, and if:*
 - (a) *The student has not been sentenced to the Department of Juvenile Justice under KRS Chapter 640;*
 - (b) *The student has been committed to the Department of Juvenile Justice for a period of at least two (2) years;*
 - (c) *The student is in an independent living program and placement is funded by the Department of Juvenile Justice;*
 - (d) *The parental rights of the student's biological parents have been terminated; or*
 - (e) *The student was committed to the Cabinet for Families and Children prior to a commitment to the Department of Juvenile Justice.*
- (3) Upon request of the postsecondary institution, the Cabinet for Families and Children shall confirm the *eligibility status under subsection (1) of this section and the Department of Juvenile Justice shall confirm the eligibility status and recommendations under subsection (2) of this section* of the student seeking to participate in the waiver program. Release of this information shall not constitute a breach of confidentiality required by KRS 199.570, 610.320, or 620.050.
- ~~(4)~~~~(3)~~ The student shall complete the Free Application for Federal Student Aid to determine the level of need and eligibility for state and federal financial aid programs. If the sum of the tuition waiver plus other student financial assistance, except loans *and the work study program under 42 U.S.C. sec. 2751-2756b*, from all

sources exceeds the student's total cost of attendance, as defined in 20 U.S.C. sec. 1087ll, the tuition waiver shall be reduced by the amount exceeding the total cost of attendance.

- ~~(5)(4)~~ The student shall be eligible for the tuition waiver:
- (a) For entrance to the institution for a period of no more than four (4) years after the date of graduation from high school; and
 - (b) For a period of five (5) years after *first* admittance to *any Kentucky*~~an~~ institution if satisfactory progress is achieved or maintained.
- ~~(6)(5)~~ ***The Cabinet for Families and Children shall report the number of students participating in the tuition waiver program under subsection (1) of this section and the Department of Juvenile Justice shall report the number of students participating in the tuition waiver program under subsection (2) of this section on October 1 each year to the Council on Postsecondary Education and the Legislative Research Commission.***
- (7) ***The Council on Postsecondary Education shall report nonidentifying data on graduation rates of students participating in the tuition waiver program by November 30 each year to the Legislative Research Commission.***
- ~~(8)~~ ~~No later than six (6) months after June 21, 2001, the Cabinet for Families and Children shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement provisions of subsection (2) of this section.~~
- ~~(6)~~ Nothing in this section shall be construed to:
- (a) Guarantee acceptance of or entrance into any postsecondary institution for a foster or adopted child;
 - (b) Limit the participation of a foster or adopted *student*~~child~~ in any other program of financial assistance for postsecondary education;~~or~~
 - (c) Require any postsecondary institution to waive costs or fees relating to room and board; *or*
 - (d) ***Restrict any postsecondary institution, the Department of Juvenile Justice, or the Cabinet for Families and Children from accessing other sources of financial assistance, except loans, that may be available to a foster or adopted student.***

Section 3. KRS 605.090 is amended to read as follows:

- (1) Unless precluded by law, any child committed to the Department of Juvenile Justice or the cabinet may by the decision of the Department of Juvenile Justice or the cabinet or its designee, at any time during the period of his commitment, be:
- (a) Upon fourteen (14) days' prior written notice to the court, discharged from commitment. Written notice of discharge shall be given to the committing court and to any other parties as may be required by law;
 - (b) Placed in the home of the child's parents, in the home of a relative, a suitable foster home, or boarding home, upon such conditions as the Department of Juvenile Justice or the cabinet may prescribe and subject to visitation and supervision by a social service worker or juvenile probation and parole officer.
 - 1. At the time a committed child is placed in the home of his parents by the Department of Juvenile Justice or the cabinet, the parents shall be informed in writing of the conditions of the placement and the criteria that will be used to determine whether removal is necessary.
 - 2. ***At the time a committed child is placed anywhere other than the home of the child's parents, the cabinet or the Department of Juvenile Justice shall inform the foster home, the relative, or the governing authority of any private facility or agency in which the child has been placed whether the minor placed is a juvenile sexual offender as defined in KRS 635.505(2) or of any inappropriate sexual acts or sexual behavior by the child specifically known to the cabinet or Department of Juvenile Justice, and any behaviors of the child specifically known to the cabinet or Department of Juvenile Justice that indicate a safety risk for the placement. Information received by any private facility or agency under this paragraph shall be disclosed immediately and directly to the individual or individuals who have physical custody of the child.***

3. *If, after a placement is made, additional information is obtained by the cabinet or the Department of Juvenile Justice about inappropriate sexual behavior or other behavior of the committed child that may indicate a safety risk for the placement, the cabinet or the Department of Juvenile Justice shall as soon as practicable, but no later than seventy-two (72) hours after the additional information is received, inform the foster parent, relative, or private facility or agency. Additional information received by any private facility or agency shall be disclosed immediately and directly to the individual or individuals who have physical custody of the child.*
 4. *Information disclosed under this paragraph shall be limited to the acts or behaviors of the committed child and shall not constitute a violation of confidentiality under KRS Chapter 610 or 620. No foster parent, relative, or other person caring for a committed child shall divulge the information received under this paragraph to persons who do not have a legitimate interest or responsibility relating to the case. A violation of this subparagraph is a Class B misdemeanor;*
- (c) Placed in one (1) of the facilities or programs operated by the Department of Juvenile Justice or the cabinet, except that no child committed under the provisions of KRS 610.010(1)(b), (c), or (d) shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as a public offender unless the cabinet and the department agree, and the court consents, that the placement is in the best interest of the child and that the placement does not exceed a group home level;
 - (d) Placed in a child-caring facility operated by a local governmental unit or by a private organization willing to receive the child, upon such conditions as the cabinet may prescribe;
 - (e) Treated as provided in KRS Chapter 645;
 - (f) Following the transfer or placement of a child pursuant to paragraphs (b), (c), (d), or (e) of this subsection, the Department of Juvenile Justice or the cabinet shall, within fourteen (14) days, excluding weekends and holidays, give written notice to the court of the transfer, the placement, and the reasons therefor.
- (2) No child ten (10) years of age or under shall be placed in a facility operated by the Department of Juvenile Justice for children adjudicated as public offenders;
 - (3) If a child committed to the cabinet as dependent, neglected, or abused is placed in the home of the child's parents, the child shall not be removed except in accordance with the following standards and procedures:
 - (a) If the social service worker believes that the committed child continues to be dependent, neglected, or abused, but immediate removal is unnecessary to protect the child from imminent death or serious physical injury, the casework situation and evidence shall be reviewed with his supervisor to determine whether to continue work with the family intact or to remove the child. There shall be documentation that the social service worker, prior to the court hearing, made an effort to contact the parents to inform them of the specific problems that could lead to removal so they have an opportunity to take corrective action. If the parents are unavailable or do not respond to attempts to communicate, the specific circumstances shall be documented;
 - (b) If it appears that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm and there is not reasonably available an alternative less drastic than removal of the child from the home, the cabinet shall petition the District Court to review the commitment pursuant to KRS 610.120 in relation to the cabinet's intention to remove the child from the parent's home. The petition shall set forth the facts which constitute the need for removal of the child. The court shall serve notice of the petition and the time and place of the hearing on the parents; however, the social service worker shall also contact the parents to ensure that they received the notice and are aware of the right to be represented by counsel. If the parents' whereabouts are unknown, notice may be mailed to the last known address of an adult who is a near relative. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall not be removed from the parents' home;
 - (c) If a social service worker finds a committed, unattended child who is too young to take care of himself, the social service worker shall make reasonable efforts to arrange for an emergency caretaker in the child's home until the parents return or fail to return within a reasonable time. If no in-home caretaker is

available for the child, the social service worker shall request any appropriate law enforcement officer to take the child into protective custody. If, after a reasonable time, it appears the child has been abandoned, the cabinet shall petition the District Court to review the case; or

- (d) If there exist reasonable grounds to believe that the child is in danger of imminent death or serious physical injury or is being sexually abused and that the parents are unable or unwilling to protect the child, the social service worker shall, with the assistance of a law enforcement officer, immediately remove the child prior to filing a petition for review. Within seventy-two (72) hours after the removal, the cabinet shall file a petition for review in District Court pursuant to KRS 610.120 with a request for an expeditious hearing. If the court fails to find that the child's health or welfare or physical, mental, or emotional condition is subjected to or threatened with real and substantial harm, or recommends a less drastic alternative that is reasonably available, the child shall be returned to the parents' home.
- (4) The cabinet or the Department of Juvenile Justice, as appropriate, shall notify the juvenile court of the county of placement with the conditions of supervised placement of each child placed in that county from one (1) of the residential treatment facilities operated by the Department of Juvenile Justice or the cabinet. Notice of the conditions of such placement may be made available by the court to any law enforcement agency.
- (5) The person in charge of any home to which a child is probated, and the governing authority of any private facility or agency to which a child is committed, shall make such reports to the court as the court may require, and such reports as the Department of Juvenile Justice or the cabinet may require in the performance of its functions under the law. The Department of Juvenile Justice or the cabinet shall have the power to make such visitations and inspections of the homes, facilities, and agencies in which children who have committed public offenses have been placed as it deems necessary to carry out its functions under the law.
- (6) The Department of Juvenile Justice or the cabinet shall provide a written transfer summary to the person in charge of any foster home or any governing authority of any private facility or agency in which the Department of Juvenile Justice or the cabinet has placed a child. The written summary shall include, at a minimum, demographic information about the child, a narrative statement detailing the child's prior placements, the length of time the child has been committed, a description of the services and assistance provided to the child or the child's family since the most current case plan, a copy of the current case plan for the child and the child's family, and a copy of the child's medical and educational passport, if available, provided that no information shall be provided that violates any statutory confidentiality requirements. ***The transfer summary shall state whether the child placed is a juvenile sexual offender as defined in KRS 635.505(2), and include information required under subsection (1) of this section.*** The transfer summary shall be provided by the Department of Juvenile Justice if it is responsible for the child, or the cabinet if it is responsible for the child, within seven (7) days of the placement of the child with the person, agency, or facility providing care to the child.
- (7) The Department of Juvenile Justice may assist the courts in placing children who have committed public offenses in boarding homes, and, under agreements with the individual courts, may assume responsibility for making such placements. Counties may pay or contribute towards the expenses of maintaining such children and, to the extent authorized by the fiscal court, the Department of Juvenile Justice may incur obligations chargeable to the county for such expenses.

Approved April 9, 2002

CHAPTER 280

(HB 190)

AN ACT relating to protecting the public safety involving commercial driver training and declaring an emergency.

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

Section 1. KRS 165A.310 is amended to read as follows:

- (1) "Proprietary school" or "school" means ~~a~~~~any~~ privately owned educational institution, establishment, agency, organization, or person offering or administering a plan, course, or program of instruction in business, trade,

technical, industrial, or related areas for which a fee or tuition is charged whether conducted in person, by mail, or by any other method.

- (2) "Board" means the State Board for Proprietary Education.
- (3) "Cabinet" means the *Finance and Administration* Cabinet~~[for Workforce Development]~~.
- (4) "Agent" means any person employed by an institution to act as agent, solicitor, broker, or independent contractor to procure students for such school by solicitation of enrollment in any form made at any place other than the main office or principal place of business of the school.
- (5) "Degree" means associate degree.
- (6) "Person" means an individual, corporation, business trust, estate, partnership, unincorporated association, two (2) or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity.
- (7) "School year" is beginning the first day of July and ending the thirtieth day of June next following except when approval shall be suspended or canceled pursuant to the provisions herein.
- (8) *"CDL" means a commercial driver's license as defined in KRS 281A.010.*
- (9) *"CDL driver training" means a course of study that complies with the provisions of Section 4 of this Act governing the instruction of persons in the operation of commercial motor vehicles.*
- (10) *"CDL driver training school" means any person, firm, partnership, association, educational institution, establishment, agency, organization, or corporation that offers CDL driver training to persons desiring to obtain a Kentucky CDL in order to operate a commercial motor vehicle and for which a fee or tuition is charged.*
- (11) *"Classification" means as established in KRS 281A.170.*
- (12) *"Commercial motor vehicle" means as defined in KRS 281A.010.*
- (13) *"Endorsement" means as established in KRS 281A.170.*
- (14) *"Restrictions" means as established in KRS 281A.170.*
- (15) *"Resident" means any person who has established Kentucky as his or her state of domicile. Proof of residency shall include, but not be limited to, a deed or property tax bill, utility agreement or utility bill, or rental housing agreement.*
- (16) The definition of a proprietary school shall not include the following:
 - (a) A school or educational institution supported entirely or partly by taxation from either a local or state source;
 - (b) A parochial, denominational, or eleemosynary school or institution;
 - (c) A school or training program which offers instruction solely in the field of an avocation, recreation, or entertainment, as determined by the state board;
 - (d) A course or courses of instruction or study sponsored by an employer for the training and preparation of its own employees for the benefit of the employer and without charge to the employee; *or*
 - (e) A school or educational institution licensed or approved by or a course or courses of study or instruction sponsored by the Kentucky Board of Barbering established by KRS 317.430, the Kentucky Board of Hairdressers and Cosmetologists established by KRS 317A.030, the Kentucky Board of Nursing established by KRS 314.121, and the State Board of Embalmers and Funeral Directors of the State of Kentucky established by KRS 316.170.

SECTION 2. A NEW SECTION OF KRS CHAPTER 165A IS CREATED TO READ AS FOLLOWS:

All proprietary schools located or doing business in this state that offer CDL driver training shall be governed by the provisions of this chapter, except for matters governing:

- (1) *The curriculum which shall be established by the board in consultation with the Kentucky State Police and the Kentucky Community and Technical College System; and*
- (2) *The inspection of CDL driver training school facilities which shall be under the authority of the Kentucky State Police pursuant to Sections 4 and 6 of this Act.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 165A IS CREATED TO READ AS FOLLOWS:

- (1) *All persons initially applying for a license to operate a CDL driver training school or a license as a CDL driver training instructor, shall be required to undergo a state and national criminal history background check conducted by the Kentucky State Police. Application forms for a license to operate a CDL driver training school or a license as a CDL driver training instructor shall conspicuously state the following: "STATE LAW REQUIRES A STATE AND NATIONAL CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF APPLYING FOR THIS LICENSE. ANY PERSON WHO REFUSES TO SUBMIT TO A CRIMINAL HISTORY BACKGROUND CHECK SHALL NOT BE ELIGIBLE TO APPLY FOR, OR BE ISSUED, A LICENSE TO OPERATE A CDL DRIVER TRAINING SCHOOL OR A LICENSE FOR A CDL DRIVER TRAINING INSTRUCTOR."*
- (2) *All applicants shall be required to submit to being fingerprinted in accordance with administrative regulations promulgated by the Kentucky State Police under KRS Chapter 13A. If the applicant is a corporation, the fingerprints of all officers shall be required.*
- (3) *The results of the state and national criminal history background checks shall be sent to the board for review within seventy-two (72) hours. If circumstances prohibit the results from being sent to the board within seventy-two (72) hours, the application shall not be processed further until the results are made available to the board. The board shall inform the applicant if, based upon the criminal history background check, the applicant is either eligible or ineligible to be issued a license to operate a CDL driver training school or a license for a CDL driver training instructor. The board shall promulgate administrative regulations under KRS Chapter 13A specifying the offenses and conditions under which an application shall be denied based upon a criminal history background check.*
- (4) *Any fee charged by the Kentucky State Police to conduct a criminal history background check shall be paid by the applicant and shall not be refundable if, based upon the background check, the board denies the person the right to be issued a license under this chapter. Any fee charged to conduct a criminal history background check shall be an amount not greater than the actual cost of processing the request and conducting the search.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

- (1) *All CDL driver training schools, as defined in Section 1 of this Act, shall offer a minimum one hundred sixty (160) hours of instruction to each student that has never been issued a CDL by any state. Each school shall be required to use the curriculum that has been approved by the State Board for Proprietary Education in consultation with the Kentucky State Police and the Kentucky Community and Technical College System. Each school shall perform an evaluation of each student and determine the student's skill level to operate a commercial motor vehicle as beginner, intermediate, or advanced. The curriculum shall require a minimum number of hours of instruction based upon a student's skill level.*
- (2) *Each school may provide the one hundred sixty (160) hour approved curriculum in a manner that best utilizes the staff and equipment of the school including, but not limited to, nights, weekends, holidays, and hours of operation.*
- (3) *All CDL driver training schools as defined in Section 1 of this Act, may offer a refresher course of instruction to a resident who has one (1) year or more verifiable experience operating a commercial motor vehicle. The schools shall verify and maintain records documenting those students attending a refresher course. A refresher course may be offered on an hourly basis.*
- (4) *The ratio of students to instructors during a one hundred sixty (160) hour course shall not exceed:*
 - (a) *Thirty (30) students to one (1) instructor during classroom instruction;*
 - (b) *Six (6) students to one (1) instructor during off-the-road training; and*
 - (c) *Three (3) students to one (1) instructor during on-the-road training.*
- (5) *All CDL driver training schools as defined in Section 1 of this Act, shall require each student to undergo a drug test at the time the person applies to enroll in the school.*

Section 5. KRS 332.020 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

- (1) ~~A[No]~~ person shall **not** operate, conduct, maintain or establish a **CDL** driver training school unless ***the person~~the~~*** holds a valid current license issued by the ~~board~~~~[cabinet]~~. ***The following persons shall not be allowed to be connected in any capacity whatsoever with a CDL driver training school:***
 - (a) ***Any person whose employment duties in any way relate to the issuance of a motor vehicle operator's license under KRS Chapter 186 or 281A;***
 - (b) ***Any employee of the board, Justice Cabinet, or Kentucky State Police; and***
 - (c) ***Any member of the immediate family of persons identified in paragraphs (a) and (b) of this subsection.***
- (2) ~~A[No]~~ person shall **not** operate, conduct, maintain, or establish a **CDL** driver training school unless ~~the~~[such]~~~~ school has: ~~[in its employ]~~
 - (a) At least one (1) licensed **CDL** driver training instructor ***in its employ; and***
 - (b) ***At least one (1) commercial motor vehicle owed or leased in the name of the CDL driver training school that is properly registered in the Commonwealth and that has undergone a safety inspection within the past twelve (12) months.***
- (3) ***A person shall not continue to operate a CDL driver training school if the board has suspended, revoked, canceled, or refused to renew the school's license.***
- (4) ~~A[No]~~ person shall **not** act as an instructor for a **CDL** driver training school unless ***the person~~the~~*** holds a valid current license as an instructor issued by the ~~board~~~~[cabinet]~~ and unless ***the person~~the~~*** is employed by a licensed **CDL** driver training school.

Section 6. KRS 332.030 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

- (1) Any person seeking a license to operate, conduct, maintain, or establish a **CDL** driver training school shall ~~apply~~~~[make verified application]~~ to the ~~board~~~~[cabinet]~~ on forms prepared and furnished by the ~~board~~~~[cabinet]~~. The application shall ~~include~~~~[set forth]~~ the following information:
 - (a) The title or name of the school, ~~and~~ the names of the owners ***of the school~~thereof~~*** and, if the owner ***is*** to be a corporation, the names and addresses of the officers ***of the corporation~~thereof~~***;
 - (b) ***Except for corporations*** a statement that the owners of the **CDL** driver training school ~~[unless it be a corporation]~~ are each 21 years of age or over, are residents of this state, and have been ~~[such]~~ for at least one (1) year next preceding the application for ***the CDL driver training school*** license, and are each of good moral character;
 - (c) A description of the established place of business together with the hours during which the **CDL** driver training school is conducted and a description of the equipment and facilities used in **CDL** driver training;
 - (d) Evidence of liability insurance coverage of the **CDL** driver training school, the instructor, and students of the **CDL** driver training school while operating driver training school equipment. ~~The~~[Such]~~~~ insurance shall have minimum limits of not less than \$25,000 for bodily injury or death of one (1) person in any one accident and subject to the limit for any one person, \$50,000 for bodily injury or death of two (2) or more persons in any one accident and \$10,000 for damage to the property of others in any one accident. Evidence of insurance coverage shall also provide that the insurance coverage shall not be canceled except after ~~ten~~~~(10)~~ days prior notice in writing by the carrier to the ~~board~~~~[secretary]~~. Upon request by an applicant, the ~~board~~~~[Justice Cabinet]~~ shall review an application and provide a letter to the applicant that a proposed **CDL** driver training school has met all preliminary requirements for approval, except the provisions of this paragraph. The letter may be used by the applicant to help secure the liability insurance coverage needed under this paragraph to obtain a license to operate a school. A letter provided under this paragraph shall not be construed as approval to perform **CDL** driver's training or to operate a school.
- (2) Each original application for a license to operate a **CDL** driver training school and each application for renewal of a license to operate a **CDL** driver training school shall be accompanied by the payment of a fee of ***two hundred dollars***(\$200) to the ~~board~~~~[cabinet]~~ ***and written proof that the applicant has complied with the criminal history background check required by Section 3 of this Act. The application fee charged under this***

subsection shall not be refundable if, based upon the background check, the board denies the person the right to be issued a license under this chapter.

- (3) *The board shall pay the State Police to inspect and investigate CDL driver training schools under the requirements of subsection (4) of this section. The payment shall be an amount not greater than the actual cost of conducting the inspection and investigation.*
- (4) *Upon receipt of an application for a license to operate a CDL driver training school, the board shall request the State Police to investigate the person's program and verify the information contained in the application. The State Police shall contact the applicant and make an appointment to inspect the school's facilities. At the time of inspection, the State Police shall verify that the school meets the standards promulgated as administrative regulations under KRS Chapter 13A for license as a CDL driver training school. Upon request, the standards shall be furnished to the school by the board prior to the visit. If the standards are met, the school shall be licensed to offer instruction on how to operate a commercial motor vehicle including classifications, endorsements, and restrictions.*
- (5) Any person seeking a license to act as a **CDL** driver training instructor shall ~~apply~~~~[make verified application]~~ to the ~~board~~~~[cabinet]~~ on forms prepared and furnished by the ~~board~~~~[cabinet]~~ setting forth that the applicant is twenty-one (21) years of age or older; is of good moral character; is a high school graduate or has the equivalent of a high school education, or has equivalent experience; and holds a current and valid operator's license~~[issued by the cabinet]~~.
- ~~(6)~~~~(4)~~ Each original application for a license as a **CDL** driver training instructor and each application for renewal of a license as a **CDL** driver training instructor shall be accompanied by the payment of a fee of **twenty dollars**(\$20.00) to the ~~board~~~~[cabinet]~~ *and written proof that the applicant has complied with the criminal history background check required by Section 3 of this Act. The application fee charged under this subsection shall not be refundable if, based upon the background check, the board denies the person the right to be issued a license under this chapter.*
- (7) *In making the determination of good moral character under this section, the board shall consider, but shall not be limited to, the following:*
 - (a) *If the applicant has been convicted of a crime;*
 - (b) *The age of the applicant at the time any criminal conviction was entered;*
 - (c) *The length of time that has elapsed since the applicant's last criminal conviction; and*
 - (d) *The relationship of any crime convicted to the ability of the applicant to operate a CDL driver training school.*

Section 7. KRS 332.040 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

- (1) Upon receipt of a satisfactory application accompanied by the prescribed fee, the ~~board~~~~[secretary]~~ shall issue a license to the applicant.
- (2) If the license is issued to a **CDL** driver training school, it shall be **posted and at all times displayed in a conspicuous place so that all persons visiting the school may readily see the license**~~[prominently displayed on the premises of the school at all times]~~.
- (3) If the license is issued to a **CDL** driver training instructor, **the person shall carry the license**~~[it shall be carried on the person of the instructor]~~ at all times during which **the person**~~[he]~~ is actually giving instruction to any student. Upon request, the instructor shall exhibit the license to any student taking instruction from him **or her** and to any other person authorized by law to examine operator's licenses.

Section 8. KRS 332.050 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

- (1) Every license issued for the operation of a **CDL** driver training school shall expire on June 30 following the date of the issuance unless~~[sooner]~~ revoked or canceled **by the board**.
- (2) Before July 1 of each year every **CDL** driver training school shall apply for renewal of its license. The application shall be on forms prepared and furnished by the ~~board~~~~[cabinet]~~.

- (3) Every license issued to a **CDL** driver training instructor shall expire on June 30 following the date of the issuance unless ~~sooner~~ revoked or canceled **by the board**.
- (4) Before July 1 of each year every **CDL** driver training instructor shall apply for renewal of his **or her** license. ~~The~~~~Such~~ application shall be on forms prepared and furnished by the **board**~~cabinet~~.
- (5) All fees collected under this chapter or the **administrative**~~rules and~~ regulations adopted pursuant to this chapter shall be paid into the State Treasury and credited to a trust and agency fund to be used in defraying the costs and expenses of the administration of this chapter. No part of this fund shall revert to the general funds of the Commonwealth.

Section 9. KRS 332.060 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

- (1) The **board**~~secretary~~ shall, upon receipt of satisfactory evidence, suspend, revoke, refuse to issue or refuse to renew the license of a **CDL** driver training school or a **CDL** driver training instructor if:
 - (a) The licensee fails or refuses to comply with the provisions of this chapter or any **administrative**~~rule or~~ regulation adopted hereunder;
 - (b) The licensee has made a false material statement or has concealed a material fact in connection with his **or her** application;
 - (c) The licensee or any partner, or other person directly interested in the **CDL** driver training school held a license issued under this chapter which was revoked or suspended and not reinstated;
 - (d) The licensee has been guilty of a fraudulent practice in attempting to obtain for himself or another a license to operate a motor vehicle;
 - (e) Written notice of the cancellation of insurance required by **Section 6 of this Act**~~KRS 332.030~~ is received by the **board**~~secretary~~ and the licensee does not present satisfactory evidence of insurance to the secretary prior to the effective date of the cancellation.

Section 10. KRS 332.070 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

Any person whose license to conduct a **CDL** driver training school or any person whose license to give instructions in these schools has been suspended or revoked or the issue or renewal thereof is refused, may request a hearing. The request shall be in writing addressed to the **board**~~secretary~~ who shall conduct a hearing thereon as soon as possible. The hearing shall be conducted in accordance with KRS Chapter 13B. Any person may appeal from the final order of the **board**~~secretary~~ in the Franklin Circuit Court in accordance with KRS Chapter 13B.

Section 11. KRS 332.080 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

- (1) Every **CDL** driver training school and **CDL** driver training instructor shall maintain records showing the name, address, and instruction permit or operator's license number of each person to whom instruction is given. ~~The~~~~Such~~ records shall also indicate the type of instruction given and the length of time of ~~the~~~~such~~ instruction.
- (2) **The records required by this section shall be maintained in a manner identical to the retention requirements the Kentucky Community and Technical College System complies with for student records under KRS Chapter 171. The records shall also be available for inspection by the board**~~The records required by this section to be maintained shall be available for inspection by the secretary or his authorized representative~~, but shall otherwise remain confidential.

Section 12. KRS 332.090 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

A ~~CDL~~~~No~~ driver training school shall **not** be located within three hundred (300) feet of any governmental building in which is carried on any function having to do with the administration of any laws relating to motor vehicles.

Section 13. KRS 332.100 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

The ~~board~~^{secretary} shall, *within thirty (30) days of the effective date of this Act, promulgate administrative regulations under KRS Chapter 13A governing the following:*

- (1) *Standards for CDL driver training school office facilities, branch office facilities, classroom facilities, and off-the-road testing facilities;*
- (2) *Conflict of interest by persons associated with a CDL driver training school;*
- (3) *Requirements for the testing and licensing of CDL driver training instructors, including qualifications for classroom instructors and off-the-road and on-the-road instructors;*
- (4) *Maintenance and inspection of student instruction records, including documentation verifying the minimum course hours required under Section 4 of this Act have been completed before the student is issued a release from the CDL driver training school;*
- (5) *A schedule of fees or all charges made by the school including, but not limited to, administrative fees, registration fees, fees for classroom instruction, and fees for off-the-road and on-the-road training;*
- (6) *Contracts and agreements involving CDL driver training schools;*
- (7) *Advertising and solicitation of students by CDL driver training schools;*
- (8) *Inspections of commercial motor vehicles used by CDL driver training schools, including mandatory equipment and out-of-service criteria;*
- (9) *Insurance requirements for commercial motor vehicles used by CDL driver training schools; and*
- (10) *Procedures for the suspension, revocation, nonrenewal, and denial of an application for licensure as a CDL driver training school or licensure as a CDL driver training instructor*~~[have the power to make all rules and regulations, consistent with this chapter, necessary to carry out the provisions and purposes of this chapter].~~

Section 14. KRS 332.110 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

- (1) This chapter shall not apply to:
 - (a) Any school or educational institution which offers to full-time, regularly enrolled students as a part of its curriculum a course in driving instruction *for the purposes of obtaining a Kentucky Class D drivers license issued under KRS Chapter 186;*~~for to~~
 - (b) Automobile dealers and their salesmen who give instruction without charge to purchasers of motor vehicles; ~~or~~~~for to~~
 - (c) Employers who give instruction without charge to their employees.
- (2) This chapter shall not apply to any college within the Kentucky Community and Technical College System which offers to part-time students a course in drivers' instruction where there is *not a*~~no~~ school licensed pursuant to this chapter in the county.

Section 15. KRS 332.990 is repealed and reenacted as a new section of KRS Chapter 165A and amended to read as follows:

Any person who violates *Sections 5, 7, 11, or 12 of this Act*~~[KRS 332.020, subsections (2) and (3) of 332.040, 332.080, or 332.090]~~ shall be fined not less than \$100 nor more than \$300 or be imprisoned for not less than ten (10) days nor more than thirty (30) days, or both fined and imprisoned for each offense.

Section 16. KRS 186.895 is amended to read as follows:

The cabinet shall prepare *an annual*~~biennially a~~ report on the program to be submitted to the Governor and the Legislative Research Commission and made available to the public for review during the cabinet's normal business hours. The report shall include the number and location of courses offered, the number of instructors approved, the number of students trained in various courses, *the number of permits, licenses, and registrations issued, the amount of money collected by category for permits, licenses, and registrations,* other information about program implementation as the cabinet shall deem appropriate, and an assessment of the overall impact of the program on motorcycle safety in the state. The report shall also provide a complete accounting of revenue receipts of the motorcycle safety education program fund and of all moneys expended under the program.

SECTION 17. A NEW SECTION OF KRS CHAPTER 186 IS CREATED TO READ AS FOLLOWS:

- (1) *The provisions of KRS 186.890(1) and (2) notwithstanding, all revenues from the collection of fees relating to the Motorcycle Safety Education Program Fund shall be utilized to provide motorcycle safety programs. The Transportation Cabinet shall not deduct administrative costs from the Motorcycle Safety Education Program Fund.*
- (2) *The Transportation Cabinet shall report monthly to the Interim Joint Committee on Appropriations and Revenue on the revenues deposited into the Motorcycle Safety Education Program Fund, the expenditures incurred, and the available balance in the fund. In addition, the Transportation Cabinet shall identify the safety programs provided, the cost of the programs, location, and number of attendees.*

Section 18. The following KRS section is repealed:

332.010 Definitions.

Section 19. All current CDL driver training schools shall comply with the provisions of this Act prior to the school's license being renewed in 2002. All current CDL driver training instructors shall comply with the provisions of this Act prior to the instructor's license being renewed in 2002.

Section 20. Whereas the terrorist attacks of September 11, 2001, unveiled a war being waged on America and all Americans, both at home and abroad, by a wide spectrum of terrorists. And whereas United States Government officials have credible information that these cowardly terrorists are attempting to surreptitiously obtain commercial drivers licenses in order to commit criminal acts against the nation's infrastructure by using commercial motor vehicles as weapons of mass destruction. And whereas because the identities of these and future terrorists remain unknown, it is crucial for the Commonwealth to act as quickly as possible to protect its citizens, and by doing so protect all fellow Americans, through the strengthening of state laws governing the training and licensing of operators of commercial driver training schools and of commercial motor vehicles, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor, or upon its otherwise becoming a law.

Approved April 9, 2002

CHAPTER 281

(HB 338)

AN ACT relating to body armor.

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

Section 1. KRS 16.220 is amended to read as follows:

- (1) Subject to the duty to return confiscated firearms to innocent owners pursuant to KRS 500.090, all firearms confiscated by the Kentucky State Police and not retained for official use pursuant to KRS 500.090 shall be sold at public auction to federally licensed firearms dealers holding a license appropriate for the type of firearm sold. The Kentucky State Police shall transfer firearms that are to be sold to the Department of Finance, Division of Surplus Property, for sale. Proceeds of the sale shall be transferred to the account of the Department for Local Government for use as provided in subsection (3) of this section. Prior to the sale of any firearm, the Kentucky State Police shall make an attempt to determine if the firearm to be sold has been stolen or otherwise unlawfully obtained from an innocent owner and return the firearm to its lawful innocent owner, unless that person is ineligible to purchase a firearm under federal law.
- (2) The Kentucky State Police shall receive firearms and ammunition confiscated by or abandoned to every law enforcement agency in Kentucky. The Kentucky State Police shall dispose of the firearms received in the manner specified in subsection (1) of this section. However, firearms which are not retained for official use, returned to an innocent lawful owner, or transferred to another government agency or public museum shall be sold as provided in subsections (1) and (3) of this section.
- (3) The proceeds of firearms sales shall be utilized by the Department for Local Government to provide grants to city, county, charter county, and urban-county police **departments, university safety and security departments organized pursuant to KRS 164.950, and** sheriff's departments for the purchase of body armor for sworn peace officers of those departments **and service animals, as defined in KRS 525.010, of those departments.** Body armor purchased by the department receiving grant funds shall meet or exceed the standards issued by the National Institute of Justice for body armor. No police or sheriff's department shall apply for a grant to

replace existing body armor unless that body armor has been in actual use for a period of five (5) years or longer.

- (4) The Kentucky State Police may transfer a machine gun, short-barreled shotgun, short-barreled rifle, silencer, pistol with a shoulder stock, any other weapon, or destructive device as defined by the National Firearms Act which is subject to registration under the National Firearms Act, and is not properly registered in the national firearms transfer records for those types of weapons, to the Bureau of Alcohol, Tobacco, and Firearms of the United States Department of the Treasury, after a reasonable attempt has been made to transfer the firearm to an eligible state or local law enforcement agency or to an eligible museum and no eligible recipient will take the firearm or weapon. National Firearms Act firearms and weapons which are properly registered and not returned to an innocent lawful owner or retained for official use as provided in this section shall be sold to properly licensed dealers under subsection (3) of this section.

Section 2. KRS 45A.047 is amended to read as follows:

- (1) When an agency of Kentucky state government *or a public university safety and security department organized pursuant to KRS 164.950* disposes of firearms or ammunition owned by that agency, the disposition shall be by:
 - (a) Public auction to persons who are eligible under federal law to purchase the type of firearm or ammunition;
 - (b) Trade to the federally licensed firearms dealer providing new firearms or ammunition to the agency;
 - (c) Transfer to another government agency or government-operated museum in Kentucky for official use or display; or
 - (d) Sale to a retiring employee as authorized by law.
- (2) If the firearms or ammunition are sold, the proceeds of the sale shall be utilized solely for the purchase of body armor *for officers* meeting or exceeding National Institute of Justice standards, firearms, ammunition, or range facilities, or a combination thereof, by the agency of government. The provisions of this subsection shall not apply to the Department of Fish and Wildlife.
- (3) *Body armor purchased for a service animal shall be purchased only for an animal owned by the law enforcement agency specified in subsection (1) of this section.*

Approved April 9, 2002

CHAPTER 282

(SB 227)

AN ACT relating to sexual offenses.

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

Section 1. KRS 510.060 is amended to read as follows:

- (1) A person is guilty of rape in the third degree when:
 - (a) He engages in sexual intercourse with another person who is incapable of consent because he is mentally retarded or mentally incapacitated;~~or~~
 - (b) Being twenty-one (21) years old or more, he engages in sexual intercourse with another person less than sixteen (16) years old; *or*
 - (c) *Being twenty-one (21) years old or more, he engages in sexual intercourse with another person less than eighteen (18) years old and for whom he provides a foster family home as defined in KRS 600.020.*
- (2) Rape in the third degree is a Class D felony.

Section 2. KRS 510.090 is amended to read as follows:

- (1) A person is guilty of sodomy in the third degree when:

- (a) He engages in deviate sexual intercourse with another person who is incapable of consent because he is mentally retarded or mentally incapacitated;~~{or}~~
 - (b) Being twenty-one (21) years old or more, he engages in deviate sexual intercourse with another person less than sixteen (16) years old; *or*
 - (c) ***Being twenty-one (21) years old or more, he engages in deviate sexual intercourse with another person less than eighteen (18) years old and for whom he provides a foster family home as defined in KRS 600.020.***
- (2) Sodomy in the third degree is a Class D felony.
- Section 3. KRS 510.120 is amended to read as follows:
- (1) A person is guilty of sexual abuse in the second degree when:
- (a) He subjects another person to sexual contact who is incapable of consent because he is mentally retarded or mentally incapacitated;
 - (b) He subjects another person who is less than fourteen (14) years old to sexual contact;~~{or}~~
 - (c) Being an employee, contractor, vendor, or volunteer of the Department of Corrections, or a detention facility as defined in KRS 520.010, or of an entity under contract with either the department or a detention facility for the custody, supervision, evaluation, or treatment of offenders, he subjects an offender who is incarcerated, supervised, evaluated, or treated by the Department of Corrections, the detention facility, or the contracting entity, to sexual contact. In any prosecution under this paragraph, the defendant may prove in exculpation that, at the time he engaged in the conduct constituting the offense, he and the offender were married to each other; *or*
 - (d) ***Being twenty-one (21) years old or more, he subjects another person to sexual contact who is less than eighteen (18) years old and for whom he provides a foster family home as defined in KRS 600.020.***
- (2) Sexual abuse in the second degree is a Class A misdemeanor.

Approved April 9, 2002

CHAPTER 283

(HB 487)

AN ACT relating to the Department of Public Advocacy.

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

Section 1. KRS 31.010 is amended to read as follows:

There is hereby established as an independent agency of state government, attached for administrative purposes to the Public Protection and Regulation Cabinet, the Department of Public Advocacy, in order to provide for the establishment, maintenance and operation of a state sponsored and controlled system for:

- (1) The representation of indigent persons accused of crimes or mental states which may result in their incarceration or confinement; and
- (2) The pursuit of legal, administrative, and other appropriate remedies to insure the protection of the rights of ***persons with disabilities***~~{the developmentally disabled}~~. For the purposes of this chapter, "***persons with disabilities***~~{developmentally disabled}~~" shall ***refer to those persons eligible for protection and advocacy services under Public Laws 99-319, 102-569, 103-218, 106-170, and 106-402***~~{be defined as provided in Public Law 94-103, or}~~ ***and any other federal enabling statute hereafter enacted that defines the eligible client base for protection and advocacy services.***

Section 2. KRS 31.015 is amended to read as follows:

- (1) (a) The Public Advocacy Commission shall consist of the following members, none of whom shall be a prosecutor,~~{or}~~ law enforcement official, ***or judge***, who shall serve terms of four (4) years, except the initial terms shall be established as hereafter provided:

1. ~~{(a)}~~ Two (2) members appointed by the Governor;
 2. ~~{(b)}~~ One (1) member appointed by the *Governor. This member shall be a child advocate or a person with substantial experience in the representation of children* ~~{Speaker of the House of Representatives}~~;
 3. ~~{(c)}~~ One (1) member *who is the executive director of the Criminal Justice Council of the Justice Cabinet* ~~{appointed by the President Pro Tem of the Senate}~~;
 4. ~~{(d)}~~ Two (2) members appointed by the Kentucky Supreme Court;
 5. ~~{(e)}~~ Two (2) members, who are licensed to practice law in Kentucky and have substantial experience in the representation of persons accused of crime, appointed by the Governor from a list of *three* ~~(3) {five (5)}~~ persons submitted to him *for each individual vacancy* by the board of governors of the Kentucky Bar Association;
 6. ~~{(f)}~~ The dean, ex officio, of each of the law schools in Kentucky or his designee; and
 7. ~~{(g)}~~ One (1) member appointed by the Governor from a list of three (3) persons submitted to him *or her* by the *joint advisory boards of the Protection and Advocacy Division of the Department of Public Advocacy* ~~{Kentucky Protection and Advocacy Advisory Board}~~.
- (b) *Any member of the commission serving prior to the effective date of this Act shall serve until the expiration of his or her current term of office. Subsequent appointments shall be for a term of four (4) years from the date of expiration of the term for which his or her predecessor was appointed.*
- (2) At the first meeting of the commission, a drawing by lot shall be conducted to determine the length of each original member's term. Initially there shall be four (4) two (2) year terms, four (4) three (3) year terms, and four (4) four (4) year terms. Vacancies in the membership of the commission shall be filled in the same manner as original appointments. Appointments to fill vacancies occurring before the expiration of a term shall be for the remainder of the unexpired term.
 - (3) The commission shall first meet at the call of the Governor and thereafter as the commission shall determine on a regular basis, but at least quarterly, and shall be presided over by a chairperson elected by its members for a one (1) year term. A majority of commission members shall constitute a quorum, and decisions shall require the majority vote of those present; except that a recommendation to the Governor pertaining to the appointment, renewal of the appointment, or removal of the public advocate shall require a majority vote of the commission. Each member of the commission shall have one (1) vote, and voting by proxy shall be prohibited.
 - (4) The public advocate shall, upon appointment or renewal, be an ex officio member of the commission without vote, shall serve as secretary of the commission, and shall be entitled to attend and participate in all meetings of the commission except discussions relating to renewal of his term or his removal.
 - (5) Commission members ~~{shall serve without compensation but}~~ shall be reimbursed for reasonable and necessary expenses incurred while engaged in carrying out the duties of the commission *and shall receive one hundred dollars (\$100) per day for each meeting attended unless prohibited by law from receiving such compensation.*
 - (6) The commission shall:
 - (a) Receive applications, interview, and recommend to the Governor three (3) attorneys as nominees for appointment as the public advocate;
 - (b) Assist the public advocate in drawing up procedures for the selection of his staff;
 - (c) Review the performance of the public advocacy system and provide general supervision of the public advocate;
 - (d) Assist the Department of Public Advocacy in ensuring its independence through public education regarding the purposes of the public advocacy system; and
 - (e) Review and adopt an annual budget prepared by the public advocate for the system and provide support for budgetary requests to the General Assembly.

- (7) In no event shall the commission or its members interfere with the discretion, judgment or advocacy of employees of the Department of Public Advocacy in their handling of individual cases.

Section 3. KRS 31.030 is amended to read as follows:

The **authority and** duties of the Department of Public Advocacy shall include, but are not limited to:

- (1) Administering the statewide public advocacy system created by this chapter or by any other appropriate legislation or court decision;
- (2) Providing technical aid to local counsel representing indigents;
- (3) Assisting local counsel on appeals or taking appeals for local counsel, in the same manner as such appeals for the Commonwealth are presently handled by the Attorney General;
- (4) Developing and promulgating standards and regulations, rules, and procedures for administration of the defense of indigent defendants in criminal cases which the public advocate, statutes, or the courts determine are subject to public assistance;
- (5) Appointing ~~assistant district~~ public advocates;
- (6) Reviewing local plans for providing counsel for indigents;
- (7) Conducting research into, **and developing and implementing** methods of, improving the operation of the criminal justice system with regard to indigent defendants and other defendants in criminal actions;
- (8) Issuing such rules, regulations, and standards as may be reasonably necessary to carry out the provisions of this chapter, the decisions of the United States Supreme Court, the decisions of the Kentucky Supreme Court, Court of Appeals, and other applicable court decisions or statutes;
- (9) Being authorized to pursue legal, administrative, and other appropriate remedies to insure the protection of the rights of ~~persons with disabilities~~ **the developmentally disabled**; ~~and~~
- (10) ***Being authorized to purchase liability insurance for the protection of all full-time public advocates, deputy public advocates, and assistant public advocates to protect them from liability for malpractice arising in the course or scope of employment and for the protection of attorneys with whom the Department of Public Advocacy contracts to protect them from liability for malpractice arising in the course or scope of the contract;***
- (11) ***Being authorized to seek and apply for and solicit funds for the operation of the defense of the indigent, or protection of the persons with disabilities programs from any source, public or private, and to receive donations, grants, awards, and similar funds from any legal source. Those funds shall be placed in a special account for the Department of Public Advocacy and those funds shall not lapse;***
- (12) ***Being authorized to assign a substitute attorney, for good cause, at any stage of representation, including appeal or other post-conviction proceeding. The substitute attorney shall have the same functions with respect to the needy person as the attorney for whom he or she is substituted; and***
- (13) Do such other things and institute such other programs as are reasonably necessary to carry out the provisions of this chapter, or those decisions or statutes which are the subject of subsection (8) of this section.

Section 4. KRS 31.035 is amended to read as follows:

- (1) There shall be ~~an~~ advisory ~~boards~~ **Board** for the Protection and Advocacy Division of the Department of Public Advocacy ***as set forth in Public Laws 99-319 and 106-402 and their implementing regulations. Each shall be*** comprised of not more than seventeen (17) citizen members appointed for ***terms of not less than*** ~~a term of~~ two (2) years by the ***Protection and Advocacy Division Director*** ~~public advocate. The board members shall be either developmentally disabled themselves or parents or representatives of persons who are developmentally disabled.~~
- (2) The advisory ~~boards~~ **board** shall meet at least quarterly and on other occasions as may be necessary upon the call of the ***Protection and Advocacy Division Director*** ~~public advocate~~.
- (3) The members of the advisory ~~boards~~ **board** shall receive no compensation for their services, but shall be reimbursed for all expenses incurred through the performance of their duties as members of ***their respective*** ~~the~~ advisory board. No member of ***any*** ~~the~~ board shall be held to be a public officer by reason of his ***or her*** membership on the board.

Section 5. KRS 31.050 is amended to read as follows:

- (1) The public advocate shall review and approve or deny or suggest modifications to all plans which are submitted to the Department of Public Advocacy for defense of indigent persons.
- (2) If the plan for defense of indigent persons is approved, the public advocate may allot a sufficient sum, subject to the approval of the secretary of the Finance and Administration Cabinet to the county or counties in the judicial circuit involved for the purpose of assisting the said plan. ~~The moneys shall be divided among the counties in the circuit as provided by the plan which is submitted.~~
- (3) At the end of each funding period, any moneys not expended shall revert to the state Department of Public Advocacy.
- (4) Counties, *urban-counties, charter counties, consolidated local governments*, and other units submitting applications under this chapter shall be obligated to pay and shall pay all costs incurred in their own defense of indigent programs which are in excess of the maximum amount allotted or other maximum amount of grant as specified in this chapter.
- (5) *The fiscal court; legislative body of the urban-county, charter county, or consolidated local government; or nonprofit corporation is authorized to seek and apply for and solicit funds for the operation of the defense of the indigent from any source, public or private, and to receive donations, grants, awards, and similar funds from any legal source.*
- (6) *A defending attorney shall keep appropriate records respecting each needy person whom he or she represents under this chapter.*
- (7) *The public advocate, nonprofit organization, or person administering a public advocacy plan shall submit an annual report to the Department of Public Advocacy showing the number of persons represented under this chapter, the crimes involved, the outcome of each case, and the expenditures, totalled by kind, made in carrying out the responsibilities imposed by this chapter.*

Section 6. KRS 31.060 is amended to read as follows:

- (1) Each county, *urban-county, charter county, and consolidated local government* with a judicial district containing ten (10) or more circuit judges shall establish and maintain an office ~~off for district~~ public advocacy and submit a plan for the operation thereof to the Department of Public Advocacy. If the plan submitted is approved by the Department of Public Advocacy, the public advocate shall grant to the county, *urban-county, charter county, or consolidated local government* the amount to which it would be entitled under KRS 31.050(2) which shall be used as the Commonwealth's share in defraying the expenses of the program in that *county, urban-county, charter county, or consolidated local government* ~~district. The county and other units contributing to the costs of the program shall be obligated to pay and shall pay all costs incurred in the operation of the defense of the indigents program which are in excess of the state contribution. Any excess of moneys remaining at the end of the funding period shall be returned to the Department of Public Advocacy.~~
- (2) *A county, urban-county, charter county, or consolidated local government identified in subsection (1) of this section shall contribute to the funding of the plan selected and approved in such amounts as the Department of Public Advocacy shall deem reasonable and necessary.*

Section 7. KRS 31.065 is amended to read as follows:

- (1) (a) *The fiscal court of each county; or legislative body of an urban-county, charter county, or consolidated local government; except a county, urban-county, charter county, or consolidated local government wherein the judicial district is required to maintain a public advocate under this chapter, may provide for the representation of needy persons by:*
 1. *Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations, or an association of attorneys to provide the legal services required in this chapter, provided there are suitable attorneys available willing to provide these services for reasonable compensation;*
 2. *Establishing and maintaining an office for public advocacy; or*
 3. *Adopting any combination of the options provided for in subparagraphs 1. and 2. of this paragraph.*

- (b) *The fiscal court of a county; or the legislative body of an urban-county, charter county, or consolidated local government; may join with one (1) or more other counties, urban-counties, charter counties, or consolidated local governments in its judicial district or elsewhere or with any cities located within the county, urban-county, charter county, or consolidated local government or counties, urban-counties, charter counties, or consolidated local governments in providing this representation. These agreements shall be made pursuant to the provisions of KRS Chapter 65.*
 - (c) *If it elects to establish and maintain an office of public advocacy, and if the appropriate legislative authorities and fiscal courts concerned respectively agree on qualifications, term of office, compensation, support, and appointment under subsection (1) of Section 8 of this Act, the fiscal court of a county; or the legislative body of an urban-county, charter county, or consolidated local government; may join with cities within the county, urban-county, charter county, or consolidated local government and with the legislative body of one (1) or more other counties, urban-counties, charter counties, or consolidated local governments to establish and maintain a joint office of public advocacy. In that case, the participating counties, urban-counties, charter counties, or consolidated local governments shall be treated for the purposes of this chapter as if they were one (1) county, urban-county, charter county, or consolidated local government. The agreements shall be made pursuant to the provisions of KRS Chapter 65.*
- (2) If a county, *urban-county, charter county, or consolidated local government*~~[-or district]~~ chooses *not to submit a plan under subsection (1) of this section*,~~[none of the alternatives provided by KRS 31.160]~~ or if a plan submitted to the public advocate is denied as provided by KRS 31.050, then the public advocate may establish for a county containing less than ten (10) Circuit Judges or a group of counties a local public advocacy system by:
- (a)~~[(1)]~~ Contracting with one (1) or more attorneys, professional service corporations, nonprofit organizations, or an association of attorneys to provide the legal services required in this chapter; provided there are suitable attorneys available who are willing to provide those services for reasonable compensation; or
 - (b)~~[(2)]~~ Providing an office ~~of~~~~[-for district]~~ public advocacy, which shall be staffed by *an assistant*~~[-a district]~~ public advocate *who directs the office and* who shall be an attorney, and any number of assistant~~[-district]~~ public advocates and other personnel necessary to perform adequately the functions of said office.

Section 8. KRS 31.170 is repealed, reenacted as a new section of KRS Chapter 31 to be numbered as KRS 31.071, and amended to read as follows:

- (1) If the fiscal court of a county; *or legislative body of an urban-county, charter county, or consolidated local government*; elects to establish and maintain an office for public advocacy, it shall:
 - (a) Appoint the~~[-district]~~ public advocate and any number of assistant~~[-district]~~ public advocates necessary to adequately perform the functions of said office.
 - (b) Prescribe the qualifications of the~~[-district]~~ public advocate, his term of office which may not be more than four (4) years and fix the rate of annual compensation for him and his assistants. In order to be qualified for appointment as~~[-district]~~ public advocate a person must have been admitted to the practice of law and licensed to practice in the Commonwealth of Kentucky and be competent to counsel and defend a person charged with a crime.
 - (c) Provide for the establishment, maintenance and support of *the*~~[-his]~~ office.
- (2) If the fiscal court of a county; *or the legislative body of an urban-county, charter county, or consolidated local government*; elects to arrange with a nonprofit organization to provide attorneys, the county, *urban-county, charter county, or consolidated local government* and any cities involved *shall provide for the establishment, maintenance, and support of that organization or shall*~~[-may]~~ reimburse the organization for such expenses~~[-as the fiscal courts respectively concerned have determined to be necessary in the representation of needy persons under this chapter, or may provide facilities described in KRS 31.180(2)(a) in addition to or in lieu of said reimbursement].~~
- (3) If, in a county where the fiscal court; *or in an urban-county, charter county, or consolidated local government where the legislative body*; has elected to provide representation under subsection (1) or (2) of this section, after finding that the fiscal court, *or legislative body*, fails to provide an attorney to a person

eligible for representation under KRS Chapter 31, a court assigns, under the court's inherent authority, an attorney to represent a needy person it shall prescribe a reasonable rate of compensation for his services and shall determine the direct expenses necessary to representation for which he would be reimbursed. The county, **urban-county, charter county, or consolidated local government** shall pay the attorney the amounts so prescribed from the funds made available by the Department of Public Advocacy.

- (4) An attorney under subsection (3) shall be compensated for his services with regard to the complexity of the issues, the time involved, and other relevant considerations. However, no fee shall be paid in excess of the prevailing maximum fee per attorney paid by the Department of Public Advocacy for the type of representation provided, and no hourly rate shall be paid in excess of the prevailing hourly rate paid by the Department of Public Advocacy for the type of representation provided.

Section 9. KRS 31.165 is repealed, re enacted as a new section of KRS Chapter 31 to be numbered as KRS 31.085, and amended to read as follows:

All plans authorized by **this chapter** ~~[KRS 31.160]~~ shall conform to all rules and regulations promulgated by the Department of Public Advocacy.

Section 10. KRS 31.100 is amended to read as follows:

~~[With regard to the district public advocate and approved local programs of providing counsel for indigents]~~ The following terms and standards shall apply, subject to further definition and regulation by the Department of Public Advocacy.

- (1) "Detain" means to have in custody or otherwise deprive of freedom of action;
- (2) "Expenses," when used with reference to representation under this chapter, includes the expenses of investigation, other preparation, and trial, together with the expenses of any appeal;
- (3) "Needy person" or "indigent person" means:
 - (a) A person, eighteen (18) years of age or older, or emancipated minor under the age of eighteen (18), who at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;
 - (b) A minor, under the age of eighteen (18), who is party defendant in an action **of being an habitual runaway from his or her parent or person exercising control or supervision of the child brought under KRS 630.020(1) or of being beyond the control of parents** brought under KRS 630.020(2), and at the time his need is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation;
 - (c) An unemancipated minor, under the age of eighteen (18), **who allegedly has** ~~alleged to have~~ committed an offense as described in KRS 610.010(1)(a), **or who allegedly is beyond the control of the school as described in KRS 610.010(1)(b), or who allegedly is an habitual truant from school as described in KRS 610.010(1)(c), or who allegedly is an habitual runaway as described in KRS 610.010(1)(d),** whose custodial parent or guardian at the time the need of the minor is determined is unable to provide for the payment of an attorney and all other necessary expenses of representation, and who cannot personally so provide; or
 - (d) An unemancipated minor, under the age of eighteen (18), alleged to have committed an offense as described in KRS 610.010(1)(a), **(b), (c), or (d),** whose custodial parent or guardian at the time the need of the minor is determined **has interests adverse to the child relevant to the charged offenses and who** is able to provide for the payment of an attorney and all other necessary expenses of representation, when such representation is not provided or is not consented to by the unemancipated minor;
- (4) "Serious crime" includes:
 - (a) A felony;
 - (b) A misdemeanor or offense any penalty for which includes the possibility of confinement ~~or a fine of five hundred dollars (\$500) or more;~~
 - (c) Any legal action which could result in the detainment of a defendant; and
 - (d) An act that, but for the age of the person involved, would otherwise be a serious crime.

Section 11. KRS 31.110 is amended to read as follows:

- (1) A needy person who is being detained by a law enforcement officer, on suspicion of having committed, or who is under formal charge of having committed, or is being detained under a conviction of, a serious crime, ***or who is accused of having committed a public or status offense or who has been committed to the Department of Juvenile Justice or Cabinet for Families and Children for having committed a public or status offense as those are defined by KRS 630.020(2) or KRS 610.010(1)(a), (b), (c), or (d)*** is entitled:
 - (a) To be represented by an attorney to the same extent as a person having his own counsel is so entitled; and
 - (b) To be provided with the necessary services and facilities of representation including investigation and other preparation. The courts in which the defendant is tried shall waive all costs.
- (2) A needy person who is entitled to be represented by an attorney under subsection (1) is entitled:
 - (a) To be counseled and defended at all stages of the matter beginning with the earliest time when a person providing his own counsel would be entitled to be represented by an attorney and including revocation of probation or parole;
 - (b) To be represented in any appeal; and
 - (c) To be represented in any other post-conviction, ***or, if a minor under the age of eighteen (18), post-disposition*** proceeding that the attorney and the needy person considers appropriate. However, if the counsel appointed in such post-conviction, ***or, if a minor under the age of eighteen (18), post-disposition*** remedy, with the court involved, determines that it is not a proceeding that a reasonable person with adequate means would be willing to bring at his own expense, there shall be no further right to be represented by counsel under the provisions of this chapter.
- (3) A needy person's right to a benefit under subsection (1) or (2) is not affected by his having provided a similar benefit at his own expense, or by his having waived it, at an earlier stage.
- (4) ***A person, whether a needy person or not, who is a minor under the age of eighteen (18) and who is in the custody of the Department of Juvenile Justice and is residing in a residential treatment center or detention center is entitled to be represented on a legal claim related to his or her confinement involving violations of federal or state statutory rights or constitutional rights.***

Section 12. KRS 31.120 is amended to read as follows:

- (1) The determination of whether a person covered by KRS 31.110 is a needy person shall be deferred no later than his first appearance in court or in a suit for payment or reimbursement under ***Section 14 of this Act***~~KRS 31.150~~, whichever occurs earlier. Thereafter, the court concerned shall determine, with respect to each step in the proceedings, whether he is a needy person. However, nothing herein shall prevent appointment of counsel at the earliest necessary proceeding at which the person is entitled to counsel, upon declaration by the person that he is needy under the terms of this chapter. In that event, the person involved shall be required to make reimbursement for the representation involved if he later is determined not a needy person under the terms of this chapter.~~[At arraignment, the court shall conduct a nonadversarial hearing to determine whether a person who has requested a public defender is able to pay a partial fee.]~~
- (2) In determining whether a person is a needy person and in determining the extent of his, and, in the case of an unemancipated minor under KRS 31.100(3)(c), his custodial parent's or guardian's inability to pay, the court concerned shall consider such factors as:
 - (a) Income;~~[;]~~
 - (b) ***Source of income;***
 - (c) Property owned;~~[;]~~
 - (d) ***Number of motor vehicles owned and in working condition;***
 - (e) ***Other assets;***
 - (f) Outstanding obligations;~~[; and]~~
 - (g) The number and ages of his ***or her*** dependents;

- (h) *The poverty level income guidelines compiled and published by the United States Department of Labor;*
- (i) *Complexity of the case;*
- (j) *Amount a private attorney charges for similar services;*
- (k) *Amount of time an attorney would reasonably spend on the case; and*
- (l) *Payment of money bail, other than a property bond of another, whether deposited by the person or another, to secure the person's release from confinement on the present charge of which he or she stands accused or convicted; and*
- (m) *Any other circumstances presented to the court relevant to financial status.*

Release on bail, or any other method of release provided in KRS Chapter 431, shall not necessarily prevent him from being a needy person. In each case, the person, and, if an unemancipated minor under KRS 31.100(3)(c) and (d), his custodial parent or guardian, subject to the penalties for perjury, shall certify by affidavit of indigency which shall be compiled by the pretrial release officer, as provided under KRS Chapter 431 and Supreme Court Rules or orders promulgated pursuant thereto, the material factors relating to his ability to pay in the form the Supreme Court prescribes.

- (3) ~~It shall be prima facie evidence that a person is not indigent or needy within the meaning of this chapter if he and, in the case of an unemancipated minor under KRS 31.100(3)(c) and (d), if his custodial parent or guardian:~~
- ~~(a) Owns real property in the Commonwealth or without the Commonwealth;~~
 - ~~(b) Is not receiving, or if not receiving is not eligible to receive, public assistance payments at the time the affidavit of indigency is executed;~~
 - ~~(c) Has paid money bail (other than a property bond of another), whether deposited by himself or another, to secure his release from confinement on the present charge of which he stands accused or convicted; or~~
 - ~~(d) Owns more than one (1) motor vehicle.~~
- (4) ~~To the extent that a person covered by KRS 31.110, and, in the case of an unemancipated minor under KRS 31.100(3)(c) and (d), his custodial parent or guardian, is able to provide for an attorney, the other necessary services and facilities of representation, and court costs, the court shall order payment in an amount determined by the court and may order that the payment be made in a lump sum or by installment payments. The determination shall be made at each stage of the proceedings.~~
- (5) ~~The court shall order all moneys collected pursuant to subsection (4) of this section be paid to the clerk of that court pursuant to the schedule of payment. The clerk shall forward to the Department of Public Advocacy on a monthly basis a copy of all the orders or an electronic report compiled by the Administrative Office of the Courts listing those orders. Additionally, the clerk shall forward to the Department of Public Advocacy on a monthly basis an accounting of and the moneys collected in each case.~~
- (6) The affidavit of indigency, to be subscribed and sworn to by the person, and, in the case of an unemancipated minor under KRS 31.100(3)(c), by his custodial parent or guardian, shall be as set out herein ***and contain, at a minimum, the following information:***

"Commonwealth of Kentucky

County of.....

Affiant....., being first duly sworn says that he ***or she*** is not now represented by private counsel and that he does not have the money or assets out of which to employ one; that he ***or she*** is indigent and requests the court to appoint counsel.

Affiant states that he or she is presently (fill in the blank with one (1) of the following: unemployed, employed full-time, employed part-time, or employed on a seasonal basis).....

Affiant states that his ***or her weekly*** income is; ***and that he or she receives (circle any of the following which apply and fill in the blank if necessary)***

*Welfare**Food stamps**Social Security**Workers' compensation**Unemployment**Retirement disability**Other.....**Affiant states that he or she* owns the following property:

Description	Value
.....
.....
.....;

Affiant states that he *or she* has the following dependents:

Name	Age	Relationship
.....
.....
.....;

Affiant states~~and~~ that he *or she* has the following obligations:

To whom owed	Amount owing
.....
.....
.....

Affiant understands and has been advised that he or she may be held responsible for the payment of part of the cost of legal representation. Affiant also understands that the cost of payment for legal representation will be determined by the judge after considering affiant's financial condition, what private attorneys charge for similar services, how complicated the affiant's case is, and the amount of time affiant's attorney spends on affiant's case.

Signature of affiant

Subscribed and sworn to before me this, day of, 20~~19~~..........
Signature and title of officer

administering the oath

Perjury Warning: *Affiant understands that any person knowingly*~~persons~~ making false statements in the above affidavit shall be subject to the penalties for perjury under KRS Chapter 523, the maximum penalty for which is five (5) years imprisonment. "Affiant declares under penalty of perjury that he or she has read the above affidavit and that it is true and complete to the best of his or her knowledge."

Section 13. KRS 31.185 is amended to read as follows:

- (1) Any defending attorney operating under the provisions of this chapter is entitled to use the same state facilities for the evaluation of evidence as are available to the attorney representing the Commonwealth. If he *or she* considers their use impractical, the court concerned may authorize the use of private facilities to be paid for on court order *from the special account of the Finance and Administration Cabinet*~~by the county~~.

- (2) *The defending attorney may request to be heard ex parte and on the record with regard to using private facilities under subsection (1) of this section. If the defending attorney so requests, the court shall conduct the hearing ex parte and on the record.*
- (3) *Any direct expense, including the cost of a transcript or bystander's bill of exceptions or other substitute for a transcript that is necessarily incurred in representing a needy person under this chapter, is a charge against the county, urban-county, charter county, or consolidated local government on behalf of which the service is performed and shall be paid from the special account established in subsection (4) of this section and in accordance with procedures provided in subsection (5) of this section. However, such a charge shall not exceed the established rate charged by the Commonwealth and its agencies.*
- (4) The fiscal court of each county or legislative body of an urban-county government shall annually appropriate twelve and a half cents (\$0.125) per capita of the population of the county, as determined by the Council of Local Governments' most recent population statistics, to a special account to be administered by the Finance and Administration Cabinet to pay court orders entered against counties pursuant to subsection (1) **or** (3) of this section. The funds in this account shall not lapse and shall remain in the special account.
- (5)~~(3)~~ The Finance and Administration Cabinet shall pay all court orders entered pursuant to subsection (1) **or** (3) of this section from the special account until the funds in the account are depleted. If in any given year the special account including any funds from prior years is depleted and court orders entered against counties pursuant to subsection (1) **or** (3) of this section for that year or any prior year remain unpaid, the Finance and Administration Cabinet shall pay those orders from the Treasury in the same manner in which judgments against the Commonwealth and its agencies are paid.
- (6) *Expenses incurred in the representation of needy persons confined in a state correctional institution shall be paid from the special account established in subsection (4) of this section and in accordance with the procedures provided in subsection (5) of this section.*
- (7)~~(4)~~ Only court orders entered after July 15, 1994, shall be payable from the special account administered by the Finance and Administration Cabinet or from the Treasury as provided in subsections (4) **and** (5)~~(2) and (3)~~ of this section.

SECTION 14. A NEW SECTION OF KRS CHAPTER 31 IS CREATED TO READ AS FOLLOWS AND TO BE NUMBERED AS KRS 31.211:

- (1) *At arraignment, the court shall conduct a nonadversarial hearing to determine whether a person who has requested a public defender is able to pay a partial fee for legal representation, the other necessary services and facilities of representation, and court costs. The court shall order payment in an amount determined by the court and may order that the payment be made in a lump sum or by installment payments to recover money for representation provided under this chapter. This partial fee determination shall be made at each stage of the proceedings.*
- (2) *If the partial fee, or any portion thereof, is not paid by the due date, the court's order is a civil judgment subject to collection under Civil Rule 69.03 and KRS Chapter 426.*
- (3) *All moneys received by the public advocate from indigent defendants pursuant to subsection (1) of this section shall be credited to the public advocate fund of the county in which the trial is held if the county has a plan pursuant to Section 6 of this Act or subsection (1) of Section 7 of this Act which has been approved by the public advocate pursuant to Section 5 of this Act. Moneys credited to a county public advocate fund may be used only to support the public advocate program of that county.*
- (4) *All moneys collected by the public advocate from indigent defendants pursuant to subsection (1) of this section in counties with a local public advocacy system established by the public advocate pursuant to subsection (2) of Section 7 of this Act shall be credited to the Department of Public Advocacy special trust and agency account to be used to support the state public advocacy system.*
- (5) *If a person receives legal assistance or other benefit under this chapter to which he or she is not entitled or if a person receives legal assistance under this chapter and is financially able to pay for representation on the date the suit is brought, the public advocate, on behalf of the Commonwealth, shall recover, where practical, payment or reimbursement, as the case may be, from the person who received the legal assistance or his or her estate. Suit shall be brought within five (5) years after the date on which the aid was received.*

- (6) *Any attorney participating in a public advocacy plan shall forward all information which he or she may have which indicates that payment or reimbursement may be obtained pursuant to subsection (5) of this section.*
- (7) *The duty of recovery contemplated by subsection (5) of this section shall extend against persons who were the custodial parents or guardians of unemancipated minors at the time these minors were deemed needy as defined in subsection (3)(c) or (3)(d) of Section 10 of this Act.*
- (8) *All moneys collected under this section shall be placed in a special trust and agency account for the Department of Public Advocacy, and the funds shall not lapse.*

Section 15. KRS 31.250 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.215, to read as follows:

- (1) Except for attorneys appointed pursuant to KRS 620.100, 625.041, 625.080, and 31.120, no attorney participating in a public advocacy plan shall accept any fees for the representation of any needy person as defined in this chapter from that person or anyone for his benefit and the fees for representation of that person shall be limited to the fees provided in this chapter. "Fees" shall include cash, property, or other pecuniary benefits of any kind.
- (2) Any attorney participating in a public advocacy plan who receives or attempts to collect a fee from a needy person as prohibited by subsection (1) above shall be guilty of a Class D felony.

Section 16. KRS 31.115 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.219, to read as follows:

- (1) It shall be the duty of the attorney representing a client under any public advocacy plan to perfect an appeal if his client requests an appeal.
- (2) After the attorney has filed a notice of appeal as required by the Rules of Criminal Procedure, he shall forward to the Department of Public Advocacy a copy of the final judgment, the notice of appeal, a statement of any errors committed in the trial of the case which should be raised on appeal, and a designation of that part of the record that is essential to the appeal.
- (3) No attorney participating in any public advocacy plan shall be compensated for his services until he has perfected an appeal for a client who requests an appeal and has filed the information required in subsection (2) of this section.
- (4) Any public advocacy attorney who is representing a client on appeal who after a conscientious examination of said appeal believes the appeal to be wholly frivolous after careful examinations of the record may request the court to which the appeal has been taken for permission to withdraw from the case. The attorney must file with that request a brief which sets forth any arguments which might possibly be raised on appeal. A copy of the request for permission to withdraw and the brief must be served upon the client in sufficient time so that the client may raise any argument he chooses to raise.

Section 17. KRS 31.220 is amended to read as follows:

This chapter applies only to representation in the courts of this state, except that it does not prohibit a defending attorney from representing a needy person in a federal court of the United States, if:

- (1) The matter arises out of or is related to an action pending or recently pending in a court of criminal jurisdiction of the state; or
- (2) Representation is under a plan of the United States District Court as required by the Criminal Justice Act of 1964 (18 U.S.C. 3006A) ~~and is approved by the fiscal court.~~

Section 18. KRS 31.070 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.235, to read as follows:

If a court, after finding that the Department of Public Advocacy fails to provide an attorney to a person eligible for representation under KRS Chapter 31, appoints, under the court's inherent authority, an attorney to provide representation to the needy person, the public advocate is hereby authorized to pay reasonable and necessary fees and expenses subject to the following limitations:

- (1) No fee shall be paid in excess of the prevailing maximum fee per attorney paid by the Department of Public Advocacy for the type of representation provided, and no hourly rate shall be paid in excess of the prevailing hourly rate paid by the Department of Public Advocacy for the type of representation provided; and
- (2) Each fee plus expenses incurred in the defense shall be presented by the defense attorney to the Circuit Judge who shall review the fee and expenses request and shall approve, deny, or modify the amount of compensation and fee listed therein. After final approval of the fee and expenses the Circuit Judge shall, if state compensation is desired, certify the amount and transmit the document to the public advocate who shall review the fee and expense request and shall approve, deny, or modify the request. The request as approved or modified shall then be paid. Requests for payment of assigned counsel by the state shall be denied if the district has exceeded the amount of funds which may be allotted to it, if the district plan has not been approved, or if the public advocate finds that compensation is otherwise not warranted. The decision of the public advocate in all matters of fee and expense compensation shall be final.

Section 19. KRS 31.230 is repealed and reenacted as a new section of KRS Chapter 31, to be numbered as KRS 31.241, to read as follows:

The protections provided by this chapter do not exclude any protection or sanction that the law otherwise provides.

Section 20. The following KRS sections are repealed:

- 31.025 Liability insurance for full-time public advocates.
- 31.051 Moneys from indigent defendants credited to fund of county where trial held -- Use -- Administrative fee assessed on persons for whom counsel is provided.
- 31.080 Public advocate -- Solicitation of funds for programs.
- 31.090 Funding deficiencies.
- 31.130 Assignment of substitute attorney.
- 31.150 Recovery of money wrongfully received.
- 31.160 Provisions for joint representation by counties, cities and districts.
- 31.190 Appropriation of money by fiscal court and cities.
- 31.180 Facilities and services available to public advocates.
- 31.200 Expenses chargeable to county and to public advocate.
- 31.210 Annual reports -- Records.
- 31.240 Compensation by counties of public advocates -- State contributions.

Approved April 9, 2002

CHAPTER 284

(HB 809)

AN ACT relating to access for the abatement of a surface mining violation and declaring an emergency.

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

Section 1. KRS 350.280 is amended to read as follows:

- (1) (a) ***As used in this section, "he or she" includes "person" as defined in KRS 350.010.***
- (b) If a permittee or operator has been issued a notice or order directing abatement of a violation on the basis of an imminent danger to health and safety of the public or significant imminent environmental harm, ***and the violation involves an order of cessation and immediate compliance or an order to abate and alleviate in which the cabinet directs the permittee or operator to begin immediate abatement of the violation,*** and the notice or order requires access to property for which the permittee or operator does not have the legal right of entry necessary in order to abate that violation, and the owner or legal occupant of that property has refused access, an easement of necessity is recognized on

behalf of the permittee or operator for the limited purpose of abating that violation. *The easement of necessity becomes effective, and the permittee or operator is authorized to enter the property to undertake immediate action to abate the violation if he or she concurrently:*

1. *Provides to the property owner or legal occupant a copy of the cabinet's order;*
 2. *Provides to the property owner or legal occupant and cabinet an affidavit that he or she has been denied access to the property; and*
 3. *Provides to the property owner or legal occupant a statement that he or she, the permittee or operator, will obtain an appraisal completed by a certified real estate appraiser or other qualified appraiser of the damages to the property, including loss of use, that will result from the violation, as abated, and those that are likely to occur to the property when the permittee or operator enters the property in order to abate the violation, that the appraisal will be completed and provided to the property owner or legal occupant within three (3) days of entry of the operator or permittee, and that he or she will pay the property owner or legal occupant the amount of the damages in the permittee or operator's appraisal at that time.*
- (c) *Following the effective date of the easement of necessity, the following procedure shall be followed with respect to the appraisal of the damages that will result from the violation, as abated, and those that are likely to occur to the property when the permittee or operator enters the property in order to abate the violation:*
1. *The permittee or operator shall have an appraiser on the site and have his or her appraisal completed and submitted to the property owner or legal occupant within three (3) days of entry on the property by the operator or permittee;*
 2. *The property owner or legal occupant shall accept or reject this appraisal in writing within three (3) days of receipt of the completed appraisal;*
 3. *If the property owner or legal occupant rejects this appraisal, he or she may hire a certified real estate appraiser or other qualified appraiser to appraise the damages, including loss of use, that will result from the violation, as abated, and those that are likely to occur to the property if the permittee or operator is allowed to enter the property in order to abate the violation. Upon receipt of the invoice the permittee or operator shall pay for the property owner or legal occupant's appraisal up to the amount he or she paid for his or her own appraisal; and*
 4. *If the property owner or legal occupant has the appraisal done, he or she shall have it completed and provided to the permittee or operator within seven (7) days of receipt of the permittee or operator's completed appraisal.*
- (d) *If the property owner or legal occupant has an appraisal done, and if, based on his or her appraisal and the permittee or operator's appraisal, an agreement is not reached on the appraised damages, the permittee or operator shall pay the property owner or legal occupant the amount of the permittee or operator's appraisal damages, and if the property owner or legal occupant's appraisal damages are for more than the permittee or operator's, the permittee or operator shall pay the difference to the circuit clerk, in the county in which the majority of the property lies, to be placed in an interest-bearing account in a bank until final resolution of the matter by agreement or court or jury judgment. If the property owner or legal occupant is granted award of some or all of the difference, he or she shall also receive the interest on that portion of the difference.*
- (e) *If the property owner or legal occupant does not accept or reject the permittee or operator's appraisal and offer of funds for damages, the operator or permittee shall pay the appraised damages to the Circuit Clerk within three (3) business days of the nonacceptance. These funds shall be placed in an interest-bearing account in a bank until resolution of the matter by agreement or court or jury judgment.*
- (2) *If a permittee or operator has been issued a notice or order directing abatement of a violation other than one described in subsection (1) of this section, and the notice or order requires access to property for which the permittee or operator does not have the legal right of entry necessary in order to abate that violation, and the owner or legal occupant of that property has refused access, an easement of necessity is recognized on behalf of the permittee or operator, for the limited purpose of allowing a certified real estate appraiser or other qualified appraiser, chosen by the permittee or operator, to enter upon the property to which the*

owner or legal occupant has refused access in order for the appraiser to appraise the damages, including loss of use, that will result from the violation, as abated, and those that are likely to occur to the property if the permittee or operator is allowed to enter the property in order to abate the violation.

- (3) (a) *The easement for the limited purpose of allowing the appraisal shall be recognized and take effect when the operator or permittee:*
 1. *Provides to the property owner or legal occupant a copy of the cabinet's order;*
 2. *Provides to the property owner or legal occupant and cabinet a plan of remedial measures to abate the violation;*
 3. *Provides to the property owner or legal occupant and cabinet an affidavit that he or she has been denied access to the property; and*
 4. *Provides to the property owner or legal occupant a statement that he or she, the permittee or operator, will within seven (7) days of entry of the appraiser obtain an appraisal, by a certified real estate appraiser or other qualified appraiser, of the damages to the property including loss of use, that will result from the violation, as abated, and those that are likely to occur to the property when the permittee or operator enters the property in order to abate the violation, and that upon completion of the appraisal he or she will provide the appraisal to the property owner or legal occupant and pay the property owner or legal occupant the amount of the appraisal.*
- (b) *When the easement takes effect, the property owner or legal occupant shall allow access for the permittee or operator's certified real estate appraiser or other qualified appraiser to conduct the appraisal.*
- (4) *Following the effective date of the easement of necessity, the following procedure shall be followed with respect to the appraisal of the damages to the property that will result from the violation, as abated, and those that are likely to occur, under this subsection:*
 - (a) *The permittee or operator shall have an appraiser on the site and have his or her appraisal completed and submitted to the property owner or legal occupant within seven (7) days of the entry of the appraiser on the property.*
 - (b) *The property owner or legal occupant shall accept or reject this appraisal within three (3) days of receipt of the completed appraisal;*
 - (c) *If the property owner or legal occupant rejects this appraisal, he or she may hire a certified real estate appraiser or other qualified appraiser to appraise the damages to the property, including loss of use, that will result from the violation, as abated, and those that are likely to occur to the property if the permittee or operator is allowed to enter the property in order to abate the violation. Upon receipt of the invoice, the permittee or operator shall pay for the property owner or legal occupant's appraisal up to the amount he or she paid for his or her own appraisal; and*
 - (d) *If the property owner or legal occupant has the appraisal done, he or she shall have it completed and provided to the permittee or operator within seven (7) days of receipt of the permittee or operator's appraisal.*
- (5) (a) *If the property owner or legal occupant has an appraisal done, and if, based on his or her appraisal and the permittee or operator's appraisal, an agreement is not reached on the appraised damages, the permittee or operator shall pay the property owner or legal occupant the amount of the permittee or operator's appraisal damages.*
- (b) *If the property owner or legal occupant's appraisal damages are for more than the permittee or operator's, the permittee or operator shall pay the difference to the circuit clerk.*
- (c) *The difference shall be placed in an interest-bearing account in a bank until final resolution of the matter by agreement or court or jury judgment.*
- (d) *If the property owner or legal occupant is granted award of some or all of the difference, he or she shall also receive the interest on that portion of the difference.*

- (6) *If the property owner or legal occupant does not accept or reject the permittee or operator's appraisal and offer of funds for damages, the operator or permittee shall pay the appraised damages to the circuit clerk within three (3) business days. These funds shall be placed in an interest-bearing account in a bank until resolution of the matter by agreement or court or jury judgment.*
- (7) *In cases under subsection (2) of this section, when the procedures in subsections (4) and (5)(a) and (b) of this section, or subsections (4)(a) and (b) and (6) of this section, have been satisfied, the permittee or operator may enter the property to abate the violation.*
- ~~[(2) If a violation other than one described in subsection (1) cannot be abated because the permittee or operator responsible for abatement of the violation has been denied access to the land necessary to allow abatement of the violation, the cabinet shall terminate the notice of noncompliance or cessation order issued for the violation, if the following conditions are met:~~
- ~~(a) Prior to terminating a notice of noncompliance or cessation order under this subsection, and within thirty (30) days of a request by a permittee or operator to terminate a violation based on a lack of access, the cabinet shall verify the denial of access and advise the surface owners of record and the legal occupants of the affected land of the consequences of refusing to allow access to the property for the purpose of enabling abatement of the violation; and~~
 - ~~(b) The cabinet shall explain the consequences by certified mail, return receipt requested, and shall make a good faith effort to notify all owners of interest and legal occupants verbally, that:~~
 - ~~1. Refusal to allow access to the property will result in termination of the violation as uncorrectable;~~
 - ~~2. If there is damage that occurs to public or private property due to the uncorrected violation condition on the property, that the property owner may also be responsible under law for any property damage to private or public property that may result from the unreclaimed condition; and~~
 - ~~3. While the landowner may seek damages or injunctive relief in an action against the permittee or operator, the refusal to grant access in order to allow abatement of the violation shall result in the state terminating the requirement that the permittee or operator undertake work necessary for abatement of the violation, and that while penalties may be assessed, the performance bond shall not be forfeited on the basis of the violation.~~
- ~~(3) The cabinet shall not terminate any notice of noncompliance or cessation order under this section if the cabinet determines that the denial of access necessary to abate the violation has been procured through collusion between the permittee or operator and the landowner or legal occupant of the affected land who is refusing to allow the necessary access. "Collusion," for the purpose of this section, includes any agreement, understanding, or contract by which the landowner refuses access to the property in return for any consideration, whether involving money or otherwise. Any act of collusion shall subject the permittee or operator to penalties under this chapter for willful and knowing refusal to correct the violation.~~
- ~~(4) No noncompliance or cessation order may be terminated under this section where there is any common ownership or control between the permittee or operator and the landowner or legal occupant. No noncompliance or cessation order may be terminated under this section where there is any other legal relationship between the permittee or operator and the landowner or legal occupant, except where a court of competent jurisdiction has determined that the legal relationship does not provide for a right of access.~~
- ~~(5) Where a violation may impact public or private property other than land for which access has been denied, the cabinet shall direct abatement measures to be taken by the permittee or operator to prevent damage to those lands for which access has not been denied.~~
- ~~(6) Termination of a notice of noncompliance or cessation order under this section shall not affect the assessment of a civil penalty for the violation.}]~~
- (8) Nothing in this section shall affect any person's right for damages or injunctive relief.

Section 2. Whereas abatement of violations can be delayed unless an easement of necessity is obtained, and those delays can have negative effects on a permittee or operator, and on the environment, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

CHAPTER 285**(HB 595)**

AN ACT relating to voluntary criminal history checks at nonpublic schools.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

- (1)
 - (a) *Beginning with the 2002-2003 school year, a private, parochial, or church school that has voluntarily been certified by the Kentucky Board of Education in accordance with the provisions of KRS 156.160(3) may require a national and state criminal background check on all new certified hires in the school and student teachers assigned to the school. Certified individuals who were employed in another certified position in a Kentucky school within six (6) months of the date of the hire and who had previously submitted to a national and state criminal background check for previous employment may be excluded from further national or state criminal background checks.*
 - (b) *The national criminal history background check shall be conducted by the Federal Bureau of Investigation. The state criminal history background check shall be conducted by the Kentucky State Police or the Administrative Office of the Courts.*
 - (c) *All fingerprints requested under this section shall be on an applicant fingerprint card provided by the Kentucky State Police. The fingerprint cards shall be forwarded to the Federal Bureau of Investigation by the Kentucky State Police after a state criminal background check has been conducted. Any fee charged by the Kentucky State Police, the Administrative Office of the Courts, or the Federal Bureau of Investigation shall be an amount no greater than the actual cost of processing the request and conducting the search.*
- (2) *If a school requires a criminal background check for a new hire, the school shall conspicuously include the following disclosure statement on each application or renewal form provided by the employer to an applicant for a certified position: "STATE LAW AUTHORIZES THIS SCHOOL TO REQUIRE A CRIMINAL HISTORY BACKGROUND CHECK AS A CONDITION OF EMPLOYMENT FOR THIS TYPE OF POSITION."*
- (3)
 - (a) *A nonpublic school voluntarily implementing the provisions of this chapter may choose not to employ any person who is a violent offender as defined by KRS 17.165(2), has been convicted of a sex crime which is classified as a felony as defined by KRS 17.165(1), or has committed a violent crime as defined in 17.165(3). A nonpublic school may employ, at its discretion, persons convicted of sex crimes classified as a misdemeanor.*
 - (b) *If a school term has begun and a certified position remains unfilled or if a vacancy occurs during a school term, a nonpublic school implementing the provisions of this chapter may employ an individual who will have supervisory or disciplinary authority over minors on probationary status pending receipt of a criminal history background check.*
 - (c) *Employment at a nonpublic school implementing the provisions of this chapter may be contingent on the receipt of a criminal history background check documenting a record as a violent offender, of a sex crime, or of a violent crime as defined in KRS 17.165.*
 - (d) *Nonpublic schools implementing the provisions of this chapter may terminate probationary employment under this section upon receipt of a criminal history background check documenting a record as a violent offender, of a sex crime, or of a violent crime as defined in KRS 17.165.*

Approved April 9, 2002

CHAPTER 286**(SB 185)**

AN ACT relating to intermediate care facilities for the mentally retarded.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions contained in this chapter, a certificate of need shall not be required for an existing intermediate care facility for the mentally retarded ("ICF/MR") to add beds which shall be dedicated to providing respite services to individuals with an ICF/MR level of care for no more than thirty (30) days. The establishment of ICF/MR respite beds shall be limited to three (3) beds per fifty (50) ICF/MR beds in a facility and shall not be eligible for Medicaid certification. Beds designated for respite services under this section shall comply with all applicable federal and state licensure requirements for intermediate care facilities for the mentally retarded.

Approved April 9, 2002

CHAPTER 287**(SB 219)**

AN ACT relating to the Kentucky Birth Surveillance Registry.

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

Section 1. KRS 211.660 is amended to read as follows:

- (1) The Department for Public Health shall establish and maintain a Kentucky birth surveillance registry that will provide a system for the collection of information concerning birth defects, stillbirths, and high-risk conditions. The system may cover all or part of the Commonwealth.
- (2) In establishing the system, the department may review vital statistics records, and shall also consider expanding the current list of congenital anomalies and high-risk conditions as reported on birth certificates.
- (3) (a) The department may require general acute-care hospitals licensed under ~~the provisions of~~ KRS Chapter 216B to maintain a list of ~~the following information:~~ all inpatients **and voluntarily to maintain a list of all outpatients** up to the age of five (5) years with a primary diagnosis of a congenital anomaly or high-risk condition as defined by the department upon the recommendation of the appointed advisory committee. **Hospital participation regarding its outpatients shall be voluntary and subject to the discretion of each hospital.**
- (b) **The department may require medical laboratories licensed under KRS Chapter 333 to maintain medical records for all persons up to the age of five (5) years with a primary diagnosis of or a laboratory test result indicating congenital anomaly or high-risk condition as defined by the department upon the recommendation of the appointed advisory committee.**
- (4) Each licensed free-standing birthing center, ~~and~~ general acute-care hospital licensed under KRS Chapter 216B, **and medical laboratory licensed under KRS Chapter 333** shall grant, **if required or otherwise participating voluntarily under the provisions of subsection (3) of this section,** to any Kentucky Birth Surveillance Registry personnel or his or her designee, upon presentation of proper identification, access to the medical records of any patient meeting the criteria in subsection (3) of this section. If the department's agent determines that copying of the medical records is necessary, associated costs shall be borne by the Department for Public Health at the rate pursuant to KRS 422.317.
- (5) No liability of any kind, character, damages, or other relief shall arise or be enforced against any licensed free-standing birthing center, ~~or~~ general acute-care hospital, **or medical laboratory** by reason of having provided the information or material to the Kentucky Birth Surveillance Registry.
- (6) The Department for Public Health may implement the provisions of KRS 211.651 to 211.670 through the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A.

Section 2. KRS 211.665 is amended to read as follows:

- (1) The secretary shall appoint a committee to advise on the implementation of the Kentucky birth surveillance registry. The advisory committee shall have representation from the disciplines of obstetrics and gynecology, pediatrics, genetics, epidemiology, biostatistics, hospital administration, state agency service providers, parents of children with congenital anomalies, or high risk conditions, and consumers. Other disciplines may be represented at the discretion of the secretary.
- (2) The advisory committee shall recommend to the department a definition of congenital anomalies and high risk conditions to be reported to the registry.
- (3) If the department determines it is necessary to collect information from sources other than vital statistics records, general acute care hospitals, *medical laboratories*, and free-standing birthing centers, the department shall consult with the advisory committee prior to requesting the information.

Section 3. KRS 211.670 is amended to read as follows:

- (1) All lists *and medical records* maintained by hospitals *and medical laboratories* pursuant to KRS 211.660 shall be confidential. All information collected and analyzed pursuant to KRS 211.660 and 211.665 shall be held confidential as to the identity of the individual patient. Staff of the cabinet, the department, or its designee may use the information to notify parents of available medical care and other services available for the child and family. Further disclosure shall be made only pursuant to the written consent of the child's parent or legal guardian.
- (2) Access to information assembled by the Kentucky birth surveillance registry shall be limited to the cabinet, the department, or its designee and to qualified persons or organizations engaged in demographic, epidemiological or other similar studies related to health and health care provision. A written agreement to maintain confidentiality shall be required if access is approved for persons other than representatives of the cabinet.
- (3) The department shall maintain a record of all persons given access to the information in the Kentucky birth surveillance registry. The record shall include: the name of the person authorizing access; name, title, and organizational affiliation of person given access; dates of access; and the specific purpose for which information is to be used. This record of access shall be open to public inspection during normal operating hours of the department.
- (4) Information assembled by the Kentucky birth surveillance registry may be disclosed in summary, statistical, or other form which does not identify particular individuals or individual sources of information.
- (5) Any person who, in violation of a written agreement to maintain confidentiality, discloses any information provided under KRS 211.660 and 211.665 may be denied further access to confidential information maintained by the department.

Approved April 9, 2002

CHAPTER 288

(SB 192)

AN ACT relating to the Education Professional Standards Board.

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

Section 1. KRS 161.030 is amended to read as follows:

- (1) Notwithstanding the age of the pupil, the certification of all teachers and other school personnel, in public schools only, is vested in the Education Professional Standards Board. When so certified, teachers and other school personnel shall not be required to have licensure, certification, or other forms of approval from any other state agency for the performance of their respective assignments within the common schools, except as provided for by law. All certificates authorized under KRS 161.010 to 161.126 shall be issued in accordance with the administrative regulations of the Education Professional Standards Board. After July 15, 1994, all certificate applications and other data collection instruments of the board shall include a request for voluntary information about the applicant's ethnic background. This information shall be available to help local school districts locate minority candidates. A person who holds a certificate prior to this requirement may request that

ethnic information be added to his or her file. Nothing in this section shall preclude the right of an individual in a nonpublic school from seeking voluntary certification by the Education Professional Standards Board.

- (2) Certificates shall be issued upon written application and in accordance with statutes and regulations in effect at the time of application to persons who have completed, at colleges, universities, or local school district programs approved by the Education Professional Standards Board for the preparation of teachers and other school personnel, the curricula prescribed by the administrative regulations of the Education Professional Standards Board.
- (3)
 - (a) Certification of all new teachers and teachers seeking additional certification shall require the successful completion of appropriate assessments prior to certification. The assessments shall be selected by the Education Professional Standards Board and shall measure knowledge in the specific teaching field of the applicant, including content of the field and teaching of that content. The Education Professional Standards Board shall determine the minimum acceptable level of achievement on each assessment. The assessments shall measure those concepts, ideas, and facts which are being taught in teacher education programs in Kentucky. Upon successful completion of the assessments and the approved teacher preparation program, a certificate valid for one (1) year shall be issued.
 - (b) *If an applicant for teacher certification has completed the approved teacher preparation program and has taken but failed to successfully complete the appropriate assessments selected by the Education Professional Standards Board, a conditional certificate may be issued for a period not to exceed one (1) year, if the employing school district, in collaboration with the teacher education institution, agrees to provide technical assistance and mentoring support to the conditionally certified teacher. The teacher shall retake the assessments during the validity period of the conditional certificate. The conditional certificate shall not be reissued. Upon successful completion of the required assessments, a certificate valid for one (1) year shall be issued and the teacher shall be eligible to participate in the internship program as provided in subsection (5) of this section. The teacher shall not be eligible to participate in the internship program while teaching on the conditional certificate. The Education Professional Standards Board shall promulgate administrative regulations to establish the standards and procedures for issuance of the conditional certificate.*
 - (c) If an out-of-state teacher with less than two (2) years' experience comes to Kentucky after the deadline for taking the assessments, a temporary certificate may be issued for a period up to six (6) months provided the local board cannot fill the vacant position with a certified teacher. The teacher shall take the assessments if they are administered during the period of the temporary certificate. The certificate shall be extended for the remainder of the year if the teacher successfully completes the assessments. If the teacher fails the assessments, the temporary certificate shall be valid only for the current semester.
- (4) A reasonable fee to be paid by the teacher and directly related to the actual cost of the administration of the assessments shall be established by the Education Professional Standards Board. Provisions shall be made for persons having less than minimum levels of performance on any assessment to repeat that assessment, and candidates shall be informed of their strengths and weaknesses in the specific performance areas. The Education Professional Standards Board shall provide for confidentiality of the individual assessment scores. Scores shall be available only to the candidate and to the education officials who are responsible for determining whether established certification standards have been met. Scores shall be used only in the assessment for certification of new teachers and of out-of-state teachers with less than two (2) years of teaching experience who are seeking initial certification in Kentucky.
- (5) ***Except as provided in subsection (3)(b) of this section,*** all new teachers and out-of-state teachers with less than two (2) years of successful teaching experience who are seeking initial certification in Kentucky shall serve a one (1) year internship. The teacher shall be a full-time employee or shall have an annual contract and serve on at least a half-time basis and shall have supervision, assistance, and assessment during the one (1) year internship. The internship may be served in a public school or a nonpublic school which meets the state performance standards as established in KRS 156.160 or which has been accredited by a regional or national accrediting association. Successful completion shall be determined by a majority vote of the beginning teacher committee. The internship period shall be counted as experience for the purpose of continuing contract status, retirement eligibility, and benefits for single salary experience increments. Upon successful completion of the beginning teacher program, the one (1) year initial teaching certificate shall be extended for the remainder of the usual duration period established for that particular certificate by Education Professional Standards Board administrative regulations.

- (6) The beginning teacher committee shall be composed of three (3) persons who have successfully completed special training in the supervision and assessment of the performance of beginning teachers as provided in subsection (8) of this section, except as provided in paragraph (g) of this subsection. The committee shall consist of a resource teacher, the school principal of the school where the internship is served, and a teacher educator appointed by a state-approved teacher training institution.
- (a) If more than two (2) teacher interns are employed in the same school, the principal's responsibility may be shared with an assistant principal who holds certification as a principal.
 - (b) In unusual situations, the Education Professional Standards Board may permit the assistant principal to serve in lieu of the principal on a beginning teacher committee.
 - (c) If the teacher training institution is unable to provide a member, the district superintendent shall appoint an instructional supervisor from the school district.
 - (d) If the intern is teaching in a regionally or nationally accredited nonpublic school without a principal, the person filling the principal member position may have other appropriate qualifications as required by administrative regulations promulgated by the Education Professional Standards Board.
 - (e) If the teacher training institution is unable to provide a member to serve on the beginning teacher committee in a nonpublic school, the chief officer of the school shall appoint an instructional supervisor or a teacher with like qualifications and responsibilities to serve on the beginning teacher committee in lieu of the teacher educator.
 - (f) The resource teacher shall be appointed by the Education Professional Standards Board with recommendations from the local school district from a pool of qualified resource teachers, and, any statutes to the contrary notwithstanding and to the extent of available appropriations, shall be entitled to be paid a reasonable stipend by the Education Professional Standards Board for work done outside normal working hours. In the case of a resource teacher in a nonpublic school, payment shall be made directly to the resource teacher by the Education Professional Standards Board. Priority shall be given to resource teachers in the following order, except as provided in paragraph (g) of this subsection:
 - 1. Teachers with the same certification in the same school;
 - 2. Teachers with the same certification in the same district;
 - 3. Teachers in the same school;
 - 4. Teachers in the same district; and
 - 5. Teachers in an adjacent school district.
 - (g)
 - 1. The resource teacher for an individual pursuing initial certification as a baccalaureate level teacher of exceptional children/communication disorders shall be a master's level teacher of exceptional children/communication disorders, if one is available.
 - 2. If a master's level teacher of exceptional children/communication disorders is not available, the Education Professional Standards Board may allow a licensed speech-language pathologist to serve on the beginning teacher committee in lieu of a resource teacher.
 - (h) The committee shall meet with the beginning teacher a minimum of three (3) times per year for evaluation and recommendation with all committee members present. In addition, each member of the committee shall observe the beginning teacher in the classroom a minimum of three (3) times per year. If the teacher's first year performance is judged by the committee to be less than satisfactory, the teacher shall be provided with an opportunity to repeat the internship one (1) time if the teacher is employed by a school district.
- (7) The resource teacher shall spend a minimum of seventy (70) hours working with the beginning teacher. Twenty (20) of these hours shall be in the classroom setting, and fifty (50) of these hours shall be in consultation other than class time or attending assessment meetings. The resource teacher shall have completed at least four (4) years of successful teaching experience as attested to by his or her immediate supervisor or by having achieved tenure and be able to show evidence of continuing professional development by having achieved a master's degree or its equivalent or the accumulation of two thousand (2,000) hours of continuing professional activities.

- (8) By contract with teacher education institutions in the Commonwealth, the Education Professional Standards Board shall provide special training for persons who will be serving on the beginning teacher committees. Completion of special training shall be evidenced by successfully passing the assessments as prescribed by the Education Professional Standards Board. A principal hired after July 15, 1996, shall be required to complete the beginning teacher committee training program within one (1) year after his or her appointment.
- (9) If an applicant establishes eligibility for a one (1) year certificate under the provisions of subsection (3)(a) of this section, but does not become employed on the basis needed to satisfy the one (1) year internship requirement, the applicant shall be eligible for the issuance of a certificate for substitute teaching as provided by the administrative regulations of the Education Professional Standards Board. The applicant shall remain eligible for the one (1) year certificate, as provided in subsection (3)(a) of this section, and for the opportunity to serve the internship for a period of five (5) years after establishing eligibility. If the internship is not completed within the five (5) year period, the applicant must reestablish eligibility by repeating and passing the assessment program in effect for new teachers at that time or by completing a minimum of six (6) graduate hours toward completion of a graduate program required by administrative regulations promulgated by the Education Professional Standards Board. The option for renewal through completion of graduate hours shall be available only for the first reestablishment of eligibility.
- (10) The Education Professional Standards Board shall approve the curricula of any college or university, or of any department thereof, for the training of teachers, and any nontraditional or alternative teacher preparation program offered in a public or private postsecondary education institution, private contractor, or state agency, and shall also approve the curricula of any local district alternative certification program, when the curricula comply with the administrative regulations of the Education Professional Standards Board for the issuance of certificates and when the institution has met the terms and conditions provided in KRS 161.010 to 161.120. Any student who has completed any of these curricula, as approved by the Education Professional Standards Board, and who has completed the prescribed requirements for the issuance of certificates shall be granted a certificate corresponding to the curricula completed.

Section 2. KRS 161.017 is amended to read as follows:

- (1) The Education Professional Standards Board, established in KRS 161.028, shall be headed by an executive director who shall be responsible for the day to day operations of the board including the following:
 - (a) Setting up appropriate organizational structures and personnel policies for approval by the board;
 - (b) Appointing all staff, including the deputy executive director;
 - (c) Preparing annual reports on the board's program of work;
 - (d) Carrying out policy and program directives of the board;
 - (e) Preparing and submitting to the board for its approval a proposed biennial budget; and
 - (f) Performing all other duties and responsibilities assigned by state law.
- (2) When it is necessary to fill the position of executive director, the board shall conduct a comprehensive search for candidates and may employ a search firm if the board deems it necessary. The executive director shall possess broad-based experience in education and teacher development, and have demonstrated leadership skills in addition to other qualifications to be established by the board as authorized in KRS 161.028.
- (3) With approval of the board, the executive director may enter into agreements with any state agency or political subdivision of the state, any postsecondary education institution, or any other person or entity to enlist assistance to implement the duties and responsibilities of the board.
- (4) ***The executive director shall have access to the papers, books, and records of education personnel as part of an inquiry or investigation relating to disciplinary actions against a certified employee.***
- (5) ***Pursuant to KRS 161.120, the executive director, on behalf of the board, may issue administrative subpoenas for the attendance of witnesses and the production of documents relevant to disciplinary cases under consideration. Compliance with the subpoenas shall be enforceable by the Circuit Court in Franklin County.***

Section 3. KRS 161.028 is amended to read as follows:

- (1) The Education Professional Standards Board is recognized to be a public body corporate and politic and an agency and instrumentality of the Commonwealth, in the performance of essential governmental functions. The Education Professional Standards Board has the authority and responsibility to:
- (a) Establish standards and requirements for obtaining and maintaining a teaching certificate;
 - (b) Set standards for, approve, and evaluate college, university, and school district programs for the preparation of teachers and other professional school personnel. Program standards shall reflect national standards and shall address, at a minimum, the following:
 - 1. The alignment of programs with the state's core content for assessment as defined in KRS 158.6457;
 - 2. Research-based classroom practices, including effective classroom management techniques;
 - 3. Emphasis on subject matter competency of teacher education students;
 - 4. Methodologies to meet diverse educational needs of all students;
 - 5. The consistency and quality of classroom and field experiences, including early practicums and student teaching experiences;
 - 6. The amount of college-wide or university-wide involvement and support during the preparation as well as the induction of new teachers;
 - 7. The diversity of faculty;
 - 8. The effectiveness of partnerships with local school districts; and
 - 9. The performance of graduates on various measures as determined by the board.
 - (c) Conduct an annual review of diversity in teacher preparation programs;
 - (d) Provide assistance to universities and colleges in addressing diversity, which may include researching successful strategies and disseminating the information, encouraging the development of nontraditional avenues of recruitment and providing incentives, waiving administrative regulations when needed, and other assistance as deemed necessary;
 - (e) Discontinue approval of programs that do not meet standards or whose graduates do not perform according to criteria set by the board;
 - (f) Issue, renew, revoke, suspend, or refuse to issue or renew; impose probationary or supervisory conditions upon; issue a written reprimand or admonishment; or any combination of actions regarding any certificate;
 - (g) Develop specific guidelines to follow upon receipt of an allegation of sexual misconduct by an employee certified by the Education Professional Standards Board. The guidelines shall include investigation, inquiry, and hearing procedures which ensure the process does not revictimize the alleged victim or cause harm if an employee is falsely accused;
 - (h) Receive, along with investigators hired by the Education Professional Standards Board, training on the dynamics of sexual misconduct of professionals, including the nature of this abuse of authority, characteristics of the offender, the impact on the victim, the possibility and the impact of false accusations, investigative procedures in sex offense cases, and effective intervention with victims and offenders;
 - (i) Recommend to the Kentucky Board of Education the essential data elements relating to teacher preparation and certification, teacher supply and demand, teacher attrition, teacher diversity, and employment trends to be included in a state comprehensive data and information system and report the recommendations to the Interim Joint Committee on Education;
 - (j) Submit reports to the Governor and the Legislative Research Commission and inform the public on the status of teaching in Kentucky;
 - (k) Devise a credentialing system that provides alternative routes to gaining certification and greater flexibility in staffing local schools while maintaining standards for teacher competence;

- (l) Develop a professional code of ethics;
 - (m) Set the qualifications and salary for the positions of executive director and deputy executive director to the board, notwithstanding the provisions of KRS 64.640;
 - (n) Recruit, select, employ and evaluate the executive director to the board;
 - (o) Approve employment procedures for the employment of policy level staff, subject to the provisions of KRS 12.050;
 - (p) Approve the biennial budget request;
 - (q) Charge reasonable fees for the issuance, reissuance, and renewal of certificates that are established by administrative regulation. The proceeds shall be used to meet a portion of the costs of the issuance, reissuance, and renewal of certificates, and the costs associated with ***disciplinary action against a certificate holder under KRS 161.120***~~[revoking certificates]~~;
 - (r) Waive a requirement that may be established in an administrative regulation promulgated by the board. A request for a waiver shall be submitted to the board, in writing, by an applicant for certification, a postsecondary institution, or a superintendent of a local school district, with appropriate justification for the waiver. The board may approve the request if the person or institution seeking the waiver has demonstrated extraordinary circumstances justifying the waiver. Any waiver granted under this subsection shall be subject to revocation if the person or institution falsifies information or subsequently fails to meet the intent of the waiver;
 - (s) Promote the development of one (1) or more innovative, nontraditional or alternative administrator or teacher preparation programs through public or private colleges or universities, private contractors, the Department of Education, or the Kentucky Commonwealth Virtual University and waive administrative regulations if needed in order to implement the program;
 - (t) Grant approval, if appropriate, of a university's request for an alternative program that enrolls students in a postbaccalaureate teacher preparation program concurrently with employment as a teacher in a local school district. A student in the alternative program shall be granted a temporary provisional certificate and shall be a candidate in the Kentucky Teacher Internship Program, notwithstanding provisions of KRS 161.030. The temporary certificate shall be valid for a maximum of two (2) years, and shall be contingent upon the candidate's continued enrollment in the preparation program and compliance with all requirements established by the board. A professional certificate shall be issued upon the teacher candidate's successful completion of the program, the internship requirements, and all assessments required by the board;
 - (u) Grant approval, if appropriate, of a university's request for an alternative program that enrolls an administrator candidate in a postbaccalaureate administrator preparation program concurrently with employment as an assistant principal, principal, assistant superintendent, or superintendent in a local school district. An administrator candidate in the alternative program shall be granted a temporary provisional certificate and shall be a candidate in the Kentucky Principal Internship Program, notwithstanding provisions of KRS 161.030, or the Superintendent's Assessment process, notwithstanding provisions of KRS 156.111, as appropriate. The temporary certificate shall be valid for a maximum of two (2) years, and shall be contingent upon the candidate's continued enrollment in the preparation program and compliance with all requirements established by the board. A professional certificate shall be issued upon the candidate's successful completion of the program, internship requirements, and assessments as required by the board;
 - (v) Employ consultants as needed;
 - (w) Enter into contracts. ***Disbursements to professional educators who receive less than one thousand dollars (\$1,000) in compensation per fiscal year from the board for serving on an assessment validation panel or as a test scorer or proctor shall not be subject to KRS 45A.690 to 45A.725;***
 - (x) Sponsor studies, conduct research, conduct conferences, and publish information as appropriate; and
 - (y) Issue orders as necessary in any administrative action before the board.
- (2) (a) The board shall be composed of seventeen (17) members. The chief state school officer and the president of the Council on Postsecondary Education, or their designees, shall serve as ex officio voting members. The Governor shall make the following fifteen (15) appointments:

1. Nine (9) members who shall be teachers representative of elementary, middle or junior high, secondary, special education, and secondary vocational classrooms;
 2. Two (2) members who shall be school administrators, one (1) of whom shall be a school principal;
 3. One (1) member representative of local boards of education; and
 4. Three (3) members representative of postsecondary institutions, two (2) of whom shall be deans of colleges of education at public universities and one (1) of whom shall be the chief academic officer of an independent not-for-profit college or university.
- (b) The members appointed by the Governor after June 21, 2001, shall be confirmed by the Senate and the House of Representatives under KRS 11.160. If the General Assembly is not in session at the time of the appointment, persons appointed shall serve prior to confirmation, but the Governor shall seek the consent of the General Assembly at the next regular session or at an intervening extraordinary session if the matter is included in the call of the General Assembly.
- (c) A vacancy on the board shall be filled in the same manner as the original appointment within sixty (60) days after it occurs. A member shall continue to serve until his successor is named. Any member who, through change of employment status or residence, or for other reasons, no longer meets the criteria for the position to which he was appointed shall no longer be eligible to serve in that position.
- (d) Members of the board shall serve without compensation but shall be permitted to attend board meetings and perform other board business without loss of income or other benefits.
- (e) A state agency or any political subdivision of the state, including a school district, required to hire a substitute for a member of the board who is absent from his employment while performing board business shall be reimbursed by the board for the actual amount of any costs incurred.
- (f) A chairman shall be elected by and from the membership. A member shall be eligible to serve no more than three (3) one (1) year terms in succession as chairman. The executive ~~director~~^{secretary} shall keep records of proceedings. Regular meetings shall be held at least semiannually on call of the chairman. ~~The Department of Education shall provide staff and support for the board.~~
- (g) To carry out the functions relating to its duties and responsibilities, the board is empowered to receive donations and grants of funds; to appoint consultants as needed; and to sponsor studies, conduct conferences, and publish information.

Section 4. The Education Professional Standards Board shall conduct a study during the 2002-2003 school year with at least one (1) school district and at least one (1) teacher education institution to evaluate the reliability, validity, and efficacy of one (1) or more alternative assessment instruments for testing a new teacher's content knowledge and teaching skills. If a teacher candidate successfully completes an alternative assessment under the provisions of this study, the candidate may receive a statement of eligibility upon recommendation of the employing superintendent, the teacher education institution, and the Education Professional Standards Board. The Education Professional Standards Board shall report the findings of the study to the Interim Joint Committee on Education by October 1, 2003.

Approved April 9, 2002

CHAPTER 289

(HB 519)

AN ACT relating to the benefits of emergency service personnel and making an appropriation therefor.

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

Section 1. KRS 61.315 is amended to read as follows:

- (1) As used in this section, "police officer" means every paid police officer, sheriff, or deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any auxiliary police officer appointed pursuant to KRS 95.445, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, elected to office, or employed by any county, airport board created pursuant to KRS Chapter 183, city, or by

the state; "firefighter" means every paid firefighter or volunteer firefighter who is employed by or volunteers his services to the state, airport board created pursuant to KRS Chapter 183, any county, city, fire district, or any other organized fire department recognized, pursuant to KRS 95A.262, as a fire department operated and maintained on a nonprofit basis in the interest of the health and safety of the inhabitants of the Commonwealth **and shall include qualified civilian firefighters employed at Kentucky-based military installations.** ~~[If death benefits are paid under KRS 61.316 to eligible survivors of a volunteer firefighter, then no benefits shall be paid to those survivors under this section.]~~

- (2) The spouse of any police officer, sheriff, deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any auxiliary police officer appointed pursuant to KRS 95.445, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, firefighter, or member of the Kentucky National Guard on state active duty pursuant to KRS 38.030, whose death occurs on or after July 1, ~~2002~~~~[1991]~~, as a direct result of an act in the line of duty shall receive a lump-sum payment of **seventy-five thousand dollars (\$75,000)**~~[fifty thousand dollars (\$50,000)]~~ if there are no surviving children, which sum shall be paid by the State Treasurer from the general expenditure fund of the State Treasury. If there are surviving children and a surviving spouse, the payment shall be apportioned equally among the surviving children and the spouse. If there is no surviving spouse, the payment shall be made to the surviving children, eighteen (18) or more years of age. For surviving children less than eighteen (18) years of age, the State Treasurer shall:
 - (a) Pay **thirty thousand dollars (\$30,000)**~~[twenty thousand dollars (\$20,000)]~~ to the surviving children; and
 - (b) Hold **forty-five thousand dollars (\$45,000)**~~[thirty thousand dollars (\$30,000)]~~ in trust divided into equal accounts at appropriate interest rates for each surviving child until the child reaches the age of eighteen (18) years.

If a child dies before reaching the age of eighteen (18) years, his account shall be paid to his estate. If there are no surviving children, the payment shall be made to any parents of the deceased.

- (3) The Commission on Fire Protection Personnel Standards and Education shall be authorized to promulgate administrative regulations establishing criteria and procedures applicable to the administration of this section as it pertains to both paid and volunteer firefighters, including, but not limited to, defining when a firefighter has died in line of duty. Administrative hearings promulgated by administrative regulation under authority of this subsection shall be conducted in accordance with KRS Chapter 13B.
- (4) The Justice Cabinet may promulgate administrative regulations establishing criteria and procedures applicable to the administration of this section as it pertains to police officers, including, but not limited to, defining when a police officer has died in line of duty. Administrative hearings promulgated by administrative regulation under authority of this subsection shall be conducted in accordance with KRS Chapter 13B.
- (5) The Department of Corrections shall promulgate administrative regulations establishing the criteria and procedures applicable to the administration of this section as it pertains to correctional employees, including, but not limited to, defining which employees qualify for coverage and which circumstances constitute death in the line of duty.
- (6) The benefits payable under this section shall be in addition to any benefits now or hereafter prescribed under any police, sheriff, firefighter's, **volunteer firefighter's**, or National Guard retirement or benefit fund established by the federal government or by any state, county, or any municipality.
- (7) Any funds appropriated for the purpose of paying the death benefits described in subsection (2) of this section shall be allotted to a self-insuring account. These funds shall not be used for the purpose of purchasing insurance.

Section 2. KRS 95A.262 is amended to read as follows:

- (1) The Commission on Fire Protection Personnel Standards and Education shall, in cooperation with the Cabinet for Health Services, develop and implement a continuing program to inoculate every paid and volunteer firefighter in Kentucky against hepatitis B. The program shall be funded from revenues allocated to the Firefighters Foundation Program fund pursuant to KRS 136.392 and 42.190. Any fire department which has inoculated its personnel during the period of July 1, 1991 to July 14, 1992, shall be reimbursed from these revenues for its costs incurred up to the amount allowed by the Cabinet for Human Resources for hepatitis B inoculations.

- (2) Except as provided in subsection (3) of this section ~~and KRS 61.316~~, the Commission on Fire Protection Personnel Standards and Education shall allot on an annual basis a share of the funds accruing to and appropriated for volunteer fire department aid to volunteer fire departments in cities of all classes, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and volunteer fire departments created as nonprofit corporations pursuant to KRS Chapter 273. The commission shall allot eight thousand dollars (\$8,000) annually to each qualifying department, and beginning on July 1, 2001, the commission shall allot eight thousand two hundred fifty dollars (\$8,250) annually to each qualifying department. Any qualifying department which fails to participate satisfactorily in the Kentucky fire incident reporting system as described in KRS 304.13-380 shall forfeit annually five hundred dollars (\$500) of its allotment. The commission shall recommend to the commissioner of the Department of Housing, Buildings and Construction the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A to define satisfactory participation in the Kentucky fire incident reporting system. Administrative regulations for determining qualifications shall be based on the number of both paid firefighters and volunteer firemen within a volunteer fire department, the amount of equipment, housing facilities available, and such other matters or standards as will best effect the purposes of the volunteer fire department aid law. A qualifying department shall include at least twelve (12) firefighters, a chief, and at least one (1) operational fire apparatus or one (1) on order. Fifty percent (50%) of the firefighters shall have completed at least one-half (1/2) of one hundred fifty (150) training hours toward certification within the first six (6) months of the first year of the department's application for certification, and there shall be a plan to complete the one hundred fifty (150) training hours within the second year. These personnel, equipment, and training requirements shall not be made more stringent by the promulgation of administrative regulations. No allotment shall exceed the total value of the funds, equipment, lands, and buildings made available to the local fire units from any source whatever for the year in which the allotment is made. A portion of the funds provided for above may be used to purchase group or blanket health insurance and shall be used to purchase workers' compensation insurance, and the remaining funds shall be distributed as set forth in this section.
- (3) There shall be allotted two hundred thousand dollars (\$200,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund that shall be allocated each fiscal year of the biennium to the firefighters training center fund, which is hereby created and established, for the purposes of constructing new or upgrading existing training centers for firefighters. If any moneys in the training center fund remain uncommitted, unobligated, or unexpended at the close of the first fiscal year of the biennium, then such moneys shall be carried forward to the second fiscal year of the biennium, and shall be reallocated to and for the use of the training center fund, in addition to the second fiscal year's allocation of two hundred thousand dollars (\$200,000). Prior to funding any project pursuant to this subsection, a proposed project shall be approved by the Commission on Fire Protection Personnel Standards and Education as provided in subsection (4) of this section and shall comply with state laws applicable to capital construction projects.
- (4) Applications for funding low-interest loans and firefighters' training centers shall be submitted to the Commission on Fire Protection Personnel Standards and Education for their recommendation, approval, disapproval, or modification. The commission shall review applications periodically, and shall, subject to funds available, recommend which applications shall be funded and at what levels, together with any terms and conditions the commission deems necessary.
- (5) Any department or entity eligible for and receiving funding pursuant to this section shall have a minimum of fifty percent (50%) of its personnel certified as recognized by the Commission on Fire Protection Personnel Standards and Education.
- (6) Upon the written request of any department, the Commission on Fire Protection Personnel Standards and Education shall make available a certified training program in a county of which such department is located.
- (7) The amount of reimbursement for any given year for costs incurred by the Kentucky Community and Technical College System for administering these funds, including, but not limited to, the expenses and costs of commission operations, shall be determined by the commission and shall not exceed five percent (5%) of the total amount of moneys accruing to the Firefighters Foundation Program fund which are allotted for the purposes specified in this section during any fiscal year.
- (8) The commission shall withhold from the general distribution of funds under subsection (2) of this section an amount which it deems sufficient to reimburse volunteer fire departments for equipment lost or damaged beyond repair due to hazardous material incidents.

- (9) Moneys withheld pursuant to subsection (8) of this section shall be distributed only under the following terms and conditions:
- (a) A volunteer fire department has lost or damaged beyond repair items of personal protective clothing or equipment due to that equipment having been lost or damaged as a result of an incident in which a hazardous material (as defined in any state or federal statute or regulation) was the causative agent of the loss;
 - (b) The volunteer fire department has made application in writing to the commission for reimbursement in a manner approved by the commission and the loss and the circumstances thereof have been verified by the commission;
 - (c) The loss of or damage to the equipment has not been reimbursed by the person responsible for the hazardous materials incident or by any other person;
 - (d) The commission has determined that the volunteer fire department does not have the fiscal resources to replace the equipment;
 - (e) The commission has determined that the equipment sought to be replaced is immediately necessary to protect the lives of the volunteer firefighters of the fire department;
 - (f) The fire department has agreed in writing to subrogate all claims for and rights to reimbursement for the lost or damaged equipment to the Commonwealth to the extent that the Commonwealth provides reimbursement to the department; and
 - (g) The department has shown to the satisfaction of the commission that it has made reasonable attempts to secure reimbursement for its losses from the person responsible for the hazardous materials incident and has been unsuccessful in the effort.
- (10) If a volunteer fire department has met all of the requirements of subsection (9) of this section, the commission may authorize a reimbursement of equipment losses not exceeding ten thousand dollars (\$10,000) or the actual amount of the loss, whichever is less.
- (11) Moneys which have been withheld during any fiscal year which remain unexpended at the end of the fiscal year shall be distributed in the normal manner required by subsection (2) of this section during the following fiscal year.
- (12) No volunteer fire department may receive funding for equipment losses more than once during any fiscal year.
- (13) The commission shall make reasonable efforts to secure reimbursement from the responsible party for any moneys awarded to a fire department pursuant to this section.
- (14) There shall be allotted each year of the 1992-93 biennium one million dollars (\$1,000,000), and each year of the 1994-95, 1996-97, 1998-99, and 2000-01 bienniums one million dollars (\$1,000,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund for the purpose of creating a revolving low-interest loan fund, which shall thereafter be self-sufficient and derive its operating revenues from principal and interest payments. The commission, in accordance with the procedures in subsection (4) of this section, may make low-interest loans, and the interest thereon shall not exceed three percent (3%) annually or the amount needed to sustain operating expenses of the loan fund, whichever is less, to volunteer fire departments for the purposes of major equipment purchases and facility construction. Loans shall be made to departments which achieve the training standards necessary to qualify for volunteer fire department aid allotted pursuant to subsection (2) of this section, and which do not have other sources of funds at rates which are favorable given their financial resources. The proceeds of loan payments shall be returned to the loan fund for the purpose of providing future loans. If a department does not make scheduled loan payments, the commission may withhold any grants payable to the department pursuant to subsection (2) of this section until the department is current on its payments. Money in the low-interest loan fund shall be used only for the purposes specified in this subsection. Any funds remaining in the fund at the end of a fiscal year shall be carried forward to the next fiscal year for the purposes of the fund.

SECTION 3. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

- (1) *If a firefighter as defined in Section 1 of this Act is, before, on, or after the effective date of this Act, permanently and totally disabled as defined in KRS 342.0011 as a direct result of activities in the line of duty, then the firefighter shall be entitled to receive a monthly payment to be paid by the State Treasurer*

from the general fund appropriation to the police and firefighter-life insurance category contained in miscellaneous appropriations of the state/executive branch budget of:

- (a) *Two hundred dollars (\$200) to help defray the costs of life insurance; and*
- (b) *Two hundred dollars (\$200) to help defray the costs of health insurance.*
- (2) *In order to receive the monthly payment, the firefighter must present to the Commission on Fire Protection Personnel Standards and Education:*
 - (a) *A written statement from the fire chief of the fire department under whose command the firefighter was at the time of injury stating the fact that the firefighter was on active duty and on assignment with that fire department when the injury occurred; and*
 - (b) *A written statement from at least two (2) licensed and practicing physicians stating that the member is totally and likely to be permanently disabled as defined in KRS 342.0011; and*
 - (c) *Proof, in a form satisfactory to the commission, that the firefighter has either or both active life and health insurance policies.*
- (3) (a) *If a firefighter, either through a settlement of any kind or through any other source, has life insurance provided at no cost, then the firefighter shall not be eligible to receive the life insurance payment described in subsection (1)(a) of this section. If a firefighter receives partial payment of life insurance, and the portion of the payment that the firefighter is responsible for is less than the amount stated in subsection (1) of this section, then the firefighter shall only receive that portion of the payment to pay for the cost of the insurance.*
- (b) *If a firefighter, either through a settlement of any kind or through any other source, has health insurance provided at no cost, then the firefighter shall not be eligible to receive the health insurance payment described in subsection (1)(b) of this section. If a firefighter receives partial payment of health insurance, and the portion of the payment that the firefighter is responsible for is less than the amount stated in subsection (1) of this section, then the firefighter shall only receive that portion of the payment to pay for the cost of the insurance.*
- (4) *If the firefighter should no longer be considered permanently and totally disabled as defined in KRS 342.0011, or if either or both life and health insurance policies are terminated, then the firefighter shall within thirty (30) days of that determination notify the Commission on Fire Protection Personnel Standards and Education, in writing, of that fact or facts. The commission shall then terminate the appropriate subsequent payments to that firefighter. A firefighter may continue to receive payments for one (1) type of insurance as long as the firefighter is still permanently and totally disabled and the insurance policy is active. If the firefighter fails to notify the commission within thirty (30) days and receives subsequent payments under this section, the firefighter shall be responsible for repaying any payments provided to the firefighter under this section from the date that the firefighter was no longer considered permanently and totally disabled.*
- (5) *The Commission on Fire Protection Personnel Standards and Education shall promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A establishing procedures and criteria applicable to the administration of this section by December 31, 2002.*
- (6) *Any firefighter convicted of knowingly providing false information to receive the benefits in subsection (1) of this section shall be guilty of a Class D felony and shall be responsible for repaying the total amount paid to the firefighter, plus interest, under the provisions of this section within a time to be determined by the commission. The firefighter shall also no longer be eligible to receive any payments provided under this section.*
- (7) *In the event sufficient funds do not exist to cover all the financial obligations of this section, then the payments shall be prorated among the participants evenly.*

Section 4. The following KRS section is repealed:

61.316 Benefits to be paid on death of volunteer firefighter -- Volunteer firefighter defined -- Rules and regulations.

Approved April 9, 2002

CHAPTER 290

(HB 503)

AN ACT relating to government involvement with charitable nonprofit organizations and declaring an emergency.

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

Section 1. KRS 65.1575 is amended to read as follows:

- (1) As used in this section:
 - (a) "Foundation" means a charitable community foundation established to accept gifts, bequests, devises, or other transfers for the purpose of meeting charitable objectives for the citizens of the community;
 - (b) "Local government" means every city, regardless of classification, every county, and every charter county and urban-county government;~~[-and]~~
 - (c) "Component fund" means an individual fund treated as part of a foundation and that meets the requirements established under regulations promulgated implementing 26 U.S.C. sec. 170 as amended from time to time; **and**
 - (d) ***"Nonprofit organization" means an organization incorporated under KRS Chapter 273 and exempt under Section 501(c)(3) of the Internal Revenue Code.***
- (2)
 - (a) A local government may donate to a foundation the proceeds from the sale of any utility or facility or any grant, bequest, or devise received by it.
 - (b) ***A local government may contribute to a nonprofit organization exempt under Section 501(c)(3) of the Internal Revenue Code for the development and operation of a community center or recreational facilities.***
- (3) If the foundation receives a gift from a local government that is subject to conditions, limitations, or requirements by the donor, the gift shall be segregated in a component fund within the foundation, which shall be subject to conditions, limitations, or requirements that are substantially identical to those established by the donor.
- (4) If the foundation receives a gift from a local government that is not subject to any specified conditions, limitations, or requirements by the donor, the gift amount shall be maintained in a component fund. The income from the fund shall be distributed to the local government for charitable purposes as directed by an ordinance of the governing body of the local government.
- (5) ***If a nonprofit organization receives a gift from a local government it shall maintain the financial records so as to be able to ascertain the use of the donated funds.***
- (6) The foundation ***or nonprofit organization exempt under Section 501(c)(3) of the Internal Revenue Code*** shall return any donations to the general fund of a local government if:
 - (a) The foundation ***or nonprofit organization exempt under Section 501(c)(3) of the Internal Revenue Code*** loses its status as a public charitable organization;
 - (b) The foundation ***or nonprofit organization exempt under Section 501(c)(3) of the Internal Revenue Code*** is liquidated; or
 - (c) The foundation ***or nonprofit organization exempt under Section 501(c)(3) of the Internal Revenue Code*** violates any condition, limitation, or requirement as established by the local government governing body.

SECTION 2. A NEW SECTION OF KRS CHAPTER 11A IS CREATED TO READ AS FOLLOWS:

- (1) ***Any provision of KRS Chapter 11A to the contrary notwithstanding, a state agency or a public servant may raise funds, either individually or as a department or agency, for a charitable nonprofit organization granted a tax exemption by the Internal Revenue Service under Section 501c of the Internal Revenue Code without violating the provisions of this chapter. Raising of funds shall include but not be limited to holding***

events for the benefit of the charitable organization, contacting potential donors, providing prizes, and engaging in other forms of fundraising and providing the funds thus raised to the charitable organization.

- (2) *Any provision of KRS Chapter 11A to the contrary notwithstanding, a state agency or a public servant may raise funds, either individually or as a department or agency, for crime prevention, drug and alcohol abuse prevention, and traffic safety programs without violating the provisions of this chapter. Raising of funds shall include but not be limited to holding events for the benefit of a program specified in this section, contacting potential donors, providing prizes, and engaging in other forms of fundraising and providing the funds thus raised to the program.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 15A IS CREATED TO READ AS FOLLOWS:

The Justice Cabinet and its agencies may provide state personnel, state property, and other state resources to Trooper Island Incorporated.

Section 4. Because the programs which are funded by the provisions of Sections 2 and 3 of this Act have immediate and ongoing needs, an emergency is declared to exist and Sections 2 and 3 of this Act shall take effect upon their passage and approval by the Governor or upon their otherwise becoming law. Section 1 of this Act shall become effective on the normal effective date of legislation passed by the 2002 Regular Session of the General Assembly.

Approved April 9, 2002

CHAPTER 291

(HB 357)

AN ACT relating to boards of ethics of local governments.

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

Section 1. KRS 65.003 is amended to read as follows:

- (1) The governing body of each city and county, including urban-counties and charter counties, shall adopt, by ordinance, a code of ethics which shall apply to all elected officials of the city or county, and to appointed officials and employees of the city or county government, *or agencies created jointly*, as specified in the code of ethics. The elected officials of a city or county to which a code of ethics shall apply include the mayor, county judge/executive, members of the governing body, county clerk, county attorney, sheriff, jailer, coroner, surveyor, and constable but do not include members of any school board. *Agencies created jointly may include planning or administrative commissions or boards.* Candidates for the city and county elective offices specified in this subsection shall comply with the annual financial disclosure statement filing requirements contained in the code of ethics.
- (2) Any city or county may enter into *a memorandum of agreement or an interlocal* agreement with one (1) or more other cities or counties, ~~in accordance with the provisions of the Interlocal Cooperation Act, KRS 65.210 to 65.300,~~ for joint adoption of a code of ethics which shall apply to all elected officials of the cities or counties, and to appointed officials and employees as specified by each of the cities or counties which enters into the agreement. *Interlocal agreements shall be executed pursuant to the Interlocal Cooperation Act in KRS 65.210 to 65.300. The interlocal agreement or memorandum of agreement may provide for but shall not be limited to:*
 - (a) *The provision of administrative services relating to the implementation of a code of ethics;*
 - (b) *The creation of a regional ethics board which serves independently to provide advice to member governments and their officials and provides for the enforcement of locally adopted codes of ethics; and*
 - (c) *Contracting by a memorandum of agreement with an area development district for the provision of administrative services relating to the implementation of a code of ethics.*

Candidates for the city and county elective offices specified in this subsection shall comply with the annual financial disclosure statement filing requirements contained in the code of ethics.

- (3) Each code of ethics adopted as provided by subsection (1) or (2) of this section, or amended as provided by subsection (4) of this section, shall include, but not be limited to, provisions which set forth:
- (a) Standards of conduct for elected and appointed officials and employees;
 - (b) Requirements for creation of financial disclosure statements, which shall be filed annually by all candidates for the city and county elective offices specified in subsection (1) of this section, elected officials of each city and county government, and other officials or employees of the city or county government, as specified in the code of ethics, and which shall be filed with the person or group responsible for enforcement of the code of ethics, *provided that nonpaid members of jointly created agencies may be exempted from filing financial disclosure statements*;
 - (c) A policy on the employment of members of the families of officials or employees of the city or county government, as specified in the code of ethics;
 - (d) The designation of a person or group who shall be responsible for enforcement of the code of ethics, including maintenance of financial disclosure statements, all of which shall be available for public inspection, receipt of complaints alleging possible violations of the code of ethics, issuance of opinions in response to inquiries relating to the code of ethics, investigation of possible violations of the code of ethics, and imposition of penalties provided in the code of ethics.
- (4) The code of ethics ordinance adopted by a city or county may be amended but shall not be repealed.
- (5) (a) Within twenty-one (21) days of the adoption of the code of ethics required by this section, each city and county shall deliver a copy of the ordinance by which the code was adopted and proof of publication in accordance with KRS Chapter 424 to the Department for Local Government. The department shall maintain the ordinances as public records and shall maintain a list of city and county governments which have adopted a code of ethics and a list of those which have not adopted a code of ethics.
- (b) Within twenty-one (21) days of the amendment of a code of ethics required by this section, each city or county shall deliver a copy of the ordinance by which the code was amended and proof of publication in accordance with KRS Chapter 424 to the Department for Local Government, which shall maintain the amendment with the ordinance by which the code was adopted.
- (c) For ordinances adopting or amending a code of ethics under this section, cities of the first class shall comply with the publication requirements of KRS 83A.060(9), notwithstanding the exception contained in that statute.
- (6) If a city or county government fails to comply with the requirements of this section, the Department for Local Government shall notify all state agencies, including area development districts, which deliver services or payments of money from the Commonwealth to the city or county government. Those agencies shall suspend delivery of all services or payments to the city or county government which fails to comply with the requirements of this section. The Department for Local Government shall immediately notify those same agencies when the city or county government is in compliance with the requirements of this section, and those agencies shall reinstate the delivery of services or payments to the city or county government.

Approved April 9, 2002

CHAPTER 292

(HB 293)

AN ACT relating to the provision of thermal vision devices to fire departments.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The thermal vision grant program, which is administered pursuant to Sections 1 to 5 of this Act and appropriations for the thermal vision grant program in the state budget, is designed to:

- (1) *Reduce and prevent the loss of life by creating better equipped firefighters throughout the Commonwealth;*
and

- (2) *Upgrade the capabilities of local firefighters by providing financial assistance to be used to purchase thermal vision devices.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The commission shall have overall responsibility for policy, guidance, administration, implementation, and proper utilization of the thermal vision grant program. The commission with the advice of the advisory committee, shall make determinations relating to thermal vision grant program applications and releasing equipment to fire departments.

SECTION 3. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

For the purposes of Sections 1 to 5 of this Act "thermal vision device" means any portable electronic device that displays a visible image from the infrared portion of the electromagnetic spectrum.

SECTION 4. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The commission shall:

- (1) *Create the necessary application forms, any necessary supporting documents, compliance documents, or reporting documents for the thermal vision grant program as may be necessary by promulgating administrative regulations under KRS Chapter 13A;*
- (2) *Make a determination of the characteristics of the most cost-effective thermal vision systems for use by fire departments participating in the thermal vision grant program;*
- (3) *Make a determination of the manufacturer or manufacturers of thermal vision devices to be purchased by the thermal vision grant program;*
- (4) *Make a determination of the most cost-effective purchase mechanism and price, under KRS Chapter 45A, for thermal vision systems;*
- (5) *Accept and process applications for the purchase of thermal vision systems through the thermal vision grant program;*
- (6) *Award eligible fire departments grants equal to fifty percent (50%), but not to exceed the sum of five thousand dollars (\$5,000), of the agreed price for the purchase of thermal vision systems;*
- (7) *Require recipients of thermal vision devices purchased through the thermal vision grant program to file any reports deemed necessary by the commission concerning usage, maintenance, or property accounting or loss with the commission; and*
- (8) *Maintain these reports for evaluation by the commission.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

All fire departments formed under KRS Chapter 65, 75, 95, or 273 shall be eligible to receive grants through the thermal vision grant program. These fire departments may make application for a grant to purchase thermal vision devices through the thermal vision grant program to the commission. The application shall be made on forms provided by the commission. A fire department that receives a grant through the thermal vision grant program shall not make another application to the commission for a grant for a period of two (2) years. Fire departments receiving grants for the purchase of thermal vision devices through the thermal vision grant program shall comply with all administrative regulations concerning reporting requirements established by the commission. Failure to comply with these reporting requirements shall disqualify a fire department from participation in the thermal vision grant program for a period of five (5) years.

Approved April 9, 2002

CHAPTER 293

(HB 405)

AN ACT relating to surface mining and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

- (1) *For purposes of this section, "private land" means property that is owned by a not-for-profit organization or by a noncommercial private owner and is subject to the construction of improvements on that property, and includes land that requires alteration, modification, excavation, or landscaping in order to make it relate to, and support the function of, a facility or improvement. Private land includes but is not limited to a parking lot for a church, a recreational facility or court for a school, and land alteration related to improvements to a private residence or other private use.*
- (2) *Removal of coal on private land, incidentally and as a necessary requirement of facility construction, or as a consequence of the excavation or landscaping required to make the land support the intended function of a facility under construction, shall not require the owner of that private land to obtain a surface mining permit as required under this chapter, or a mining license as required under this chapter, if:*
 - (a) *The coal removed is five thousand (5,000) tons or less;*
 - (b) *The coal removed is donated to a charitable, educational, or governmental organization, or the coal is sold and the proceeds are donated to such an organization; and*
 - (c) *The landowner notifies the cabinet at the time that coal is first encountered and prior to removal, and if after inspection and review of site plans, construction contracts, or other indicia, the cabinet determines that the proposed project is eligible for this exemption. The cabinet may require implementation of such best management practices as are necessary to ensure compliance with stormwater discharge limits.*
- (3) *The cabinet shall within ten (10) days of the effective date of this Act, seek an opinion from the Federal Office of Surface Mining relating to the provisions of this section and shall not implement or administer the provisions of subsection (2) of this section until July 1, 2004. However, if the cabinet receives a Federal Office of Surface Mining determination that subsections (1) to (2) of this section, and any related administrative regulations of the cabinet, are consistent with, or otherwise not in violation of, the Federal Surface Mining Control and Reclamation Act of 1977, the cabinet may implement and administer the provisions of subsection (2) of this section prior to July 1, 2004.*

Section 2. Whereas cabinet implementation of the provisions of Section 1 of this Act may proceed before July 1, 2004, if an opinion by the Federal Office of Surface Mining is received, and whereas time is of the essence for those who may be affected by the provisions of Section 1 of this Act, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 9, 2002

CHAPTER 294

(HB 126)

AN ACT relating to the provision of health care services in the schools.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Education shall provide leadership and assistance to local school districts relating to student health services. The department, working in cooperation with the Department for Public Health, shall provide, contract for services, or identify resources to improve student health services, including but not limited to the following:*
 - (a) *Standardized protocols and guidelines for health procedures to be performed by health professionals and school personnel. The protocols and guidelines shall include, but not be limited to, the following:*
 1. *The delegation of nursing functions consistent with administrative regulations promulgated by the Kentucky Board of Nursing;*
 2. *Training of designated nonmedical school personnel; and*
 3. *Appropriate documentation and recordkeeping including, but not limited to, notification to school administrators and parents or guardians of the provision of health services by a school*

employee, including certification of medical necessity for health services signed by a health care professional, and informed consent for the provision of health services by a parent or guardian.

A copy of the protocols and guidelines shall be made available to each school in the Commonwealth and shall be maintained by each school in the school's library;

- (b) Consultation, technical assistance, and development of quality improvement measures for the state and local boards of education, individual public schools, and local health departments;*
 - (c) Facilitation of statewide and local data collection and reporting of school health services; and*
 - (d) Information and resources that relate to the provision of school health services.*
- (2) The Department of Education shall establish a position to assist in carrying out the responsibilities required under subsection (1) of this section. The position may be established with existing personnel resources, or by contract, with an individual who:*
- (a) Holds, at a minimum, a bachelor's degree in nursing with a master's degree in nursing or a related field from an accredited postsecondary institution; and*
 - (b) Is a registered nurse licensed under the provisions of KRS Chapter 314.*
- (3) The Department of Education shall provide fifty percent (50%) of the costs for the position required by subsection (2) of this section and the Department for Public Health shall provide the remaining fifty percent (50%) for the position. The Department of Education may enter into a contractual arrangement, such as a Memorandum of Agreement, with the Department for Public Health to share the costs.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) As used in this section:*
- (a) "Health services" means the provision of direct health care, including the administration of medication; the operation, maintenance, or health care through the use of medical equipment; or the administration of clinical procedures. "Health services" does not include first aid or emergency procedures; and*
 - (b) "School employee" means an employee of the public schools of this Commonwealth.*
- (2) Health services shall be provided, within the health care professional's current scope of practice, in a school setting by:*
- (a) A physician who is licensed under the provisions of KRS Chapter 311;*
 - (b) An advanced registered nurse practitioner, registered nurse, or licensed practical nurse who is licensed under the provisions of KRS Chapter 314; or*
 - (c) A school employee who is delegated responsibility to perform the health service by a physician, advanced registered nurse practitioner, or registered nurse; and*
 - 1. Has been trained by the delegating physician or delegating nurse for the specific health service, if that health service is one that could be delegated by the physician or nurse within his or her scope of practice; and*
 - 2. Has been approved in writing by the delegating physician or delegating nurse. The approval shall state that the school employee consents to perform the health service when the employee does not have the administration of health services in his or her contract or job description as a job responsibility, possesses sufficient training and skills, and has demonstrated competency to safely and effectively perform the health service. The school employee shall acknowledge receipt of training by signing the approval form. A copy of the approval form shall be maintained in the student's record and the personnel file of the school employee. A delegation to a school employee under this paragraph shall be valid only for the current school year.*
- (3) If no school employee has been trained and delegated responsibility to perform a health service, the school district shall make any necessary arrangement for the provision of the health service to the student in order to prevent a loss of a health service from affecting the student's attendance or program participation. The*

school district shall continue with this arrangement until appropriate school personnel are delegated the responsibility for health care in subsection (2) of this section.

- (4) *A school employee who has been properly delegated responsibility for performing a medical procedure under Section 2 of this Act shall act as an agent of the school and be granted liability protection under the Federal Paul P. Coverdell Teacher Liability Protection Act of 2001, Public Law 107-110, unless the claimant establishes by clear and convincing evidence that harm was proximately caused by an act or omission of the school employee that constitutes negligence, willful or criminal misconduct, or a conscious, flagrant indifference to the rights and safety of the individual harmed.*
- (5) *Nothing in this section shall be construed to deny a student his or her right to attend public school and to receive public school services, or to deny, prohibit, or limit the administration of emergency first aid or emergency procedures.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department for Public Health shall provide fifty percent (50%) of the costs for the position created in subsection (2) of Section 1 of this Act. The Department for Public Health may enter into a contractual arrangement, such as a Memorandum of Agreement, with the Department of Education to share the costs.*
- (2) *The Department for Public Health shall provide access, information, assistance, and support to the education school nurse consultant necessary to assist and support the Department of Education to fulfill the duties specified in Section 1 of this Act.*
- (3) *It is the intent of the General Assembly that there be no duplication of services or duties between the Department of Education and the Department for Public Health relating to school health services and that the position created in subsection (2) of Section 1 of this Act serve as a technical advisor and liaison among state agencies, local school districts, and local health departments.*

Approved April 9, 2002

CHAPTER 295

(HB 26)

AN ACT relating to health care and declaring an emergency.

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

Section 1. KRS 218A.202 is amended to read as follows:

- (1) The Cabinet for Health Services shall establish an electronic system for monitoring Schedules II, III, IV, and V controlled substances that are dispensed within the Commonwealth by a practitioner or pharmacist or dispensed to an address within the Commonwealth by a pharmacy licensed by the Kentucky Board of Pharmacy.
- (2) A practitioner or a pharmacist shall not have to pay a fee or tax specifically dedicated to the operation of the system.
- (3) Every dispenser within the Commonwealth or who is licensed by the Kentucky Board of Pharmacy shall report to the Cabinet for Health Services the data required by this section in a timely manner as prescribed by the cabinet except that reporting shall not be required for:
 - (a) A drug administered directly to a patient; or
 - (b) A drug dispensed by a practitioner at a facility licensed by the cabinet provided that the quantity dispensed is limited to an amount adequate to treat the patient for a maximum of forty-eight (48) hours.
- (4) Data for each controlled substance that is dispensed shall include but not be limited to the following:
 - (a) Patient identifier;
 - (b) Drug dispensed;
 - (c) Date of dispensing;
 - (d) Quantity dispensed;

- (e) Prescriber; and
 - (f) Dispenser.
- (5) The data shall be provided in the electronic format specified by the Cabinet for Health Services unless a waiver has been granted by the cabinet to an individual dispenser.
- (6) The Cabinet for Health Services shall be authorized to provide data to:
- (a) A designated representative of a board responsible for the licensure, regulation, or discipline of practitioners, pharmacists, or other person who is authorized to prescribe, administer, or dispense controlled substances and who is involved in a bona fide specific investigation involving a designated person;
 - (b) A state, federal, or municipal officer whose duty is to enforce the laws of this state or the United States relating to drugs and who is engaged in a bona fide specific investigation involving a designated person;
 - (c) A state-operated Medicaid program;
 - (d) A properly convened grand jury pursuant to a subpoena properly issued for the records;
 - (e) A practitioner or pharmacist who requests information and certifies that the requested information is for the purpose of providing medical or pharmaceutical treatment to a bona fide current patient; or
 - (f) A person who receives data or any report of the system from the cabinet shall not provide it to any other person or entity except by order of a court of competent jurisdiction.
- (7) The Cabinet for Health Services, all law enforcement officers, all officers of the court, and all regulatory agencies and officers, in using the data for investigative or prosecution purposes, shall consider the nature of the prescriber's and dispenser's practice and the condition for which the patient is being treated.
- (8) The data and any report obtained therefrom shall not be a public record.
- (9) Knowing failure by a dispenser to transmit data to the cabinet as required by subsection (3), (4), or (5) of this section shall be a Class A misdemeanor.
- (10) Knowing disclosure of transmitted data to a person not authorized by subsection (6) of this section or authorized by KRS 315.121, or obtaining information under this section not relating to a bona fide specific investigation, shall be a Class D felony.
- (11) ***The Governor's Office for Technology, in consultation with the Cabinet for Health Services, shall submit an application to the United States Department of Justice for a drug diversion grant to fund a pilot project to study a real-time electronic monitoring system for Schedules II, III, IV, and V controlled substances. The pilot project shall:***
- (a) ***Be conducted in two (2) rural counties that have an interactive real-time electronic information system in place for monitoring patient utilization of health and social services through a federally funded community access program; and***
 - (b) ***Study the use of an interactive system that includes a relational data base with query capability.***
- (12) ***Provisions in subsections (1) to (10) of this section that relate to data collection, disclosure, access, and penalties shall apply to the pilot project authorized under subsection (11) of this section.***

SECTION 2. A NEW SECTION OF KRS 205.510 TO 205.645 IS CREATED TO READ AS FOLLOWS:

An adult day health care program shall be required to provide skilled nursing services to Medicaid recipients only during the posted hours of operation.

Section 3. Whereas the Governor's Oxycontin/Prescription Drug Abuse Task Force recommended that the electronic system for monitoring Schedules II, III, IV, and V be converted to a real-time data entry and reporting system, and an opportunity exists for the state to apply for federal funds to pilot a real-time electronic system from the Harold Rogers Prescription Drug Monitoring Program, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 9, 2002

CHAPTER 296

(SB 203)

AN ACT relating to long-term care facilities.

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

Section 1. KRS 216.557 is amended to read as follows:

Citations issued pursuant to KRS 216.537 to 216.590 shall be classified according to the nature of the violation as follows:

- (1) Type "A" violation means a violation by a long-term care facility of the regulation, standards, and requirements as set forth by the cabinet pursuant to KRS 216.563 or the provisions of KRS 216.510 to 216.525, or applicable federal laws and regulations governing the certification of a long-term care facility under Title 18 or 19 of the Social Security Act, which presents an imminent danger to any resident of a long-term care facility and creates substantial risk that death or serious mental or physical harm to a resident will occur. A Type A violation shall be abated or eliminated immediately, unless a fixed period of time not to exceed ten (10) days, as determined by the cabinet, is required for correction. A Type A violation is subject to a civil penalty in an amount not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each and every violation. ***A facility that is assessed a civil monetary penalty in accordance with applicable federal laws and regulations under Title 18 or 19 of the Federal Social Security Act shall not be subject to the civil monetary penalty established in this subsection for the same violation.***
- (2) Type "B" violation means a violation by a long-term care facility of the regulations, standards, and requirements as set forth by the cabinet pursuant to KRS 216.563 or the provisions of KRS 216.510 to 216.525, or applicable federal laws and regulations governing the certification of a long-term care facility under Title 18 or 19 of the Social Security Act, which presents a direct or immediate relationship to the health, safety, or security of any resident, but which does not create an imminent danger. A Type B violation is subject to a civil penalty in an amount not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) for each and every violation. A citation for a Type B violation shall specify the time within which the violation is required to be corrected as approved or determined by the cabinet. If a Type B violation is corrected within the time specified, no civil penalty shall be imposed. ***A facility that is assessed a civil monetary penalty in accordance with applicable federal laws and regulations under Title 18 or 19 of the Federal Social Security Act shall not be subject to the civil monetary penalty established in this subsection for the same violation.***

Section 2. KRS 216.560 is amended to read as follows:

- (1) If a licensee has failed to correct a Type A violation within the time specified for correction by the cabinet, the cabinet shall assess the licensee a civil penalty in the amount of five hundred dollars (\$500) for each day that the deficiency continues beyond the date specified for correction. Application for an extension of time, not to exceed ten (10) days, may be granted by the cabinet upon a showing by the licensee that adequate arrangements have been made to protect the health and safety of the residents. ***A facility that is assessed a civil monetary penalty in accordance with applicable federal laws and regulations under Title 18 or 19 of the Federal Social Security Act shall not be subject to the civil monetary penalty established in this subsection for the same violation.***
- (2) If a licensee has failed to correct a Type B violation within the time specified for correction by the cabinet, the cabinet shall assess the licensee a civil penalty in the amount of two hundred dollars (\$200) for each day that the deficiency continues beyond the date specified for correction. Application for an extension of time, not to exceed (10) days, may be granted by the cabinet upon a showing by the licensee that adequate arrangements have been made to protect the health and safety of the residents. ***A facility that is assessed a civil monetary penalty in accordance with applicable federal laws and regulations under Title 18 or 19 of the Federal Social Security Act shall not be subject to the civil monetary penalty established in this subsection for the same violation.***
- (3) The civil penalties authorized by KRS 216.537 to 216.590 shall be trebled when a licensee has received a citation for violating a statute or regulation for which it has received a citation ~~and penalty~~ during the previous twelve (12) months.

- (4) Payment of penalties shall not be made from moneys used for direct patient care nor shall the payment of penalties be a reimbursable cost under Medicaid or Medicare.
- (5) KRS 216B.990(3) shall not apply to the offenses defined herein.
- (6) *A personal care home that is assessed a civil monetary penalty for a Type A or Type B citation shall have the amount of the penalty reduced by the dollar amount that the facility can verify was used to correct the deficiency, if:*
 - (a) *The condition resulting in the deficiency citation existed for less than thirty (30) days prior to the date of the citation; or*
 - (b) *The facility has not intentionally delayed correcting the deficiency to secure a reduction in a penalty that might subsequently be assessed.*
- (7) All administrative fines collected by the cabinet pursuant to KRS 216.537 to 216.590 shall be deposited in the Kentucky nursing incentive scholarship fund, which is hereby created, and the balance of that fund shall not lapse at the end of the fiscal year to the general fund.

SECTION 3. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

A long-term care facility as defined in KRS 216.535, except for a personal care home, that advertises to provide special care for persons with a medical diagnosis of Alzheimer's disease or other related disorders or maintains an identifiable unit for the treatment of persons with a medical diagnosis of Alzheimer's disease or other related disorders shall provide training to all staff members in the care and handling of Alzheimer's disease or other related disorders as follows:

- (1) *At least eight (8) hours of orientation related to Alzheimer's disease or other related disorders to include the following:*
 - (a) *Facility policies;*
 - (b) *Etiology and treatment;*
 - (c) *Disease stages;*
 - (d) *Behavior management; and*
 - (e) *Residents' rights; and*
- (2) *Annual continuing education of at least five (5) hours related to Alzheimer's disease or other related disorders.*

Approved April 9, 2002

CHAPTER 297

(SCR 185)

A CONCURRENT RESOLUTION directing the Interim Joint Committee on Health and Welfare to establish a subcommittee to study issues related to prescription drug coverage for seniors.

WHEREAS, prescription drug expenditures increased by 17% during 1999 and are expected to continue to increase at 15-18% annually; and

WHEREAS, Americans ages 65 and older pay an average of \$1,205 a year for prescription medications, up from \$559 in 1992; and

WHEREAS, over 158,000 Kentucky seniors do not have prescription drug coverage; and

WHEREAS, Medicare, the primary payor of health coverage for seniors, does not cover prescription drugs; and

WHEREAS, approximately 27 percent of Medicare beneficiaries do not have prescription drug coverage; and

WHEREAS, most Medicare beneficiaries use pharmaceuticals on a regular basis, filling about 22 prescriptions on average in 1998; and

WHEREAS, Medicare beneficiaries without drug coverage average about eight fewer prescriptions per year than those with coverage, and those with poor health average about 15 fewer prescriptions than those with coverage; and

WHEREAS, prescription drugs positively affect health outcomes and result in decreased utilization of other more expensive health services, including emergency room utilization and hospitalization; and

WHEREAS, it is in the interest of the seniors of Kentucky to explore options to enhance access to prescription drug coverage;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Interim Joint Committee on Health and Welfare is directed to establish a subcommittee to study issues relating to prescription drug coverage for seniors. The study shall include but not be limited to the following:

- (1) Explore various options to promote access to prescription drug coverage for seniors, including but not limited to state funded programs, Medicaid expansions, insurance subsidies, discount programs, bulk purchasing programs, and insurance subsidies;
- (2) Analysis of other states' senior prescription drug programs;
- (3) Identification of funding sources for prescription drug coverage for seniors; and
- (4) Discussion of federal proposals to fund prescription drug coverage for seniors.

Section 2. The subcommittee shall consist of the following members:

- (1) The co-chairs of the Interim Joint Committee on Health and Welfare. The co-chairs, or his or her respective designee, shall serve as co-chairs of the subcommittee; and
- (2) Three members of the Senate and three members of the House of Representatives, appointed by the Legislative Research Commission from a list recommended by the co-chairs of the Interim Joint Committee on Health and Welfare.

Section 3. The subcommittee shall invite representatives from governmental agencies and interested parties to provide input into the study, including but not limited to representation from the following:

- (1) Kentucky Association of Health Plans;
- (2) Kentucky Association of Gerontology;
- (3) American Association of Retired Persons, Kentucky State Office;
- (4) Kentucky Pharmacists Association;
- (5) Special Advisory Commission of Senior Citizens;
- (6) Kentucky Medical Association;
- (7) Office on Aging Services;
- (8) Department for Medicaid Services;
- (9) Long-term care ombudsman;
- (10) Kentucky Coalition of Nurse Practitioners and Nurse Midwives; and
- (11) Kentucky Hospital Association.

Section 4. The subcommittee shall submit a final report to the Legislative Research Commission no later than November 1, 2002.

Section 5. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 9, 2002

CHAPTER 298**(SB 238)**

AN ACT relating to transportation.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

All statutes to the contrary notwithstanding, the Transportation Cabinet shall amend its policies and administrative regulations in effect on the effective date of this Act governing highway signage to include shopping malls and shopping areas as businesses that are eligible to obtain a specific service highway sign, and shall not subsequently adopt new policies or promulgate new administrative regulations to the contrary.

Section 2. KRS 177.037 is amended to read as follows:

- (1) The Department of Highways may install and maintain signs recognizing the boundary of a city, town, or community whether incorporated or unincorporated. These signs shall be installed regardless of whether the community has a post office, if the Department of Highways had previously erected signs recognizing the city, town or community. The signs shall be placed at the official community boundaries. If the community does not have official boundaries, the signs shall be installed at the community boundaries as determined by the built-up area.
- (2) ***The department shall install and maintain signs at the boundaries of any city of the first through sixth class or an unincorporated urban place as defined in KRS 177.366, regardless of whether the city or unincorporated urban place has a post office or zip code, if the city or unincorporated urban place:***
 - (a) ***Submits a written request for not more than two (2) signs:***
 1. ***To honor the birthplace of a person important to the city or unincorporated urban place; or***
 2. ***To honor an event or accomplishment important to the city or unincorporated urban place;***
and
 - (b) ***Agrees to pay for the actual cost to make and install the signs.***
- (3) ***The department shall work with the city or unincorporated urban place to determine the appropriate place to install the signs required under subsection (2) of this section. If an agreement cannot be reached on the appropriate place to install the signs, the site selected by the city or unincorporated urban place shall take precedence and the department shall not prohibit and shall not delay the installation of the signs.***
- (4) ***Each city or unincorporated urban place requesting a sign under subsection (2) of this section shall be limited to two (2) signs. Requests for additional signs authorized under subsection (2) of this section in excess of two (2) by the same city or unincorporated urban place shall be consolidated into a single sign.***
- (5) ***All statutes to the contrary notwithstanding, the Transportation Cabinet shall amend its policies and administrative regulations in effect on the effective date of this Act to comply with the provisions of this section, and shall not subsequently adopt new policies or promulgate new administrative regulations to the contrary.***

Section 3. KRS 186A.115 is amended to read as follows:

- (1) Except as otherwise provided in this section, the owner of every vehicle brought into this state and required to be titled in this state shall, before submitting his application for title to the county clerk, have the vehicle together with his application for title and its supporting documents inspected by a certified inspector in the county in which the application for title is to be submitted to the county clerk.
 - (a) The certified inspector shall be certified through the Department of Vehicle Regulation following requirements set forth by the department by regulation and shall be designated by the county sheriff. The certified inspector will be held responsible for all certifications required pursuant to this chapter and will be liable for any and all penalties prescribed in this chapter, and shall be available during regular office hours at any and all offices and branches that issue applications for titles.

- (b) There shall be a five dollar (\$5) fee for this certification, payable to the sheriff's office, upon completion of certification.
 - (c) There shall be an additional fee of ten dollars (\$10) per trip when it becomes necessary for the certified inspector to travel to the site of the vehicle rather than bringing the vehicle to the sheriff's inspection area.
 - (d) ***An inspection conducted in one (1) county within the Commonwealth of Kentucky under this subsection, and the fees paid for that inspection under this subsection, shall be honored by the certified inspector, sheriff, and county clerk in all other counties within this state. A second inspection shall not be required and additional fees shall not be required.***
- (2) The following vehicles are excluded from the requirement of inspection by a certified inspector prior to titling in this state:
- (a) New motor vehicles sold by a dealer licensed in this state;
 - (b) Vehicles required to be registered in this state by reason of lack of a reciprocity agreement with another state and for which a nonnegotiable registration document is to be issued;
 - (c) Motor vehicles operated by a motor carrier under a nonnegotiable certificate or permit issued by the Department of Vehicle Regulation;
 - (d) Motor vehicles owned by servicemen or servicewomen who are residents of Kentucky stationed outside of Kentucky may be inspected by the post provost or similar officer of the camp, post, or station. The post provost or similar officer shall submit an affidavit stating the name of the owner, the identification or serial number, the make, body style, current license or title number, if any, and state in which currently registered or titled, if any, of the motor vehicle; and
 - (e) Motor vehicles no longer located in Kentucky but which require inspection in order to issue a corrected Kentucky title due to error in vehicle identification or serial number may be inspected by an inspector authorized to inspect vehicle identification or serial number by the laws of the state or foreign country where application for a new title has been submitted.
- (3) When presented to a certified inspector for inspection or to a county clerk for processing, the owner's application for a first certificate of registration or title in his name shall be accompanied by proof of insurance in compliance with KRS 304.39-080 and one (1) of the following documents as applicable:
- (a) If the vehicle is a new vehicle not previously registered in this state, the properly assigned manufacturer's statement of origin for the vehicle for which registration or title is sought;
 - (b) If the vehicle was last registered in this state, and is a vehicle for which a title is not required in this state, a certificate of registration, or if the vehicle is one for which a certificate of title is required in this state, a properly assigned certificate of title;
 - (c) If the vehicle was last previously titled in another state, a properly assigned certificate of title;
 - (d) If the application refers to a vehicle previously registered in another country, the documents of that country establishing ownership of the vehicle;
 - (e) If the application refers to a vehicle last previously registered in another country by a person on active duty in the Armed Forces of the United States, the county clerk may accept on behalf of the Department of Vehicle Regulation evidence of ownership provided the applicant by the United States Department of Defense; and
 - (f) If the application relates to a vehicle which has been specially constructed or reconstructed, that fact shall be stated in the application, and the application shall be accompanied by such documents as are specified by administrative regulations of the Department of Vehicle Regulation.
- (4) When requested to inspect a vehicle pursuant to this section, the certified inspector shall personally and physically inspect the vehicle, when registration or title is sought in this state, on the following points:
- (a) He shall ensure that the application is legible and properly executed to the extent required at the time of execution;
 - (b) He shall compare the vehicle identification number as appearing on both the vehicle identification number plate, and the federal safety standards label of the vehicle which is sought to be registered or

titled, with the corresponding number inscribed on the application, and its supporting documentation, and ensure that the vehicle identification number appearing at each described location appears legitimate and that they are consistent with each other;

- (c) He shall examine the primary odometer of the vehicle and legibly record the reading in the space provided in the inspection section of the application; and
 - (d) After exercising due diligence in inspecting the vehicle, the application, and its supporting documentation, and finding that they appear to be in order, the certified inspector shall execute the preprinted certificate of inspection according to its terms by printing in the spaces provided his first name, middle initial, and last name, and his title; the name of the county in which he serves; and the telephone number including the telephone area code of his agency, and sign in ink his signature in the space provided, and print the month, day, and year in which his inspection was made, certifying under penalty of forgery in the second degree the character, accuracy, and date of his inspection.
- (5) The certified inspector shall refrain from executing the certificate of inspection if:
- (a) He has not personally and physically inspected the vehicle in accordance with this section;
 - (b) He has reason to believe that the vehicle displays an unlawfully altered vehicle identification number;
 - (c) The application and any of its copies are illegible or otherwise improperly executed, or contain information reasonably believed to be inaccurate or fraudulent;
 - (d) The documentation required in support of any application is not present, or not consistent with the vehicle and the owner's application or appears fraudulent; or
 - (e) He has probable cause to believe the vehicle is stolen.

Approved April 9, 2002

CHAPTER 299

(SB 243)

AN ACT relating to the availability of textbooks and instructional materials in accessible formats for students with disabilities.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

- (1) *The following definitions shall apply to this section:*
- (a) *"Alternative format" means any medium or format for the presentation of instructional materials that is needed by a student with an individualized education program or Section 504 Plan for a reading accommodation other than standard print, including but not limited to Braille, large print, audio recordings, digital text, and digital talking books;*
 - (b) *"Braille," "individualized education program," and "blind students" have the same meaning as defined under KRS 158.281;*
 - (c) *"Comparable version" denotes that all elements of the print version are present in the electronic version, including graphics with ALT tags though not necessarily in the same order or format;*
 - (d) *"Legacy materials" means images and graphics requiring release and permission from another source other than the publisher; and*
 - (e) *"Section 504 Plan" means a written statement developed for a student with a disability that includes the provision of regular or special education and related aids and services designed to meet individual educational needs in accordance with the federal regulations issued under 34 C.F.R. sec. 104.33.*
- (2) *The purpose of this section shall be to assure, to the extent feasible, that all students with disabilities in the public schools kindergarten through grade twelve (12) who require reading accommodations in accordance with an individualized education program or Section 504 Plan, including but not limited to students who*

are blind, visually impaired, or who have a specific learning disability as defined in KRS 157.200 or other disability affecting reading, shall have access to textbooks and instructional materials as defined by administrative regulations of the Kentucky Board of Education in alternative formats that are appropriate to their disability and educational needs.

- (3) *Notwithstanding any other statute to the contrary, the Department of Education shall give preferential procurement status to textbook and instructional materials from publishers who make their materials available in alternative formats for use by students with disabilities, or who can verify that an accessible format textbook or instructional material is currently available from or is in the process of being created by the American Printing House for the Blind, Recording for the Blind and Dyslexic, or another authorized entity, as defined under 17 U.S.C. sec. 121 and who commonly provide alternative format materials for use by students in Kentucky schools. The Department of Education may assign additional procurement preferences designed to ensure that students with disabilities have access to appropriate alternative formats to meet their needs.*
- (4) *Effective July 1, 2003, the Department of Education shall require to the extent feasible any publisher of a textbook or program adopted for use in the public schools in kindergarten through grade twelve (12) to furnish computer files or electronic versions of the printed textbooks and instructional materials in formats comparable to the printed version that are compatible with commonly used Braille translation and speech synthesis software and include corrections and revisions as may be necessary to assure clarity in presentation and use. Navigation within and between files should be reasonably efficient so that the disabled learner is able to fully utilize the material in a manner that yields the same result as the print version affords a nondisabled learner. File format shall be limited to those formats that allow for a comparable version that is readable with text and screen readers such as HTML, XML, or other formats that meet the criteria stated in this subsection. For extreme cases where ALT tags are not feasible, a tag may read, "This item is too complicated to render with current technology." Legacy materials shall be exempt from the criteria for this preference. These files shall be provided to the Division of Exceptional Children Services and shall be provided at the same time and in composition and form comparable with the printed version and include corrections and revisions as may be necessary to assure clarity in presentation and use. The Department of Education may define further requirements regarding additional characteristics of digital files submitted in compliance with this section as needed to provide appropriate alternative formats to meet the needs of students with disabilities.*
- (5) *The Department of Education shall require publishers to make digital files, together with two (2) copies of the print version, available at no charge upon request to the American Printing House for the Blind for production of accessible Braille and other materials and to Recording for the Blind and Dyslexic or another authorized entity, as defined under 17 U.S.C. sec. 121, for production of accessible audio media, digital text, and digital talking books, which produce accessible format materials based on selection and scheduling needs.*
- (6) *Nothing in this section shall in any way lessen the obligation of the public schools to provide for the instruction of blind students in the use of Braille in accordance with KRS 158.282 nor lessen the provision of Braille textbooks for blind students under KRS 156.476.*

Approved April 9, 2002

CHAPTER 300

(HB 343)

AN ACT relating to reorganization.

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

Section 1. 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. 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.
 - (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.
 - (m) Office of Technology.

- (n) Office of Quality.
- 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) Department for Coal County Development.
 - (f) Tobacco Research Board.
 - (g) 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.
 - (o) Mine Safety Review Commission.
- 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 Tobacco Settlement Trust Corporation.
 - (w) Eastern Kentucky Exposition Center 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 Information Technology.
 - (m) Office of Labor-Management Relations and Mediation.
 - (n) Office of General Counsel.
 - (o) Workers' Compensation Funding Commission.
 - (p) 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) Department for Training and Reemployment.
 - (j) Office of General Counsel.
 - (k) Office of Communication Services.
 - (l) Office of **Workforce Partnerships**~~[Development and Industry Relations]~~.
 - (m) Office of Workforce Analysis and Research.
 - (n) Office of **Budget and**~~for~~ Administrative Services.
 - (o) Office of **Technology Services**~~[for Policy and Budget]~~.
 - (p) Office of **Quality and Human Resources**~~[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.
 - (l) Office of Public Employee Health Insurance.

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.
- 10. Education Professional Standards Board.

Section 2. KRS 151B.020 is amended to read as follows:

- (1) The Cabinet for Workforce Development is hereby created, which shall constitute a cabinet of the state government within the meaning of KRS Chapter 12. The cabinet shall consist of a secretary and those administrative bodies and employees as provided by law.
- (2) The cabinet, subject to the provisions of KRS Chapter 12, shall be composed of the major organizational units listed below, and other departments, divisions, and sections as are from time to time deemed necessary for the proper and efficient operation of the cabinet:

- (a) The Department for Adult Education and Literacy, which is created by KRS 151B.023;
 - (b) The Department for Technical Education, which is created by KRS 151B.025;
 - (c) The Department of Vocational Rehabilitation, which is created by KRS 151B.185;
 - (d) The Department for the Blind, established by KRS 163.470;
 - (e) The Department for Employment Services, which is created by KRS 151B.280;
 - (f) The State Board for Adult and Technical Education, which is created by KRS 151B.095;
 - (g) The State Board for Proprietary Education, established by KRS 165A.340;
 - (h) The Foundation for Adult Education, established by KRS 151B.130;
 - (i) The Unemployment Insurance Commission established by KRS 341.110; and
 - (j) The Department for Training and Reemployment created in KRS 151B.260.
- (3) The executive officer of the cabinet shall be the secretary of the Cabinet for Workforce Development. The secretary shall be appointed by the Governor pursuant to KRS 12.040 and shall serve at the pleasure of the Governor. The secretary shall have general supervision and direction over all activities and functions of the cabinet and its employees and shall be responsible for carrying out the programs and policies of the cabinet. The secretary shall be the chief executive officer of the cabinet and shall have authority to enter into contracts, subject to the approval of the secretary of the Finance and Administration Cabinet, when the contracts are deemed necessary to implement and carry out the programs of the cabinet. The secretary shall have the authority to require coordination and nonduplication of services provided under the Federal Workforce Investment Act of 1998, 20 U.S.C. sec. 9201 et seq. The secretary shall have the authority to mandate fiscal responsibility dispute resolution procedures among state organizational units for services provided under the Federal Workforce Investment Act of 1998, 20 U.S.C. sec. 9201 et seq. The Office of the Secretary of the Cabinet for Workforce Development shall consist of the Offices of General Counsel, Communication Services, **Workforce Partnerships**~~[Development and Industry Relations]~~, Workforce Analysis and Research, **Budget and Administrative Services**~~[the Office for Policy and Budget]~~, **Quality and Human Resource Services**~~[the Office of Personnel Services]~~, and **Technology Services**~~[the Office for Administrative Services]~~. The Office of **Budget and**~~[for]~~ Administrative Services shall contain the **Division**~~[Divisions]~~ of Fiscal Services~~[Computer Services, and Facilities Management]~~. ~~The~~~~[Each]~~ division shall be headed by a director appointed by the secretary of the Cabinet for Workforce Development pursuant to KRS 12.050.
- (4) The secretary of the Cabinet for Workforce Development and ~~the secretary's~~~~[his]~~ designated representatives, in the discharge of the duties of the secretary, may administer oaths and affirmations, take depositions, certify official acts, and issue subpoenas to compel the attendance of witnesses and production of books, papers, correspondence, memoranda, and other records considered necessary and relevant as evidence at hearings held in connection with the administration of the cabinet.
- (5) The secretary of the Cabinet for Workforce Development may delegate any duties of ~~the secretary's~~~~[his]~~ office to employees of the cabinet as he **or she** deems necessary and appropriate, unless otherwise prohibited by statute.
- (6) The secretary of the Cabinet for Workforce Development shall promulgate, administer, and enforce administrative regulations that are necessary to implement programs mandated by federal law, or to qualify for the receipt of federal funds, and that are necessary to cooperate with other state and federal agencies for the proper administration of the cabinet and its programs.

Section 3. KRS 151B.225 is amended to read as follows:

- (1) There is hereby created a Client Assistance Program which is assigned for administrative purposes to the Office of **Budget and Administrative Services**~~[Administration and Policy Support]~~ within the office of the secretary of the Cabinet for Workforce Development.
- (2) The Client Assistance Program shall pursue legal, administrative, and other appropriate remedies to ensure the protection of rights of individuals with disabilities who are receiving treatment, services, or rehabilitation under the Rehabilitation Act of 1973, as amended. If additional resources are required to perform the duties and

responsibilities of the Client Assistance Program, the Cabinet, on behalf of the Client Assistance Program, may contract with other state agencies to obtain necessary legal or other professional services.

- (3) The Office of ***Budget and Administrative Services***~~[Administration and Policy Support]~~ shall serve as the agency in charge of all personnel, equipment, records, files, and funds pertaining to the Client Assistance Program as provided for in ***the Rehabilitation Act of 1973, as amended***~~[Public Law 98-221]~~.

Section 4. KRS 161.220 is amended to read as follows:

As used in KRS 161.230 to 161.716 and KRS 161.990:

- (1) "Retirement system" means the arrangement provided for in KRS 161.230 to 161.716 and KRS 161.990 for payment of allowances to members;
- (2) "Retirement allowance" means the amount annually payable during the course of his natural life to a member who has been retired by reason of service;
- (3) "Disability allowance" means the amount annually payable to a member retired by reason of disability;
- (4) "Member" means the commissioner of education, deputy commissioners, associate commissioners, and all division directors in the State Department of Education, and any regular or special teacher, or professional occupying a position requiring certification or graduation from a four (4) year college or university, as a condition of employment, and who is employed by public boards, institutions, or agencies as follows:
 - (a) Local boards of education;
 - (b) Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Western Kentucky University, and any community colleges established under the control of these universities;
 - (c) State-operated secondary area vocational education or area technology centers, Kentucky School for the Blind, and Kentucky School for the Deaf;
 - (d) The State Department of Education, other public education agencies as created by the General Assembly, including the Education Professional Standards Board, and those members of the administrative staff of the Teachers' Retirement System of the State of Kentucky whom the board of trustees may designate by administrative regulation;
 - (e) Regional cooperative organizations formed by local boards of education or other public educational institutions listed in this subsection, for the purpose of providing educational services to the participating organizations;
 - (f) All full-time members of the staffs of the Kentucky Association of School Administrators, Kentucky Education Association, Kentucky Vocational Association, Kentucky High School Athletic Association, Kentucky Academic Association, and the Kentucky School Boards Association who were members of the Kentucky Teachers' Retirement System or were qualified for a position covered by the system at the time of employment by the association in the event that the board of directors of the respective association petitions to be included. The board of trustees of the Kentucky Teachers' Retirement System may designate by resolution whether part-time employees of the petitioning association are to be included. The state shall make no contributions on account of these employees, either full-time or part-time. The association shall make the employer's contributions, including any contribution that is specified under KRS 161.550. The provisions of this paragraph shall be applicable to persons in the employ of the associations on or subsequent to July 1, 1972;
 - (g) The Department for Adult Education and Literacy, except that the commissioner shall not be a member;
 - (h) The Department for Technical Education, except that the commissioner shall not be a member;
 - (i) The Department of Vocational Rehabilitation;
 - (j) The Kentucky Educational Collaborative for State Agency Children;
 - (k) The Governor's Scholars Program;
 - (l) Any person who is retired for service from the retirement system and is reemployed by an employer identified in this subsection in a position that the board of trustees deems to be a member;

- (m) Employees of the Cabinet for Workforce Development who are transferred to the Kentucky Community and Technical College System and who occupy positions covered by the Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System. New employees occupying these positions, as well as newly created positions qualifying for Teachers' Retirement System coverage that would have previously been included in the Cabinet for Workforce Development, shall be members of the Teachers' Retirement System;
 - (n) Effective January 1, 1998, employees of state community colleges who are transferred to the Kentucky Community and Technical College System shall continue to participate in federal old age, survivors, disability, and hospital insurance and a retirement plan other than the Kentucky Teachers' Retirement System offered by Kentucky Community and Technical College System. New employees occupying positions in the Kentucky Community and Technical College System as referenced in KRS 164.5807(5) that would not have previously been included in the Cabinet for Workforce Development, shall participate in federal old age, survivors, disability, and hospital insurance and have a choice at the time of employment of participating in a retirement plan provided by the Kentucky Community and Technical College System, including participation in the Kentucky Teachers' Retirement System, on the same basis as faculty of the state universities as provided in KRS 161.540 and 161.620; and
 - (o) Employees of the Office of General Counsel, the Office *of Budget and Administrative Services*~~for Policy and Budget~~, and the Office of *Quality and Human Resources*~~Personnel Services, and the Office for Administrative Services~~ within the Office of the Secretary of the Cabinet for Workforce Development and the commissioners of the Department for Adult Education and Literacy and the Department for Technical Education who were contributing to the Kentucky Teachers' Retirement System as of July 15, 2000;
- (5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940, and became a member of the retirement system created by 1938 (1st Extra. Sess.) Ky. Acts ch. 1, on the date of the inauguration of the system or within one (1) year after that date, and any teacher who was a member of a local teacher retirement system in the public elementary or secondary schools of the state on or before July 1, 1940, and continued to be a member of the system until he, with the membership of the local retirement system, became a member of the state Teachers' Retirement System or who becomes a member under the provisions of KRS 161.470(4);
 - (6) "New teacher" means any member not a present teacher;
 - (7) "Prior service" means the number of years during which the member was a teacher in Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior service shall be allowed or credited to any teacher;
 - (8) "Subsequent service" means the number of years during which the teacher is a member of the Teachers' Retirement System after July 1, 1941;
 - (9) "Final average salary" means the average of the five (5) highest annual salaries which the member has received for service in a covered position and on which the member has made contributions, or on which the public board, institution, or agency has picked-up employee contributions pursuant to KRS 161.540(2), or the average of the five (5) years of highest salaries as defined in KRS 61.680(2)(a), which shall include picked-up employee contributions. Additionally, the board of trustees may approve a final average salary based upon the average of the three (3) highest salaries for members who are at least fifty-five (55) years of age and have a minimum of twenty-seven (27) years of Kentucky service credit. However, if any of the five (5) or three (3) highest annual salaries used to calculate the final average salary was paid within the three (3) years immediately prior to the date of the member's retirement, the amount of salary to be included for each of those three (3) years for the purpose of calculating the final average salary shall be limited to the lesser of:
 - (a) The member's actual salary; or
 - (b) The member's annual salary that was used for retirement purposes during each of the prior three (3) years, plus a percentage increase equal to the percentage increase received by all other members employed by the public board, institution, or agency, or for employees of school districts, the highest percentage increase received by members on any one (1) rank and step of the salary schedule of the school district. The increase shall be computed on the salary that was used for retirement purposes.

This limitation shall not apply if the member receives an increase in salary in a percentage exceeding that received by the other members, and this increase was accompanied by a corresponding change in position or in length of employment. This limitation shall also not apply to the payment to a member for accrued annual

leave or accrued sick leave which is authorized by statute and which shall be included as part of a retiring member's annual compensation for the member's last year of active service;

- (10) "Annual compensation" means the total salary received by a member as compensation for all services performed in employment covered by the retirement system during a fiscal year. Annual compensation shall not include payment for any benefit or salary adjustments made by the public board, institution, or agency to the member or on behalf of the member which is not available as a benefit or salary adjustment to other members employed by that public board, institution, or agency. Annual compensation shall not include the salary supplement received by a member under KRS 158.782 on or after July 1, 1996. The board of trustees shall determine if any benefit or salary adjustment qualifies as annual compensation;
- (11) "Age of member" means the age attained on the first day of the month immediately following the birthdate of the member. This definition is limited to retirement eligibility and does not apply to tenure of members;
- (12) "Age of entrance" means the age attained at the last birthday of any member at the time of the establishment of the retirement system, if the member was a member subject to membership in the system at that time. Otherwise it means the age attained as of July 1 of the fiscal year in which he first becomes a member of the retirement system. Any birthday occurring on February 29 shall be considered as occurring on February 28;
- (13) "Regular interest" means interest at three percent (3%) per annum;
- (14) "Accumulated contributions" means the contributions of a member to the teachers' savings fund, including picked-up employee contributions as described in KRS 161.540(2), plus accrued regular interest;
- (15) "Annuitant" means a person who receives a retirement allowance or a disability allowance;
- (16) "Local retirement system" means any teacher retirement or annuity system created in any public school district in Kentucky in accordance with the laws of Kentucky;
- (17) "Fiscal year" means the twelve (12) month period from July 1 to June 30. A contract for a member employed by a local board of education may not exceed two hundred sixty-one (261) days in the fiscal year;
- (18) "Public schools" means the schools and other institutions mentioned in subsection (4) of this section;
- (19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was receiving, at the time of death of the member, at least one-half (1/2) of the support from the member for maintenance, including board, lodging, medical care, and related costs;
- (20) "Active contributing member" means a member currently making contributions to the Teachers' Retirement System, who made contributions in the next preceding fiscal year, for whom picked-up employee contributions are currently being made, or for whom these contributions were made in the next preceding fiscal year;
- (21) "Regular teacher, supervisor, or administrator," when used to determine eligibility for membership in the retirement system, means a professional employee holding a position which requires services on a continuing basis equal to at least seven-tenths (7/10) of normal full-time service on a daily or weekly basis; and
- (22) "Full actuarial cost," when used to determine the payment that a member must pay for service credit means the actuarial value of all costs associated with the enhancement of a member's benefits or eligibility for benefit enhancements, including health insurance supplement payments made by the retirement system. The actuary for the retirement system shall determine the full actuarial value costs and actuarial cost factor tables as provided in KRS 161.400.

Section 5. The General Assembly confirms Executive Order 2001-1250, dated October 5, 2001, to the extent that it is not otherwise confirmed or superseded by this Act.

Approved April 9, 2002

CHAPTER 301

(SB 210)

AN ACT relating to the Kentucky Board of Education.

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

Section 1. KRS 156.070 is amended to read as follows:

- (1) The Kentucky Board of Education shall have the management and control of the common schools and all programs operated in these schools, including interscholastic athletics, the Kentucky School for the Deaf, the Kentucky School for the Blind, and community education programs and services.
- (2) The Kentucky Board of Education may designate an organization or agency to manage interscholastic athletics in the common schools, provided that the rules, regulations, and bylaws of any organization or agency so designated shall be approved by the board, and provided further that any administrative hearing conducted by the designated managing organization or agency shall be conducted in accordance with KRS Chapter 13B.
 - (a) The state board or its designated agency shall assure through promulgation of administrative regulations that if a secondary school sponsors or intends to sponsor an athletic activity or sport that is similar to a sport for which National Collegiate Athletic Association members offer an athletic scholarship, the school shall sponsor the athletic activity or sport for which a scholarship is offered. The administrative regulations shall specify which athletic activities are similar to sports for which National Collegiate Athletic Association members offer scholarships.
 - (b) *Beginning with the 2003-2004 school year, the state board shall require any agency or organization designated by the state board to manage interscholastic athletics to adopt bylaws that establish as members of the agency's or organization's board of control one (1) representative of nonpublic member schools who is elected by the nonpublic school members of the agency or organization from regions one (1) through eight (8) and one (1) representative of nonpublic member schools who is elected by the nonpublic member schools of the agency or organization from regions nine (9) through sixteen (16). The nonpublic school representatives on the board of control shall not be from classification A1 or D1 schools. Following initial election of these nonpublic school representatives to the agency's or organization's board of control, terms of the nonpublic school representatives shall be staggered so that only one (1) nonpublic school member is elected in each even numbered year.*
 - (c) The state board or any agency designated by the state board to manage interscholastic athletics shall not promulgate rules, administrative regulations, or bylaws which prohibit pupils in grades seven (7) to eight (8) from participating in any high school sports except for high school varsity soccer and football, or from participating on more than one (1) school-sponsored team at the same time in the same sport. The Kentucky Board of Education, or an agency designated by the board to manage interscholastic athletics, may promulgate administrative regulations restricting, limiting, or prohibiting participation in high school varsity soccer and football for students who have not successfully completed the eighth grade.
 - ~~(d)(e)~~ Any student who turns nineteen (19) years of age prior to August 1 shall not be eligible for high school athletics in Kentucky. Any student who turns nineteen (19) years of age on or after August 1 shall remain eligible for that school year only.
 - ~~(e)(d)~~ If the state board or any agency designated by the state board to manage interscholastic athletics promulgates administrative regulations that permit a school district to employ or assign nonteaching personnel to serve in a coaching position, those administrative regulations shall apply to all sports and sports activities, including basketball and football. The administrative regulations shall give preference to the hiring or assignment of certified personnel over nonteaching personnel in coaching positions.
- (3) (a) The Kentucky Board of Education is hereby authorized to lease from the State Property and Buildings Commission, or others, whether public or private, any lands, buildings, structures, installations, and facilities suitable for use in establishing and furthering television and related facilities as an aid or supplement to classroom instruction, throughout the Commonwealth, and for incidental use in any other proper public functions. The lease may be for any initial term commencing with the date of the lease and ending with the next ensuing June 30, which is the close of the then-current fiscal biennium of the Commonwealth, with exclusive options in favor of the board to renew the same for successive ensuing bienniums, July 1 in each even year to June 30 in the next ensuing even year; and the rentals may be fixed at the sums in each biennium, if renewed, sufficient to enable the State Property and Buildings Commission to pay therefrom the maturing principal of and interest on, and provide reserves for, any revenue bonds which the State Property and Buildings Commission may determine to be necessary and sufficient, in agreement with the board, to provide the cost of acquiring the television and related facilities, with appurtenances, and costs as may be incident to the issuance of the bonds.

- (b) Each option of the Kentucky Board of Education to renew the lease for a succeeding biennial term may be exercised at any time after the adjournment of the session of the General Assembly at which appropriations shall have been made for the operation of the state government for such succeeding biennial term, by notifying the State Property and Buildings Commission in writing, signed by the chief state school officer, and delivered to the secretary of the Finance and Administration Cabinet as a member of the commission. The option shall be deemed automatically exercised, and the lease automatically renewed for the succeeding biennium, effective on the first day thereof, unless a written notice of the board's election not to renew shall have been delivered in the office of the secretary of the Finance and Administration Cabinet before the close of business on the last working day in April immediately preceding the beginning of the succeeding biennium.
- (c) The Kentucky Board of Education shall not itself operate leased television facilities, or undertake the preparation of the educational presentations or films to be transmitted thereby, but may enter into one (1) or more contracts to provide therefor, with any public agency and instrumentality of the Commonwealth having, or able to provide, a staff with proper technical qualifications, upon which agency and instrumentality the board, through the chief state school officer and the Department of Education, is represented in such manner as to coordinate matters of curriculum with the curricula prescribed for the public schools of the Commonwealth. Any contract for the operation of the leased television or related facilities may permit limited and special uses of the television or related facilities for other programs in the public interest, subject to the reasonable terms and conditions as the board and the operating agency and instrumentality may agree upon; but any contract shall affirmatively forbid the use of the television or related facilities, at any time or in any manner, in the dissemination of political propaganda or in furtherance of the interest of any political party or candidate for public office, or for commercial advertising. No lease between the board and the State Property and Buildings Commission shall bind the board to pay rentals for more than one (1) fiscal biennium at a time, subject to the aforesaid renewal options. The board may receive and may apply to rental payments under any lease and to the cost of providing for the operation of the television or related facilities not only appropriations which may be made to it from state funds, from time to time, but also contributions, gifts, matching funds, devises, and bequests from any source, whether federal or state, and whether public or private, so long as the same are not conditioned upon any improper use of the television or related facilities in a manner inconsistent with the provisions of this subsection.
- (4) The state board may, on the recommendation and with the advice of the chief state school officer, prescribe, print, publish, and distribute at public expense such administrative regulations, courses of study, curriculums, bulletins, programs, outlines, reports, and placards as each deems necessary for the efficient management, control, and operation of the schools and programs under its jurisdiction. All administrative regulations published or distributed by the board shall be ~~enclosed~~~~[enclosed]~~ in a booklet or binder on which the words "informational copy" shall be clearly stamped or printed.
- (5) Upon the recommendation of the chief state school officer or his designee, the state board shall establish policy or act on all matters relating to programs, services, publications, capital construction and facility renovation, equipment, litigation, contracts, budgets, and all other matters which are the administrative responsibility of the Department of Education.

Approved April 9, 2002

CHAPTER 302

(SB 168)

AN ACT relating to reducing the achievement gaps in the public schools.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 158 IS CREATED TO READ AS FOLLOWS:

- (1) ***"Achievement gap" means a substantive performance difference on each of the tested areas by grade level of the Commonwealth Accountability Testing System between the various groups of students including male and female students, students with and without disabilities, students with and without English proficiency, minority and nonminority students, and students who are eligible for free and reduced lunch and those who are not eligible for free and reduced lunch.***

- (2) *By November 1 of each year, the Department of Education shall provide each school council, or the principal if a school council does not exist, data on its students' performance as shown by the Commonwealth Accountability Testing System. The data shall include, but not be limited to, information on performance levels of all students tested, and information on the performance of students disaggregated by race, gender, disability, English proficiency, and participation in the federal free and reduced price lunch program. The information from the department shall include an equity analysis that shall identify the substantive differences among the various groups of students identified in subsection (1) of this section.*
- (3) *By December 1, 2002, each local board of education upon the recommendation of the local district superintendent shall adopt a policy for reviewing the academic performance on the state assessments required under KRS 158.6453 for various groups of students, including major racial groups, gender, disability, free and reduced price school lunch eligibility, and limited English proficiency. The local board policy shall be consistent with Kentucky Board of Education administrative regulations. Upon agreement of the school-based decision making council, or the principal if there is not a council, and the superintendent, the local board shall establish a biennial target for each school for reducing identified gaps in achievement as set out in subsection (4) of this section.*
- (4) *By February 1, 2003, and each February 1 in odd-numbered years thereafter, the school-based decision making council, or the principal if there is not a council, with the involvement of parents, faculty, and staff shall set the school's biennial targets for eliminating any achievement gap and submit them to the superintendent for consideration. The superintendent and the school-based decision making council, or the principal if there is not a council, shall agree on the biennial targets before they are submitted to the local board of education for adoption.*
- (5) *By April 1, 2003, and each April 1 in odd-numbered years thereafter, the school council, or the principal if a school council does not exist, with the involvement of parents, faculty, and staff shall review the data and revise the consolidated plan to include the biennial targets, strategies, activities, and a time schedule calculated to eliminate the achievement gap among various groups of students to the extent it may exist. The plan shall include, but not be limited to, activities designed to address the following areas:*
 - (a) *Curriculum alignment within the school and with schools that send or receive the school's students;*
 - (b) *Evaluation and assessment strategies to continuously monitor and modify instruction to meet student needs and support proficient student work;*
 - (c) *Professional development to address the goals of the plan;*
 - (d) *Parental communication and involvement;*
 - (e) *Attendance improvement and dropout prevention; and*
 - (f) *Technical assistance that will be accessed.*
- (6) *The principal shall convene a public meeting at the school to present and discuss the plan prior to submitting it to the superintendent and the local board of education for review, in the public meeting required under Section 4 of this Act.*
- (7) *Based on the disaggregated biennial assessment results, the local board shall determine if each school achieved its biennial targets for each group of students. Only data for a group of students including ten (10) or more students shall be considered.*
- (8) *Notwithstanding subsection (8) of Section 5 of this Act and KRS 158.070(8), if a local board determines that a school has not met its biennial target to reduce the identified gap in student achievement for a group of students, the local board shall require the council, or the principal if no council exists, to submit its revisions to the consolidated plan describing the use of professional development funds and funds allocated for continuing education to reduce the school's achievement gap for review and approval by the superintendent. The plan shall address how the school will meet the academic needs of the students in the various groups identified in subsection (1) of this section.*
- (9) *The superintendent shall report to the commissioner of education if a school fails to meet its targets to reduce the gap in student achievement for any student group for two (2) successive biennia. The school's consolidated plan shall be subject to review and approval by the Kentucky Department of Education and the school shall submit an annual status report. The Department of Education may provide assistance to schools as it deems necessary to assist the school in meeting its goals.*

- (10) *The school-based decision making council, or the principal if there is not a council, shall no longer be required to seek approval of the plan under subsections (8) and (9) of this section when it meets its biennial target for reducing the gap in student achievement for the various groups of students identified in subsection (1) of this section.*

Section 2. KRS 156.095 is amended to read as follows:

- (1) The Kentucky Department of Education shall establish, direct, and maintain a statewide program of professional development to improve instruction in the public schools.
- (2) Each local school district superintendent shall appoint a certified school employee to fulfill the role and responsibilities of a professional development coordinator who shall disseminate professional development information to schools and personnel. Upon request by a school council or any employees of the district, the coordinator shall provide technical assistance to the council or the personnel that may include assisting with needs assessments, analyzing school data, planning and evaluation assistance, organizing districtwide programs requested by school councils or groups of teachers, or other coordination activities.
 - (a) The manner of appointment, qualifications, and other duties of the professional development coordinator shall be established by Kentucky Board of Education through promulgation of administrative regulations.
 - (b) The local district professional development coordinator shall participate in the Kentucky Department of Education annual training program for local school district professional development coordinators. The training program may include, but not be limited to, the demonstration of various approaches to needs assessment and planning; strategies for implementing long-term, school-based professional development; strategies for strengthening teachers' roles in the planning, development, and evaluation of professional development; and demonstrations of model professional development programs. The training shall include information about teacher learning opportunities relating to the core content standards. The Kentucky Department of Education shall regularly collect and distribute this information.
- (3) The Kentucky Department of Education shall provide or facilitate optional, professional development programs for certified personnel throughout the Commonwealth that are based on the statewide needs of teachers, administrators, and other education personnel. Programs may include classified staff and parents when appropriate. Programs offered or facilitated by the department shall be at locations and times convenient to local school personnel and shall be made accessible through the use of technology when appropriate. They shall include programs that: address the goals for Kentucky schools as stated in KRS 158.6451, ***including reducing the achievement gaps as determined by an equity analysis of the disaggregated student performance data from the Commonwealth Accountability Testing System***; engage educators in effective learning processes and foster collegiality and collaboration; and provide support for staff to incorporate newly acquired skills into their work through practicing the skills, gathering information about the results, and reflecting on their efforts. Professional development programs may include, but not be limited to, focus on the following areas:
 - (a) ***Strategies to reduce the achievement gaps among various groups of students;***
 - (b) Curriculum content and methods of instruction for each content area;
 - (c)~~(b)~~ School-based decision making;
 - (d)~~(c)~~ Performance-based student assessment;
 - (e)~~(d)~~ Nongraded primary programs;
 - (f)~~(e)~~ Research-based instructional practices;
 - (g)~~(f)~~ Instructional uses of technology;
 - (h)~~(g)~~ Curriculum design to serve the needs of students with diverse learning styles and skills and of students of diverse cultures;
 - (i)~~(h)~~ Instruction of phonics;
 - (j)~~(i)~~ Educational leadership; and
 - (k)~~(j)~~ Strategies to incorporate character education throughout the curriculum.

- (4) The department shall utilize its regional service centers, in addition to collaboration with postsecondary education institutions, education cooperative and consortia, and professional education organizations, to provide local district personnel with access to high quality programming. The department shall assist school personnel in assessing the impact of professional development on their instructional practices and student learning.
- (5) The department shall assist districts and school councils with the development of long-term school and district improvement plans that include multiple strategies for professional development based on the assessment of needs at the school level.
 - (a) Professional development strategies may include, but are not limited to, participation in subject matter academies, teacher networks, training institutes, workshops, seminars, and study groups; collegial planning; action research; mentoring programs; appropriate university courses; and other forms of professional development.
 - (b) In planning the use of the four (4) days for professional development under KRS 158.070, school councils and districts shall give priority to programs that increase teachers' understanding of curriculum content and methods of instruction appropriate for each content area based on individual school plans. The district may use up to one (1) day to provide district-wide training and training that is mandated by state or federal law. Only those employees identified in the mandate or affected by the mandate shall be required to attend the training.
 - (c) State funds allocated for professional development shall be used to support professional development initiatives that are consistent with local school improvement and professional development plans and teachers' individual growth plans. The funds may be used throughout the year for all staff, including classified and certified staff and parents on school councils or committees. A portion of the funds allocated to each school council under KRS 160.345 may be used to prepare or enhance the teachers' knowledge and teaching practices related to the content and subject matter that are required for their specific classroom assignments.
- (6) The Department of Education shall establish an electronic consumer bulletin board that posts information regarding professional development providers and programs as a service to school district central office personnel, school councils, teachers, and administrators. Participation on the electronic consumer bulletin board shall be voluntary for professional development providers or vendors, but shall include all programs sponsored by the department. Participants shall provide the following information: program title; name of provider or vendor; qualifications of the presenters or instructors; objectives of the program; program length; services provided, including follow-up support; costs for participation and costs of materials; names of previous users of the program, addresses, and telephone numbers; and arrangements required. Posting information on the bulletin board by the department shall not be viewed as an endorsement of the quality of any specific provider or program.
- (7) The Department of Education shall provide training to address the characteristics and instructional needs of students at risk of school failure and most likely to drop out of school. The training shall be developed to meet the specific needs of all certified and classified personnel depending on their relationship with these students. The training for instructional personnel shall be designed to provide and enhance skills of personnel to:
 - (a) Identify at-risk students early in elementary schools as well as at-risk and potential dropouts in the middle and high schools;
 - (b) Plan specific instructional strategies to teach at-risk students;
 - (c) Improve the academic achievement of students at risk of school failure by providing individualized and extra instructional support to increase expectations for targeted students;
 - (d) Involve parents as partners in ways to help their children and to improve their children's academic progress; and
 - (e) Significantly reduce the dropout rate of all students.
- (8) By July 1, 2001, the department shall establish teacher academies to the extent funding is available in cooperation with postsecondary education institutions for elementary, middle school, and high school faculty in core disciplines, utilizing facilities and faculty from universities and colleges, local school districts, and other appropriate agencies throughout the state. Priority for participation shall be given to those teachers who are

teaching core discipline courses for which they do not have a major or minor or the equivalent. Participation of teachers shall be voluntary.

Section 3. KRS 158.805 is amended to read as follows:

- (1) There is hereby created the Commonwealth school improvement fund to assist local schools in pursuing new and innovative strategies to meet the educational needs of the school's students and raise the school's performance level. *Except for the school years 2002-2003 and 2003-2004 when the priority for the use of the fund shall be to provide technical assistance to schools identified under subsection (2) of this section to reduce the achievement gaps among the various groups of students as described in Section 1 of this Act*, the Kentucky Board of Education shall utilize the Commonwealth school improvement fund to provide grants to schools for the following purposes:
 - (a) To support teachers and administrators in the development of sound and innovative approaches to improve instruction or management;
 - (b) To assist in replicating successful programs developed in other districts *including those calculated to reduce achievement gaps as defined in Section 1 of this Act*;
 - (c) To encourage cooperative instructional or management approaches to specific school educational problems; and
 - (d) To encourage teachers and administrators to conduct experimental programs to test concepts and applications being advanced as solutions to specific educational problems.
- (2) The Kentucky Board of Education shall develop criteria for awards of grants from the Commonwealth school improvement fund to schools identified by the board as needing assistance under KRS 158.6455.
- (3) The Kentucky Board of Education shall have the sole authority to approve grants from the fund.
- (4) The Kentucky Board of Education may establish priorities for the use of the funds and, through the Department of Education, shall provide assistance to schools in preparing their grant proposals. The board shall require that no funds awarded under the Commonwealth school improvement fund are used to supplant funds from any other source. Requests for necessary equipment may be approved at the discretion of the state board, however the cost of equipment purchased by any grantee shall not exceed twenty percent (20%) of the total amount of money awarded for each proposal and shall be matched by local funds on a dollar for dollar basis.
- (5) The Kentucky Board of Education shall establish maximums for specific grant awards. All fund recipients shall provide the board with an accounting of all money received from the fund and shall report the results and conclusions of any funded projects to the Kentucky Board of Education. All fund recipients shall provide the board with adequate documentation of all projects to enable replication of successful projects in other areas of the state.

Section 4. KRS 160.340 is amended to read as follows:

- (1) Each board of education shall, on the forms prepared by the chief state school officer and approved by the Kentucky Board of Education, prepare and submit to the Kentucky Board of Education reports on all phases of its school service. Each board may prepare and publish for the information of the public a report on the progress of its schools.
- (2) Each board of education shall file in the board's office its policies relating to the following matters:
 - (a) Transportation of pupils;
 - (b) Discipline and conduct of pupils;
 - (c) Limitations or restrictions on use of school facilities;
 - (d) Conduct of meetings of the board of education, including policies on the calling of executive sessions;
 - (e) Personnel policies that apply to certified employees, including fringe benefits, salary schedules, nonclassroom duties, in-service training, teacher-student ratio, hiring, assignment, transfer, dismissal, suspension, reinstatement, promotion, and demotion;
 - (f) Evaluation of certified employees;
 - (g) Selection of textbooks and instructional materials;

- (h) Expenditure and accounting for school funds, including all special funds; and
 - (i) Policies dealing with school-based decision making.
- (3) (a) The local board of education may adopt a policy requiring that each school council, or if none exists, the principal, make an annual report at a public meeting of the board describing the school's progress in meeting the educational goals set forth in KRS 158.6451 and district goals established by the board.
- (b) ***Biennially, the local board shall review in a public meeting the portion of each school's consolidated plan that sets forth the activities and schedule to reduce the achievement gaps among the various groups of students as required in Section 1 of this Act. If a district has more than twenty (20) schools, the district may review the achievement gap data of each school in a comprehensive district report at a regularly scheduled meeting of the board. The report shall include the schools' and district's plans to reduce any identified gaps in student achievement.***
- (4) It is intended that these policies shall cover matters within the authority and discretion of the district board of education and not matters otherwise required by law or regulation. Such policies shall be filed in the board's office by August 15, 1974, shall be kept up to date by filing annual amendments thereto each August 15 and shall be public records.

Section 5. KRS 160.345 is amended to read as follows:

- (1) For the purpose of this section:
- (a) "Minority" means American Indian; Alaskan native; African-American; Hispanic, including persons of Mexican, Puerto Rican, Cuban, and Central or South American origin; Pacific islander; or other ethnic group underrepresented in the school;
 - (b) "School" means an elementary or secondary educational institution that is under the administrative control of a principal or head teacher and is not a program or part of another school. The term "school" does not include district-operated schools that are:
 - 1. Exclusively vocational-technical, special education, or preschool programs;
 - 2. Instructional programs operated in institutions or schools outside of the district; or
 - 3. Alternative schools designed to provide services to at-risk populations with unique needs;
 - (c) "Teacher" means any person for whom certification is required as a basis of employment in the public schools of the state with the exception of principals, assistant principals, and head teachers; and
 - (d) "Parent" means:
 - 1. A parent, stepparent, or foster parent of a student; or
 - 2. A person who has legal custody of a student pursuant to a court order and with whom the student resides.
- (2) Each local board of education shall adopt a policy for implementing school-based decision making in the district which shall include, but not be limited to, a description of how the district's policies, including those developed pursuant to KRS 160.340, have been amended to allow the professional staff members of a school to be involved in the decision making process as they work to meet educational goals established in KRS 158.645 and 158.6451. The policy may include a requirement that each school council make an annual report at a public meeting of the board describing the school's progress in meeting the educational goals set forth in KRS 158.6451 and district goals established by the board. The policy shall also address and comply with the following:
- (a) Except as provided in paragraph (b)2. of this subsection, each participating school shall form a school council composed of two (2) parents, three (3) teachers, and the principal or administrator. The membership of the council may be increased, but it may only be increased proportionately. A parent representative on the council shall not be an employee or a relative of an employee of the school in which that parent serves, nor shall the parent representative be an employee or a relative of an employee in the district administrative offices. A parent representative shall not be a local board member or a board member's spouse. None of the members shall have a conflict of interest pursuant to KRS Chapter 45A, except the salary paid to district employees;

- (b)
 - 1. The teacher representatives shall be elected for one (1) year terms by a majority of the teachers. A teacher elected to a school council shall not be involuntarily transferred during his or her term of office. The parent representatives shall be elected for one (1) year terms. The parent members shall be elected by the parents of students preregistered to attend the school during the term of office in an election conducted by the parent and teacher organization of the school or, if none exists, the largest organization of parents formed for this purpose. A school council, once elected, may adopt a policy setting different terms of office for parent and teacher members subsequently elected. The principal or head teacher shall be the chair of the school council.
 - 2. School councils in schools having eight percent (8%) or more minority students enrolled, as determined by the enrollment on the preceding October 1, shall have at least one (1) minority member. If the council formed under paragraph (a) of this subsection does not have a minority member, the principal, in a timely manner, shall be responsible for carrying out the following:
 - a. Organizing a special election to elect an additional member. The principal shall call for nominations and shall notify the parents of the students of the date, time, and location of the election to elect a minority parent to the council by ballot; and
 - b. Allowing the teachers in the building to select one (1) minority teacher to serve as a teacher member on the council. If there are no minority teachers who are members of the faculty, an additional teacher member shall be elected by a majority of all teachers. Term limitations shall not apply for a minority teacher member who is the only minority on faculty;
- (c)
 - 1. The school council shall have the responsibility to set school policy consistent with district board policy which shall provide an environment to enhance the students' achievement and help the school meet the goals established by KRS 158.645 and 158.6451. The principal or head teacher shall be the primary administrator and the instructional leader of the school, and with the assistance of the total school staff shall administer the policies established by the school council and the local board.
 - 2. If a school council establishes committees, it shall adopt a policy to facilitate the participation of interested persons, including, but not limited to, classified employees and parents. The policy shall include the number of committees, their jurisdiction, composition, and the process for membership selection;
- (d) The school council and each of its committees shall determine the frequency of and agenda for their meetings. Matters relating to formation of school councils that are not provided for by this section shall be addressed by local board policy;
- (e) The meetings of the school council shall be open to the public and all interested persons may attend. However, the exceptions to open meetings provided in KRS 61.810 shall apply;
- (f) After receiving notification of the funds available for the school from the local board, the school council shall determine, within the parameters of the total available funds, the number of persons to be employed in each job classification at the school. The council may make personnel decisions on vacancies occurring after the school council is formed but shall not have the authority to recommend transfers or dismissals;
- (g) The school council shall determine which textbooks, instructional materials, and student support services shall be provided in the school. Subject to available resources, the local board shall allocate an appropriation to each school that is adequate to meet the school's needs related to instructional materials and school-based student support services, as determined by the school council. The school council shall consult with the school media librarian on the maintenance of the school library media center, including the purchase of instructional materials, information technology, and equipment;
- (h) From a list of applicants submitted by the local superintendent, the principal at the participating school shall select personnel to fill vacancies, after consultation with the school council, consistent with subsection (2)(i)10. of this section. Requests for transfer shall conform to any employer-employee bargained contract which is in effect. If the vacancy to be filled is the position of principal, the school council shall select the new principal from among those persons recommended by the local superintendent. When a vacancy in the school principalship occurs, the school council shall receive training in recruitment and interviewing techniques prior to carrying out the process of selecting a

principal. The council shall select the trainer to deliver the training. Personnel decisions made at the school level under the authority of this subsection shall be binding on the superintendent who completes the hiring process. The superintendent shall provide additional applicants upon request when qualified applicants are available;

- (i) The school council shall adopt a policy to be implemented by the principal in the following additional areas:
 1. Determination of curriculum, including needs assessment and curriculum development;
 2. Assignment of all instructional and noninstructional staff time;
 3. Assignment of students to classes and programs within the school;
 4. Determination of the schedule of the school day and week, subject to the beginning and ending times of the school day and school calendar year as established by the local board;
 5. Determination of use of school space during the school day;
 6. Planning and resolution of issues regarding instructional practices;
 7. Selection and implementation of discipline and classroom management techniques as a part of a comprehensive school safety plan, including responsibilities of the student, parent, teacher, counselor, and principal;
 8. Selection of extracurricular programs and determination of policies relating to student participation based on academic qualifications and attendance requirements, program evaluation, and supervision;
 9. Procedures, consistent with local school board policy, for determining alignment with state standards, technology utilization, and program appraisal; and
 10. Procedures to assist the council with consultation in the selection of personnel by the principal, including, but not limited to, meetings, timelines, interviews, review of written applications, and review of references. Procedures shall address situations in which members of the council are not available for consultation; and
- (j) Each school council shall annually review data on its students' performance as shown by the Commonwealth Accountability Testing System. The data shall include, but not be limited to, information on performance levels of all students tested, and information on the performance of students disaggregated by race, gender, disability, and participation in the federal free and reduced price lunch program. After completing the review of data, each school council, ***with the involvement of parents, faculty and staff***, shall ***develop and*** adopt a plan to ensure that each student makes progress toward meeting the goals set forth in KRS 158.645 and 158.6451(1)(b) ***by April 1 of each year and submit the plan to the superintendent and local board of education for review as described in Section 4 of this Act.*** The Kentucky Department of Education shall provide each school council the data needed to complete the review required by this paragraph no later than ***November 1***~~December 31~~ of each year. If a school does not have a council, the review shall be completed by the principal ***with the involvement of parents, faculty, and staff.***
- (3) The policy adopted by the local board to implement school-based decision making shall also address the following:
 - (a) School budget and administration, including: discretionary funds; activity and other school funds; funds for maintenance, supplies, and equipment; and procedures for authorizing reimbursement for training and other expenses;
 - (b) Assessment of individual student progress, including testing and reporting of student progress to students, parents, the school district, the community, and the state;
 - (c) School improvement plans, including the form and function of strategic planning and its relationship to district planning, as well as the school safety plan and requests for funding from the Center for School Safety under KRS 158.446;
 - (d) Professional development plans developed pursuant to KRS 156.095;

- (e) Parent, citizen, and community participation including the relationship of the council with other groups;
 - (f) Cooperation and collaboration within the district, with other districts, and with other public and private agencies;
 - (g) Requirements for waiver of district policies;
 - (h) Requirements for record keeping by the school council; and
 - (i) A process for appealing a decision made by a school council.
- (4) In addition to the authority granted to the school council in this section, the local board may grant to the school council any other authority permitted by law. The board shall make available liability insurance coverage for the protection of all members of the school council from liability arising in the course of pursuing their duties as members of the council.
- (5) After July 13, 1990, any school in which two-thirds (2/3) of the faculty vote to implement school-based decision making shall do so. All schools shall implement school-based decision making by July 1, 1996, in accordance with this section and with the policy adopted by the local board pursuant to this section. Upon favorable vote of a majority of the faculty at the school and a majority of at least twenty-five (25) voting parents of students enrolled in the school, a school meeting its goal as determined by the Department of Education pursuant to KRS 158.6455 may apply to the Kentucky Board of Education for exemption from the requirement to implement school-based decision making, and the state board shall grant the exemption. The voting by the parents on the matter of exemption from implementing school-based decision making shall be in an election conducted by the parent and teacher organization of the school or, if none exists, the largest organization of parents formed for this purpose. Notwithstanding the provisions of this section, a local school district shall not be required to implement school-based decision making if the local school district contains only one (1) school.
- (6) The Department of Education shall provide professional development activities to assist schools in implementing school-based decision making. School council members elected for the first time shall complete a minimum of six (6) clock hours of training in the process of school-based decision making, no later than thirty (30) days after the beginning of the service year for which they are elected to serve. School council members who have served on a school council at least one (1) year shall complete a minimum of three (3) clock hours of training in the process of school-based decision making no later than one hundred twenty (120) days after the beginning of the service year for which they are elected to serve. School council training required under this subsection shall be conducted by trainers endorsed by the Department of Education, and school council members shall complete the required training no later than thirty (30) days after the beginning of the service year for which they are elected to serve. By November 1 of each year, the principal through the local superintendent shall forward to the Department of Education the names and addresses of each council member and verify that the required training has been completed. School council members elected to fill a vacancy shall complete the applicable training within thirty (30) days of their election.
- (7) A school that chooses to have school-based decision making but would like to be exempt from the administrative structure set forth by this section may develop a model for implementing school-based decision making including, but not limited to, a description of the membership, organization, duties, and responsibilities of a school council. The school shall submit the model through the local board of education to the commissioner of education and the Kentucky Board of Education, which shall have final authority for approval. The application for approval of the model shall show evidence that it has been developed by representatives of the parents, students, certified personnel, and the administrators of the school and that two-thirds (2/3) of the faculty have agreed to the model.
- (8) The Kentucky Board of Education, upon recommendation of the commissioner of education, shall adopt by administrative regulation a formula by which school district funds shall be allocated to each school council. Included in the school council formula shall be an allocation for professional development that is at least sixty-five percent (65%) of the district's per pupil state allocation for professional development for each student in average daily attendance in the school. The school council shall plan professional development in compliance with requirements specified in KRS 156.095, *except as provided in Section 1 of this Act*. School councils of small schools shall be encouraged to work with other school councils to maximize professional development opportunities.
- (9) (a) No board member, superintendent of schools, district employee, or member of a school council shall intentionally engage in a pattern of practice which is detrimental to the successful implementation of or

circumvents the intent of school-based decision making to allow the professional staff members of a school and parents to be involved in the decision making process in working toward meeting the educational goals established in KRS 158.645 and 158.6451 or to make decisions in areas of policy assigned to a school council pursuant to paragraph (i) of subsection (2) of this section.

- (b) An affected party who believes a violation of this subsection has occurred may file a written complaint with the Office of Education Accountability. The office shall investigate the complaint and resolve the conflict, if possible, or forward the matter to the Kentucky Board of Education.
- (c) The Kentucky Board of Education shall conduct a hearing in accordance with KRS Chapter 13B for complaints referred by the Office of Education Accountability.
- (d) If the state board determines a violation has occurred, the party shall be subject to reprimand. A second violation of this subsection may be grounds for removing a superintendent, a member of a school council, or school board member from office or grounds for dismissal of an employee for misconduct in office or willful neglect of duty.

Approved April 9, 2002

CHAPTER 303

(SB 55)

AN ACT relating to abandoned infants and declaring an emergency.

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

Section 1. KRS 311.6526 is amended to read as follows:

- (1) The Kentucky Board of Emergency Medical Services may hire a coordinator for the Emergency Medical Services for Children Program and other positions for which funding is provided by the General Assembly or through any other sources, including gifts, grants, or federal funds.
- (2) The coordinator shall, subject to the direction of the Kentucky Board of Emergency Medical Services:
 - (a) Implement and oversee the Emergency Medical Services for Children Program described in this section; and
 - (b) Serve as liaison for collaboration and coordination between the Emergency Medical Services for Children Program, the Kentucky Board of Emergency Medical Services, and other public and private organizations, the state traffic safety office, the maternal and child health program, the Medicaid department, ***the Department for Community Based Services of the Cabinet for Families and Children***, the state and local child fatality review and response teams, state and local professional organizations, private sector voluntary organizations, and consumer and community representatives.
- (3) The Emergency Medical Services for Children Program may include, but not be limited to, the establishment of the following:
 - (a) Guidelines for necessary out-of-hospital medical service equipment;
 - (b) Guidelines and protocols for out-of-hospital pediatric emergency medical services;
 - (c) Assistance in the development and provision of professional education programs for emergency medical services personnel in the emergency care of infants and children;
 - (d) Coordination and cooperation between the Emergency Medical Services for Children Program and other public and private organizations interested or involved in emergency care for children, including those persons and organizations identified in subsection (2)(b) of this section; and
 - (e) ***1. Guidelines and protocols for initial stabilization, treatment, and transportation regarding newborn infants placed with emergency medical services providers that include methods to preserve the confidentiality of a parent who places a newborn infant in the care of any emergency medical services provider in accordance with Section 4 of this Act and to provide voluntary informational materials required by Section 6 of this Act.***

2. *As used in this paragraph, "newborn infant" means an infant who is medically determined to be less than seventy-two (72) hours old.*

~~(4)(e)~~ The scope of activities carried out by the Emergency Medical Services for Children Program shall be commensurate with the availability of funds.

SECTION 2. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "newborn infant" means an infant who is medically determined to be less than seventy-two (72) hours old.*
- (2) *Any emergency medical services provider accepting physical custody of a newborn infant in accordance with Section 4 of this Act shall have implied consent to any and all appropriate medical treatment.*
- (3) *Notwithstanding any provision of law to the contrary, the identity of a person placing a newborn infant with an emergency medical services provider shall be confidential.*
- (4) *The provisions of subsection (3) of this section shall not apply when indicators of child physical abuse or child neglect are present.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "newborn infant" means an infant who is medically determined to be less than seventy-two (72) hours old.*
- (2) *Every hospital of this state that offers emergency services shall admit and provide all necessary medical care, diagnostic tests, and medical treatment to any newborn infant brought to the hospital when the identity of the parents is unknown. Any person performing medical care, diagnostic testing, or medical treatment shall be immune from criminal or civil liability for having performed the act. Nothing in this subsection shall limit liability for negligence.*
- (3) *Any person or parent, other than an emergency medical services provider, a police officer, or a firefighter acting in the course of his or her official duties, who leaves a newborn infant at an emergency room, or brings a newborn infant to an emergency room and expresses an intent to leave the infant and not return, shall have the right to remain anonymous and to leave at any time, and shall not be pursued or followed. The physician shall consider these actions as implied consent for treatment.*
- (4) *Upon admittance, the physician or hospital administrator shall immediately contact the local office of the Department for Community Based Services. The Department for Community Based Services shall immediately seek an emergency custody order in accordance with Section 5 of this Act.*
- (5) *Every emergency room shall make available materials to gather health and medical information concerning the infant and the parents. The materials shall be offered to the person leaving the newborn infant and it shall be clearly stated that acceptance is completely voluntary and completion of the materials may be done anonymously.*
- (6) *The provisions of subsection (3) of this section shall not apply when indicators of child physical abuse or child neglect are present.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 405 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "newborn infant" means an infant who is medically determined to be less than seventy-two (72) hours old.*
- (2) *A parent who places a newborn infant with an emergency medical services provider, police station, fire station, or hospital and expresses no intent to return for the infant shall have the right to remain anonymous and not be pursued and shall not be considered to have abandoned or endangered the newborn infant under KRS Chapters 508 and 530.*
- (3) *Any emergency medical services provider, police officer, or firefighter who accepts physical custody of a newborn infant in accordance with this section shall immediately arrange for the infant to be taken to the nearest hospital emergency room and shall have implied consent to any and all appropriate medical treatment.*
- (4) *By placing a newborn infant in the manner described in this section, the parent:*
 - (a) *Waives the right to notification required by subsequent court proceedings conducted under KRS Chapter 620 until such time as a claim of parental rights is made; and*

- (b) *Waives legal standing to make a claim of action against any person who accepts physical custody of the newborn infant.*
- (5) *The provisions of subsection (2) of this section shall not apply when indicators of child physical abuse or child neglect are present.*
- (6) *Sections 1, 2, 3, 4, 5, and 6 of this Act shall be known as "The Representative Thomas J. Burch Safe Infants Act".*

SECTION 5. A NEW SECTION OF KRS CHAPTER 620 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "newborn infant" who is medically determined to be less than seventy-two (72) hours old.*
- (2) *Upon notice from any emergency medical services provider or hospital staff that a newborn infant has been abandoned at a hospital, the cabinet shall immediately seek an order for emergency custody of the infant.*
 - (a) *No child protective services investigation or assessment shall be initiated regarding the abandonment of an infant in accordance with Section 4 of this Act. The provisions of this subsection shall not apply when indicators of child physical abuse or child neglect are present.*
 - (b) *Upon the infant's release from the hospital, the cabinet shall place the child in a foster home approved by the cabinet to provide concurrent planning placement services. As used in this paragraph, "concurrent planning placement services" means the foster family shall work with the cabinet on reunification with the birth family, if known, and shall seek to adopt the infant if reunification cannot be accomplished.*
- (3) *At the temporary removal hearing required by KRS 620.080, if the court places temporary custody with the cabinet, the custody order shall remain in effect for a minimum of thirty (30) days.*
- (4) *During the initial thirty (30) days of placement, the cabinet shall request assistance from law enforcement officials to investigate through the Missing Child Information Center established by KRS 17.450 and other national resources to ensure that the infant is not a missing child.*
- (5) *As soon as practicable following the thirty (30) day placement period, the cabinet shall file a petition in Circuit Court seeking the involuntary termination of parental rights of the unknown parents and authority to place the child for adoption in accordance with KRS Chapter 625.*
- (6) *If a claim of parental rights is made at any time prior to the court order issued under KRS 625.100, the Circuit Court may hold the action for involuntary termination of parental rights in abeyance for a period of time not to exceed ninety (90) days and immediately remand the case to the District Court.*
 - (a) *If a case is remanded to District Court under this subsection, an adjudicatory hearing shall be conducted as required by KRS 620.100 within ten (10) days of the assertion of parental rights;*
 - (b) *The District Court may order genetic testing to establish maternity or paternity at the expense of the claimant;*
 - (c) *The cabinet shall conduct a child protective services investigation or assessment and home evaluation to develop recommendations for the District Court; and*
 - (d) *Further proceedings shall be conducted in accordance with KRS Chapter 620; however, a newborn infant who has been placed in accordance with Section 4 of this Act shall not be found to be a neglected child based on that act alone.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 620 IS CREATED TO READ AS FOLLOWS:

- (1) *The cabinet shall make available standardized health, medical, and background information forms for use in gathering voluntary, nonidentifying information from a person who leaves an infant in accordance with Section 4 of this Act and as required by Sections 1 and 3 of this Act. The materials shall clearly state on each page that the information requested is designed to facilitate medical care for the infant. The material shall include information on family services, termination of parental rights, and adoption. The material shall also include:*
 - (a) *Information on the importance of medical and health information regarding the infant; and*

- (b) *Written notification that failure to contact the Department for Community Based Services and assert a claim of parental rights within thirty (30) days of the receipt of the material shall result in the commencement of proceedings for involuntary termination of parental rights and placement of the child for adoption.*
- (2) *Subject to available funding, the cabinet shall produce and distribute a media campaign to promote safe placement alternatives for newborn infants, the confidentiality offered to birth parents, and information regarding adoption procedures.*

Section 7. Whereas Kentucky and the nation have experienced grief from the knowledge that newborn infants are abandoned in life-threatening situations and that some died from their abandonment; and whereas the parents of these newborn infants are under severe emotional stress; and whereas anonymity, confidentiality, and freedom from prosecution may encourage the parent to leave an infant safely and save the life of the infant, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Approved April 9, 2002

CHAPTER 304

(SB 41)

AN ACT relating to insurance.

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

SECTION 1. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 6 of this Act, "short-term nursing home insurance policies" means any insurance policy or rider advertised, marketed, offered, or designed to provide coverage for less than twelve (12) consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis for one (1) or more necessary or medically necessary diagnostic, preventative, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital unless the hospital or unit is licensed or certified to provide services in a skilled nursing facility, extended care facility, intermediate care facility, convalescent nursing home, personal care facility, home health care agency, adult day care facility, and assisted living facility. This term shall also include a policy or rider that provides for payment of benefits based upon cognitive impairment or loss of functional capacity. Short-term nursing home insurance policies may be issued by insurers, fraternal benefit societies, nonprofit hospitals, medical-surgical, dental, and health services corporations, health maintenance organizations, or any similar organization to the extent they are otherwise authorized to issued life or health insurance. Short-term nursing home insurance policies shall not include any insurance policy which is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity, major medical expense coverage, disability income or related-asset protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit coverage.

SECTION 2. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Any short-term nursing home product issued on or after the effective date of this Act shall be subject to the provisions of Section 2, Section 3, Section 4, Section 5, and Section 6 of this Act.

SECTION 3. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The commissioner shall promulgate administrative regulations that include standards for full and fair disclosure setting forth the manner, content, and required disclosures for sale of short-term nursing home insurance policies, terms of renewability, initial and subsequent conditions or eligibility, nonduplication of coverage provisions, coverage of dependents, pre-existing conditions, termination of insurance, continuation of conversion, probationary periods, limitations, exceptions, reductions, elimination periods, requirements for replacement, recurrent conditions, and definitions.

SECTION 4. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The commissioner may promulgate administrative regulations establishing loss ratio standards for short-term nursing home insurance policies.

SECTION 5. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Short-term nursing home insurance policy applicants shall have the right to return the policy or certificate within thirty (30) days of its delivery from the insurer to the policyowner and to have the premium refunded if, after examination of the policy or certificate, the applicant is not satisfied for any reason. Short-term nursing home insurance policies and certificates shall have a notice prominently printed on the first page or attached thereto stating in substance that the applicant shall have the right to return the policy or certificate within thirty (30) days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the applicant is not satisfied for any reason. The insurer shall retain proof of receipt of the delivery of the policy from the insurer to the policyowner.

SECTION 6. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) *Any short-term nursing home insurance policy issued on or after the effective date of this Act which provides coverage for assisted living benefits shall cover services received in any assisted living community which:*
 - (a) *Meets the requirements of KRS 194A.700 to 194A.729 and any administrative regulations promulgated under KRS 194A.700 to 194A.729; and*
 - (b) *Meets any additional requirements of an assisted living community set forth in the short-term nursing home insurance policy approved by the commissioner.*
- (2) *Any short-term nursing home insurance policy issued on or after the effective date of this Act which provides coverage for adult day care services shall cover services received in any adult day care facility which:*
 - (a) *Meets the requirements of KRS 205.950 or 216B.0443 and any administrative regulations promulgated under KRS 205.950 or 216B.0443; and*
 - (b) *Meets any additional requirements of an adult day care center set forth in the short-term nursing home insurance policy approved by the commissioner.*

SECTION 7. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The commissioner shall issue administrative regulations to establish standards for premium rate practices and rate increases for long-term care benefits.

SECTION 8. A NEW SECTION OF SUBTITLE 14 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

The commissioner shall promulgate administrative regulations to establish standards for incidental long-term care benefits.

Section 9. KRS 304.14-430 is amended to read as follows:

- (1) All insurance policies subject to the provisions of KRS 304.14-420 to 304.14-450 shall contain as the first page or first page of text, if it is preceded by a title page or pages, a cover sheet or sheets as provided in this section. The cover sheet or sheets shall be printed in legible type and readable language, and shall contain at least the following:
 - (a) A brief statement that the policy is a legal contract between the policy owner and the company;
 - (b) The statement "READ YOUR POLICY CAREFULLY. This cover sheet provides only a brief outline of some of the important features of your policy. This *cover sheet* is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth, in detail, the rights and obligations of both you and your insurance company. IT IS THEREFORE IMPORTANT THAT YOU READ YOUR POLICY." and

- (c) An index of the major provisions of the policy or contract and the pages on which they are found which may include the following items:
 - 1. The person or persons insured by the policy;
 - 2. The applicable events, occurrences, conditions, losses or damages covered by the policy;
 - 3. The limitations or conditions on the coverage of the policy;
 - 4. Definitional sections of the policy;
 - 5. Provision governing the procedure for filing a claim under the policy;
 - 6. Provisions governing cancellation, renewal, or amendment of the policy by either the insurer or the policyowner;
 - 7. Any options under the policy; and
 - 8. Provisions governing the insurer's duties and powers in the event that suit is filed against the insured.
- (2) The cover sheet may include, either as part of the index or as a separate section, a brief summary of the extent and types of coverage in the policy.
- (3) No cover sheet shall be used unless it has been filed with and approved by the commissioner. The cover sheet shall be deemed approved sixty (60) days after filing unless disapproved by the commissioner within the sixty (60) day period, subject to a reasonable extension of times as the commissioner may require by notice given within the sixty (60) day period. The commissioner shall disapprove any cover sheet which does not meet the requirements of this section. Any disapproval shall be delivered to the insurer in writing, stating the grounds therefor.

Section 10. KRS 304.14-435 is amended to read as follows:

- (1) All policy forms filed with the department, and any other insurance policy or claim-related information, shall be written in the English language.
- (2) ***Applications required to be filed with the department may also be filed in a language other than English. The non-English version of the application shall:***
 - (a) ***Be filed with the department;***
 - (b) ***Be accompanied by a certification written in English that the non-English version is a complete and accurate translation of the English form filed;***
 - (c) ***Be in the same format as the English version; and***
 - (d) ***Contain all items in English immediately followed in parenthesis with the non-English translation.***
- (3) This section shall not prohibit an insurer from advertising or providing information ***related to the policy or claims with***~~for~~ translations to consumers in a language other than English.~~[, if the advertisement or informational materials clearly state the insurance policy being advertised is available only in English. However,]~~
- (4) If there is a dispute ***between the English version and the non-English version, the English version shall control and the non-English version shall carry a disclaimer in the non-English language to this effect.***~~[,]~~ The insurance policy is controlling and any advertisements or informational materials used by an insurer shall not be construed to modify or change the insurance policy.

Section 11. KRS 304.14-560 is amended to read as follows:

- (1) The commissioner of insurance shall biennially compile a consumer's guide to long-term care insurance in Kentucky. The consumer's guide shall cover all insurers offering health insurance policies in Kentucky, including health maintenance organizations, which provide coverage for services provided in long-term care facilities as defined in KRS 216.510(1). The purpose of the consumer's guide shall be to improve the buyer's ability to select the most appropriate long-term care coverage and to improve the buyer's understanding of long-term care. The consumer's guide shall contain, at a minimum, the following information:
 - (a) Definitions of long-term care services provided in Kentucky, the cost of services, sources of payment for long-term care, and eligibility for assistance programs;

- (b) Factors that affect premium rates, such as age, deductibles, duration of benefits, and daily benefits paid;
 - (c) An explanation of the types of limitations contained in long-term care policies;
 - (d) A check list for the use of potential buyers of long-term care insurance which covers items that should be considered when selecting a long-term care insurance policy; and
 - (e) A comparison of the long-term care policies offered for sale in Kentucky. The comparison shall be updated at least annually, shall not recommend one policy over another, and shall provide the following information for policies: premiums at ages fifty-five (55), sixty-five (65), and seventy-five (75); services covered; length of coverage; limitations on coverage; prior institutionalization requirements; elimination period; and any other information the commissioner deems appropriate.
- (2) ***The commissioner shall issue administrative regulations setting forth specific information to be provided by insurers writing long-term health care insurance in Kentucky to the department to complete the biennially compiled consumer's guide to long-term care insurance in Kentucky.***
- (3) The commissioner shall distribute, free of charge, a copy of the consumer's guide to long-term care insurance to any person upon request.
- ~~(4)~~~~(3)~~ The commissioner shall assess against insurers writing long-term health care insurance in Kentucky on an equitable basis the cost of compiling, printing, and distributing the consumer's guide to long-term care.

Section 12. KRS 304.14-600 is amended to read as follows:

As used in KRS 304.14-600 to 304.14-625, unless the context requires otherwise:

- (1) ***"Incidental" indicates that the value of the long-term care benefits provided in a policy is less than ten percent (10%) of the total value of the benefits provided over the life of the policy. Policies may include life insurance, disability insurance, and annuities. These values shall be measured as of the date of issue.***
- (2) "Long-term care insurance" means any insurance policy or rider advertised, marketed, offered, or designed to provide coverage for not less than twelve (12) consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis for one (1) or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital unless the hospital or unit is licensed or certified to provide long-term services. This term includes group and individual annuities and life insurance policies or riders which provide directly or which supplement long-term care insurance. This term ~~also~~ includes a policy or rider which provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. ***This term also includes qualified long-term care insurance contracts as defined in 26 U.S.C. sec. 7702B(b).*** Long-term care insurance may be issued by insurers, fraternal benefit societies, nonprofit hospital, medical-surgical, dental, and health service corporations, health maintenance organizations, or any similar organization to the extent they are otherwise authorized to issue life or health insurance. Long-term care insurance shall not include any insurance policy which is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity ***coverage***, major medical expense coverage, disability income or related asset-protection coverage, accident only coverage, specified disease or specified accident coverage, or limited benefit coverage. With regard to life insurance, this term does not include life insurance policies which accelerate the death benefit specifically for one (1) or more of the qualifying events of terminal illness, medical conditions requiring extraordinary medical intervention, or permanent institutional confinement, and which provide the option of a lump-sum payment for those benefits and in which neither the benefits nor the eligibility for the benefits is conditioned upon the receipt of long-term care. Any product advertised, marketed, or offered as long-term care insurance ***or nursing home insurance which otherwise meets the definition of long-term care insurance*** shall be subject to the provisions of KRS 304.14-600 to 304.14-625.
- ~~(3)~~~~(2)~~ "Applicant" means:
- (a) In the case of an individual long-term care insurance policy, the person who seeks to contract for benefits; and
 - (b) In the case of a group long-term care insurance policy, the proposed certificate holder.

~~(4)(3)~~ "Certificate" means any certificate issued under a group long-term care insurance policy, which policy has been delivered or issued for delivery in Kentucky, except as provided in KRS 304.14-610.

~~(5)(4)~~ "Group long-term care insurance" means a long-term care insurance policy which is delivered or issued for delivery in Kentucky *by an insurer, fraternal benefit society, nonprofit health service corporation, or health maintenance organization*, and *which is* issued to:

- (a) One (1) or more employers or labor organizations, or to a trust or to the trustees of a fund established by one (1) or more employers or labor organizations, or a combination thereof, for employees or former employees or a combination thereof, or for members or former members or a combination thereof, of the labor organizations;
- (b) Any professional, trade, or occupational association for its members or former or retired members, or combination thereof, if the association:
 - 1. Is composed of individuals all of whom are or were actively engaged in the same profession, trade, or occupation; and
 - 2. Has been maintained in good faith for purposes other than obtaining insurance;
- (c) An association or a trust or the trustee of a fund established, created, or maintained for the benefit of members of one (1) or more associations. Prior to advertising, marketing, or offering the policy within Kentucky, the insurer of the association shall file with the commissioner evidence that the association has at the outset a minimum of one hundred (100) persons and has been organized and maintained in good faith for purposes other than that of obtaining insurance, has been in active existence for at least one (1) year, and has a constitution and bylaws which provide:
 - 1. The association holds regular meetings not less than annually to further the purposes of the members;
 - 2. Except for credit unions, the association collects dues or solicits contributions from members; and
 - 3. The members have voting privileges and representation on the governing board and committees.

The association shall be deemed to satisfy the organizational requirements unless the commissioner makes a finding that the association does not satisfy those organizational requirements within the time set forth in KRS 304.14-120; or
- (d) A group other than that described in paragraphs (a), (b), and (c) of this subsection, subject to a finding by the commissioner that:
 - 1. The issuance of the group policy is not contrary to the best interest of the public;
 - 2. The issuance of the group policy would result in economies of acquisition or administration; and
 - 3. The benefits are reasonable in relation to the premiums charged.

~~(6)(5)~~ "Policy" means any policy, contract, subscriber, agreement, enrollment agreement, rider, or endorsement delivered or issued for delivery in Kentucky.

Section 13. KRS 304.14-610 is amended to read as follows:

Group long-term care insurance coverage shall not be offered to a resident of Kentucky under a group policy issued in another state to a group described in KRS 304.14-600~~(5)(4)~~~~(d)~~ unless the commissioner or the insurance supervisory official of another state having statutory and regulatory long-term care insurance requirements substantially similar to KRS 304.14-600 to 304.14-625, has made a determination that these requirements have been met. Certificates of group long-term care insurance shall be filed with the commissioner as required by KRS 304.14-120.

Section 14. KRS 304.14-615 is amended to read as follows:

- (1) The commissioner shall promulgate administrative regulations that include standards for full and fair disclosure setting forth the manner, content, and require disclosures for the sale of long-term care insurance policies, terms of renewability, initial and subsequent conditions of eligibility, nonduplication of coverage provisions, coverage of dependents, pre-existing conditions, *incidental benefits, lapse of insurance*, termination of insurance, continuation of conversion, probationary periods, limitations, exceptions, reductions, elimination

periods, *premium rating practices and rating increases*, requirements for replacement, recurrent conditions, and definitions of terms.

- (2) A long-term care insurance policy shall not:
 - (a) Be canceled, nonrenewed, or otherwise terminated on the grounds of the age or the deterioration of the mental or physical health of the insured individual or certificate holder;
 - (b) Contain a provision establishing a new waiting period in the event existing coverage is covered to or replaced by a new or other form within the same insurer, except with respect to an increase in benefits voluntarily selected by the insured individual or group policyholder; or
 - (c) Provide coverage for skilled nursing care only or provide significantly more coverage for skilled care in a facility than coverage for lower levels of care.
- (3)
 - (a) A long-term care insurance policy or certificate, other than a policy or certificate thereunder issued to a group defined in KRS 304.14-600(5)~~((4))~~(a), shall not use a definition of "pre-existing condition" which is more restrictive than the following: "Pre-existing condition means a condition for which medical services or treatment was recommended by, or received from, a provider of health care services within six (6) months preceding the effective date of coverage of an insured person."
 - (b) A long-term care insurance policy or certificate, other than a policy or certificate under a policy issued to a group as defined in KRS 304.14-600(5)~~((4))~~(a), shall not exclude coverage for a loss or confinement which is the result of a pre-existing condition unless that loss or confinement begins within six (6) months following the effective date of coverage of an insured person.
 - (c) The commissioner may extend the limitation periods set forth in subsection (3)(a) and (b) of this section as to specific age group categories in specific policy forms upon finding that the extension is in the best interest of the public.
 - (d) The definition of "pre-existing condition" does not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant, and, on the basis of the answers on that application, from underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, a pre-existing condition, regardless of whether it is disclosed on the application, need not be covered until the waiting period described in paragraph (b) of this subsection expires. A long-term care insurance policy or certificate shall not exclude or use waivers or riders of any kind to exclude, limit, or reduce coverage or benefits for specifically named or described pre-existing diseases or physical conditions beyond the waiting period described in paragraph (b) of this subsection.
- (4)
 - (a) A long-term care insurance policy shall not be delivered or issued for delivery in this Commonwealth if the policy:
 1. Conditions eligibility for any benefits on a prior hospitalization requirement;
 2. Conditions eligibility for benefits provided in an institutional care setting on the receipt of a higher level of institutional care; or
 3. Conditions eligibility for any benefits other than waiver of premium, post-confinement, post-acute care, or recuperative benefits on a prior institutionalization requirement.
 - (b)
 1. A long-term care insurance policy containing post-confinement, post-acute care, or recuperative benefits shall clearly label in a separate paragraph of the policy or certificate entitled "limitations or conditions on eligibility for benefits" the limitations or conditions, including any required number of days of confinement.
 2. A long-term care insurance policy or rider which conditions eligibility of noninstitutional benefits on the prior receipt of institutional care shall not require a prior institutional stay of more than thirty (30) days.
- (5) The commissioner may promulgate administrative regulations establishing loss ratio standards for long-term care insurance policies if a specific reference to long-term care insurance policies is contained in the administrative regulations.

- (6) Long-term care insurance applicants shall have the right to return the policy or certificate within thirty (30) days of its delivery and to have the premium refunded if, after examination of the policy or certificate, the applicant is not satisfied for any reason. Long-term care insurance policies and certificates shall have a notice prominently printed on the first page or attached thereto stating in substance that the applicant shall have the right to return the policy or certificate within thirty (30) days of its delivery and to have the premium refunded if, after examination of the policy or certificate, other than a certificate issued pursuant to a policy issued to a group defined in KRS 304.14-600~~(5)~~~~(4)~~(a), the applicant is not satisfied for any reason.
- (7) (a) An outline of coverage shall be delivered to a prospective applicant for long-term care insurance at the time of initial solicitation through means which prominently direct the attention of the recipient to the document and its purpose.
1. The commissioner shall prescribe a standard format, including style, arrangement and overall appearance, and the content of an outline of coverage.
 2. In the case of agent solicitations, an agent shall deliver the outline of coverage prior to the presentation of an application or enrollment form.
 3. In the case of direct response solicitations, the outline of coverage shall be presented in conjunction with any application or enrollment form.
- (b) The outline of coverage shall include:
1. A description of the principal benefits and coverage provided in the policy;
 2. A statement of the principal exclusions, reductions, and limitations contained in the policy;
 3. A statement of the terms under which the policy or certificate, or both, may be continued in force or discontinued, including any reservation in the policy of a right to change premium. Continuation or conversion provisions of group coverage shall be specifically described;
 4. A statement that the outline of coverage is a summary only, not a contract of insurance, and that the policy or group master policy contains governing contractual provisions;
 5. A description of the terms under which the policy or certificate may be returned and premium refunded; and
 6. A brief description of the relationship of the cost of care and benefits.
- (8) A certificate issued pursuant to a group long-term care insurance policy which is delivered or issued for delivery in this Commonwealth or a certificate subject to approval by the commissioner shall include:
- (a) A description of the principal benefits and coverage provided in the policy;
 - (b) A statement of the principal exclusions, reductions, and limitations contained in the policy; and
 - (c) A statement that the group master policy determine governing contract provisions.
- (9) At the time of policy delivery, a policy summary shall be delivered for an individual life insurance policy which provides long-term care benefits within the policy or by rider. In the case of direct response solicitations, the insurer shall deliver the policy summary upon the applicant's request, but regardless of any request, the insurer shall deliver the policy summary no later than at the time of policy delivery. In addition to complying with all applicable requirements, the summary shall also include:
- (a) An explanation of how the long-term care benefit interacts with other components of the policy, including deductions from death benefits;
 - (b) An illustration of the amount of benefits, the length of benefit, and the guaranteed lifetime benefits, if any, for each covered person;
 - (c) Any exclusions, reductions, and limitations on benefits of long-term care insurance; and
 - (d) If applicable to the policy type, the summary shall also include:
 1. A disclosure of the effects of exercising other rights under the policy;
 2. A disclosure of guarantees related to long-term care of insurance charges; and
 3. Current and projected maximum lifetime benefits.

- (10) When a long-term care benefit funded through a life insurance vehicle by the acceleration of the death benefit is in benefit payment status, a monthly report shall be provided to the policyholder by the insurer. The report shall include:
- (a) Any long-term care benefits paid out during the month;
 - (b) An explanation of any changes in the policy, such as death benefits or cash values, due to long-term care benefits being paid out; and
 - (c) The amount of long-term care benefits existing or remaining.
- (11) Any policy or rider advertised or marketed, or offered as long-term care or nursing home insurance shall comply with the provisions of KRS 304.14-600 to 304.14-625.

Approved April 9, 2002

CHAPTER 305

(SB 100)

AN ACT relating to the reimbursement of training costs of law enforcement.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 70 IS CREATED TO READ AS FOLLOWS:

- (1) (a) *City and county law enforcement agencies, including sheriff's offices, may, as a condition of employment, require a newly appointed deputy sheriff or peace officer who will participate in the Kentucky Law Enforcement Foundation Fund Program, authorized by KRS 15.410 to 15.510, to enter into an employment contract for a period of no longer than three (3) years from the date of graduation from the Department of Criminal Justice Training, or other training approved by the Kentucky Law Enforcement Council.*
- (b) *If a deputy sheriff or peace officer who has entered into a contract authorized under this subsection accepts employment as a peace officer with another law enforcement agency, that law enforcement agency shall reimburse the law enforcement agency that initially hired the deputy sheriff or peace officer for the actual costs incurred and expended which are associated with the initial hiring of that officer, including, but not limited to, the application process, training costs, equipment costs, salary and fringe benefits. The law enforcement agency that initially hired the deputy sheriff or peace officer shall be reimbursed for the costs from the time of the deputy sheriff or peace officer's initial application until graduation from the Department of Criminal Justice Training.*
- (c) *The amount of reimbursement authorized by this subsection shall be prorated based upon the percentage of time that the deputy sheriff or peace officer completed of his or her employment contract. The amount of reimbursement authorized by this subsection after the pro rata amount is calculated shall be reduced by the cost of the training provided by the Department of Criminal Justice Training for the subject officer.*
- (2) *If a peace officer who has been employed by a state law enforcement agency for three (3) years or less accepts employment as a peace officer with a city or local law enforcement agency that city or local law enforcement agency shall reimburse the state law enforcement agency that initially hired the peace officer for the costs expended with the initial hiring of that officer, including, but not limited to, the application process, training costs, equipment costs, salary and fringe benefits. The state law enforcement agency that initially hired the peace officer shall be reimbursed for the costs incurred and expended from the time of the peace officer's initial application until graduation from a Kentucky Law Enforcement Council approved training academy. The amount of reimbursement authorized by this subsection shall be prorated based upon the percentage of time that the peace officer has been employed.*

Approved April 10, 2002

CHAPTER 306**(HB 387)**

AN ACT relating to real property.

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

Section 1. KRS 413.010 is amended to read as follows:

Subject to subsection (8) of Section 2 of this Act, an action for the recovery of real property may be brought only within fifteen (15) years after the right to institute it first accrued to the plaintiff, or to the person through whom he claims.

Section 2. KRS 411.190 is amended to read as follows:

(1) As used in this section:

- (a) "Land" means land, roads, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to the realty;~~[-]~~
- (b) "Owner" means the possessor of a fee, reversionary, or easement interest, a tenant, lessee, occupant, or person in control of the premises;~~[-]~~
- (c) "Recreational purpose" includes, but is not limited to, any of the following, or any combination thereof: hunting, fishing, swimming, boating, camping, picnicking, hiking, bicycling, horseback riding, pleasure driving, nature study, water-skiing, winter sports, and viewing or enjoying historical, archaeological, scenic, or scientific sites; **and**~~[-]~~
- (d) "Charge" means the admission price or fee asked in return for invitation or permission to enter or go upon the land but does not include fees for general use permits issued by a government agency for access to public lands if the permits are valid for a period of not less than thirty (30) days.

(2) The purpose of this section is to encourage owners of land to make land and water areas available to the public for recreational purposes by limiting their liability toward persons entering thereon for such purposes.

(3) Except as specifically recognized by or provided in subsection (6) of this section, an owner of land owes no duty of care to keep the premises safe for entry or use by others for recreational purposes, or to give any warning of a dangerous condition, use, structure, or activity on the premises to persons entering for such purposes.

(4) Except as specifically recognized by or provided in subsection (6) of this section, an owner of land who either directly or indirectly invites or permits without charge any person to use the property for recreation purposes does not thereby:

- (a) Extend any assurance that the premises are safe for any purpose;~~[-]~~
- (b) Confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed; **or**~~[-]~~
- (c) Assume responsibility for or incur liability for any injury to person or property caused by an act or omission of those persons.

(5) Unless otherwise agreed in writing, the provisions of subsections (3) and (4) of this section shall be deemed applicable to the duties and liability of an owner of land leased to the state or any subdivision thereof for recreational purposes.

(6) Nothing in this section limits in any way any liability which otherwise exists:

- (a) For willful or malicious failure to guard or warn against a dangerous condition, use, structure, or activity; **or**~~[-]~~
- (b) For injury suffered in any case where the owner of land charges the person or persons who enter or go on the land for the recreational use thereof, except that in the case of land leased to the state or a subdivision thereof, any consideration received by the owner for the lease shall not be deemed a charge within the meaning of this section.

(7) Nothing in this section shall be construed to:

- (a) Create a duty of care or ground of liability for injury to persons or property;~~;~~
 - (b) Relieve any person using the land of another for recreational purposes from any obligation which he may have in the absence of this section to exercise care in his use of the land and in his activities thereon, or from the legal consequences of failure to employ such care; *or*
 - (c) *Ripen into a claim for adverse possession, absent a claim of title or legal right.*
- (8) *No action for the recovery of real property, including establishment of prescriptive easement, right-of-way, or adverse possession, may be brought by any person whose claim is based on use solely for recreational purposes.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

- (1) *All statutes to the contrary notwithstanding, any property owner who resides in a county with a population of thirty thousand (30,000) or greater, and who owns at least one thousand five hundred (1,500) contiguous acres, may construct a landing strip for their personal use that is capable of handling two (2) private aircraft. The landing strip shall not be used for public or commercial purposes.*
- (2) *The landing strip authorized under this section shall meet all regulations or standards promulgated by the Federal Aviation Administration concerning areas regulated for the safe maneuvering approach and landing of aircraft.*
- (3) *All local governments shall be prohibited from regulating landing strips authorized under this section and shall be prohibited from enacting planning and zoning ordinances contrary to the provisions of this section.*

Approved April 11, 2002

CHAPTER 307

(HB 615)

AN ACT relating to community development.

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

Section 1. KRS 99.340 is amended to read as follows:

The following words or terms shall have the following meanings wherever used in KRS 99.330 to 99.510, unless a different meaning is clearly indicated by the context:

- (1) "Slum area" means an area in which there is ***at least one-fourth (1/4) of all***~~a predominance of~~ buildings or ***a predominance of*** improvements which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, sanitation, or open spaces, high density of population and overcrowding, or any combination of such factors, are unsafe or unfit to occupy;~~;~~ are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, ~~or~~~~and~~ crime;~~;~~ injuriously affect the entire area; ~~or~~~~and~~ constitute a menace to the public health, safety and welfare. A slum area may include lands, structures, or improvements, the acquisition of which is necessary in order to assure the proper clearance and redevelopment of the entire area and to prevent the spread or recurrence of slum conditions thereby protecting the public health, safety, and welfare;
- (2) "Blighted area" means an area (other than a slum area as defined in this section) where by reason of the predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, submergency of lots by water or other unsanitary or unsafe conditions, deterioration of site improvements, diversity of ownership, tax delinquency, defective or unusual conditions of title, improper subdivision or obsolete platting, or any combination of such reasons, development of such blighted area (which may include some incidental buildings or improvements) into predominantly housing uses is being prevented;
- (3) "Redevelopment" means the planning or replanning, design or redesign, acquisition, clearance, development,~~and~~ disposal, ***rehabilitation, historic preservation,*** or any combination of these, of a development area and the preparation of such area for such residential, commercial, industrial, public, recreational or other structures, works, improvements, facilities or spaces as may be appropriate or necessary. "Redevelopment" and derivatives thereof shall mean develop as well as redevelop;

- (4) "Community" means any city or county;
- (5) "Mayor" means the mayor of a city or the county judge/executive of a county, or the officer thereof having the duties customarily imposed upon the executive head of a city or county;
- (6) "Council" means the legislative authority of a city or the fiscal court of a county;
- (7) "Redevelopment project" means any or a combination of one (1) or more of the following:
 - (a) Acquisition of a slum area or a blighted area (as defined in this section);
 - (b) Demolition,~~and~~ removal, **rehabilitation, or historic preservation** of structures and improvements;
 - (c) Installation, construction or reconstruction of streets, utilities and other site improvements essential to the preparation of sites for uses in accordance with the development plan; and
 - (d) Making the land available for development or redevelopment by private enterprise or public bodies for uses in accordance with the development plan;
- (8) "Development area" means the area of a redevelopment project;
- (9) "Development plan" means a plan for the redevelopment of all or any part of a development area;
- (10) "Agency" means a public corporate body created pursuant to KRS 99.350;
- (11) "Public body" means any city, county, commission, district authority or other public body or political subdivision of the Commonwealth;
- (12) "Area of operation" means:
 - (a) In the case of a city, the area within the city and the area within five (5) miles of the territorial boundaries thereof, except that the area of operation of a city under KRS 99.330 to 99.510 shall not include any area which lies within the territorial boundaries of another city unless a resolution has been adopted by the council of the other city declaring a need therefor; and
 - (b) In the case of a county, the area within the county, except that the area of operation of a county shall not include any area which lies within the territorial boundaries of a city unless a resolution has been adopted by the council of the city declaring a need therefor;
- (13) "Real property" includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens;
- (14) "Planning commission" means a city, county or joint city-county planning and zoning commission or a planning commission established pursuant to the provisions of KRS Chapter 100 having authority and responsibility with respect to the area of the community; and
- (15) "Bonds" means any bonds, notes, interim certificates, debentures, or other obligations.

Section 2. KRS 99.530 is amended to read as follows:

- (1) In addition to its authority under KRS 99.330 to 99.510 an agency is hereby authorized to plan and undertake urban renewal projects. As used in KRS 99.520 to 99.590, an urban renewal project may include undertakings and activities for the prevention of the development or spread of slums or blighted, deteriorated, or deteriorating areas, or the elimination thereof, and may involve any work or undertaking for such purpose constituting a redevelopment project or any rehabilitation or conservation work, or any combination of such undertaking or work. For this purpose, "rehabilitation or conservation work" may include:
 - (a) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements;
 - (b) Acquisition of real property and demolition, removal, **relocation, historic preservation**, or rehabilitation of buildings and improvements thereon where necessary to eliminate unhealthful, unsanitary or unsafe conditions;~~;~~ ~~lessen density;~~ ~~reduce traffic hazards;~~ ~~eliminate obsolete or other uses detrimental to the public welfare;~~ ~~or to otherwise~~ remove or prevent the spread of blight or deterioration;~~;~~ ~~or to~~ provide land **or buildings, and improvements thereon**, for needed public facilities;

- (c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project; and
 - (d) The disposition, for uses in accordance with the objectives of the urban renewal project, of any property or part thereof acquired in the area of such project; provided that such disposition shall be in the manner prescribed in KRS 99.450 for the disposition of property in a redevelopment project area.
- (2) Notwithstanding any other provisions of KRS 99.330 to 99.510 and KRS 99.520 to 99.590, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the Governor of the State has certified the need for disaster assistance under Public Law 875, Eighty-First Congress, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to any provisions of KRS 99.330 to 99.510 and KRS 99.520 to 99.590, requiring public hearings or requiring that the urban renewal plan conform to a general or master plan for the community as a whole, or that the urban renewal area be a slum area, or a blighted, deteriorated, or deteriorating area, or that the urban renewal area be predominantly residential in character or be developed or redeveloped for residential uses.

Approved April 11, 2002

CHAPTER 308

(SB 125)

AN ACT relating to emergency medical matters.

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

SECTION 1. A NEW SECTION OF KRS 311.652 TO 311.658 IS CREATED TO READ AS FOLLOWS:

- (1) *No public agency, tax district, or other publicly funded emergency medical service first response provider or licensed ambulance service shall have a residence requirement for an employee of or volunteer for the organization.*
- (2) *The provisions of subsection (1) shall not preclude an employer or agency specified in subsection (1) from having a requirement for response to a specified location within a specified time limit for an employee or volunteer who is off-duty but who is on-call to respond for work.*

Approved April 11, 2002

CHAPTER 309

(SB 66)

AN ACT relating to the merger of volunteer fire departments.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

If two (2) or more volunteer fire departments merge under the provisions of Sections 1 to 7 of this Act after January 1, 2000, and each is qualified to receive the volunteer fire department aid under subsection (2) of Section 8 of this Act at the time of merger, then the volunteer fire department aid shall be disbursed according to the provisions of Sections 1 to 7 of this Act as long as the resulting district remains qualified to receive the volunteer fire department aid.

SECTION 2. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 7 of this Act, unless the context requires otherwise:

- (1) *"Qualified fire department" means any volunteer fire department in any city of any class, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and volunteer fire departments created as nonprofit corporations pursuant to KRS Chapter 273 eligible to receive volunteer fire department aid under subsection (2) of Section 8 of this Act; and*

- (2) *"Qualified share" means the amount of money allocated by the Commission on Fire Protection Personnel Standards and Education for volunteer fire department aid under subsection (2) of Section 8 of this Act, less any penalties for failure to participate satisfactorily in the Kentucky fire incident reporting system as described in KRS 304.13-380.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

- (1) *The Commission on Fire Protection Personnel Standards and Education shall pay to the merged district, for the first, second, and third years after the merger, the number of qualified shares of volunteer fire department aid allotted under subsection (2) of Section 8 of this Act equal to the total number of qualified shares that each department would have received previous to merger;*
- (2) *The Commission on Fire Protection Personnel Standards and Education shall pay to the merged district, for the fourth, fifth, and sixth years after the merger, the number of qualified shares of volunteer fire department aid allotted under subsection (2) of Section 8 of this Act equal to fifty percent (50%) of the total number of qualified shares that each department would have received previous to merger, plus one (1) yearly disbursement of four thousand dollars (\$4,000) as a merger incentive; and*
- (3) *The Commission on Fire Protection Personnel Standards and Education shall pay to the merged district, for the seventh year after the merger and thereafter, one (1) qualified share of volunteer fire department aid allotted under subsection (2) of Section 8 of this Act.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The trustees of the volunteer fire district shall notify the Commission on Fire Protection Personnel Standards and Education, in writing, within thirty (30) days of the merger or splitting of a merged volunteer fire district created under the provisions of this chapter. Notification shall be made in the manner prescribed by the Commission on Fire Protection Personnel Standards and Education in administrative regulations promulgated in accordance with the provisions of KRS Chapter 13A.

SECTION 5. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

If a new volunteer fire department is created from territory in an existing fire department merged under the provisions of Sections 1 to 7 of this Act, the newly created volunteer fire district shall be able to receive one (1) share at the next regular disbursement date, if qualified. The parent fire department shall have aid allotted under subsection (2) of Section 8 of this Act reduced by one (1) qualified share for calculations of aid, for the first, second, third, fourth, fifth, and sixth years after merger.

SECTION 6. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

The Commission on Fire Protection Personnel Standards and Education shall calculate and disburse to each district merged after January 1, 2000, but before the effective date of this Act, any payments owed the district according to the schedule set out in this section. In order to receive the payment, the trustees of the volunteer fire district shall notify the commission in writing within sixty (60) days of the effective date of this Act that there has been a merger in their jurisdiction within that time. If sufficient funds do not exist to make all the payments at one (1) time owed under the provisions of this subsection, then the available amount shall be prorated evenly and proportionately and disbursed among those merged districts each disbursement cycle until the total amount has been paid to each of those districts. The commission shall not reduce any other payments under KRS 95A.262 to make the payments under this subsection.

SECTION 7. A NEW SECTION OF KRS CHAPTER 95A IS CREATED TO READ AS FOLLOWS:

If the resulting merged district does not remain qualified to receive the volunteer fire department aid under subsection (2) of Section 8 of this Act, then the Commission on Fire Protection Personnel Standards and Education shall suspend all payments calculated under Section 3 of this Act. The merged district shall have ninety (90) days to come into compliance with the requirements for qualification. If the merged district does so, then the commission shall resume payments as calculated under Section 3 of this Act. If the merged district does not come into compliance within ninety (90) days of the loss of qualification, then the commission shall not resume payments as calculated under Section 3 of this Act. Should the merged district come into compliance after ninety (90) days, it shall receive only one (1) qualified share of the volunteer fire department aid under subsection (2) of Section 8 of this Act.

Section 8. KRS 95A.262 is amended to read as follows:

- (1) The Commission on Fire Protection Personnel Standards and Education shall, in cooperation with the Cabinet for Health Services, develop and implement a continuing program to inoculate every paid and volunteer firefighter in Kentucky against hepatitis B. The program shall be funded from revenues allocated to the Firefighters Foundation Program fund pursuant to KRS 136.392 and 42.190. Any fire department which has inoculated its personnel during the period of July 1, 1991 to July 14, 1992, shall be reimbursed from these revenues for its costs incurred up to the amount allowed by the Cabinet for Human Resources for hepatitis B inoculations.
- (2) Except as provided in subsection (3) of this section and KRS 61.316, the Commission on Fire Protection Personnel Standards and Education shall allot on an annual basis a share of the funds accruing to and appropriated for volunteer fire department aid to volunteer fire departments in cities of all classes, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and volunteer fire departments created as nonprofit corporations pursuant to KRS Chapter 273. The commission shall allot eight thousand dollars (\$8,000) annually to each qualifying department, and beginning on July 1, 2001, the commission shall allot eight thousand two hundred fifty dollars (\$8,250) annually to each qualifying department. Any qualifying department which fails to participate satisfactorily in the Kentucky fire incident reporting system as described in KRS 304.13-380 shall forfeit annually five hundred dollars (\$500) of its allotment. ***If two (2) or more qualified volunteer fire departments, as defined in Sections 1 to 7 of this Act, merge after January 1, 2000, then the allotment shall be in accordance with the provisions of Sections 1 to 7 of this Act.*** The commission shall recommend to the commissioner of the Department of Housing, Buildings and Construction the promulgation of administrative regulations in accordance with the provisions of KRS Chapter 13A to define satisfactory participation in the Kentucky fire incident reporting system. Administrative regulations for determining qualifications shall be based on the number of both paid firefighters and volunteer firemen within a volunteer fire department, the amount of equipment, housing facilities available, and such other matters or standards as will best effect the purposes of the volunteer fire department aid law. A qualifying department shall include at least twelve (12) firefighters, a chief, and at least one (1) operational fire apparatus or one (1) on order. Fifty percent (50%) of the firefighters shall have completed at least one-half (1/2) of one hundred fifty (150) training hours toward certification within the first six (6) months of the first year of the department's application for certification, and there shall be a plan to complete the one hundred fifty (150) training hours within the second year. These personnel, equipment, and training requirements shall not be made more stringent by the promulgation of administrative regulations. No allotment shall exceed the total value of the funds, equipment, lands, and buildings made available to the local fire units from any source whatever for the year in which the allotment is made. A portion of the funds provided for above may be used to purchase group or blanket health insurance and shall be used to purchase workers' compensation insurance, and the remaining funds shall be distributed as set forth in this section.
- (3) There shall be allotted two hundred thousand dollars (\$200,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund that shall be allocated each fiscal year of the biennium to the firefighters training center fund, which is hereby created and established, for the purposes of constructing new or upgrading existing training centers for firefighters. If any moneys in the training center fund remain uncommitted, unobligated, or unexpended at the close of the first fiscal year of the biennium, then such moneys shall be carried forward to the second fiscal year of the biennium, and shall be reallocated to and for the use of the training center fund, in addition to the second fiscal year's allocation of two hundred thousand dollars (\$200,000). Prior to funding any project pursuant to this subsection, a proposed project shall be approved by the Commission on Fire Protection Personnel Standards and Education as provided in subsection (4) of this section and shall comply with state laws applicable to capital construction projects.
- (4) Applications for funding low-interest loans and firefighters' training centers shall be submitted to the Commission on Fire Protection Personnel Standards and Education for their recommendation, approval, disapproval, or modification. The commission shall review applications periodically, and shall, subject to funds available, recommend which applications shall be funded and at what levels, together with any terms and conditions the commission deems necessary.
- (5) Any department or entity eligible for and receiving funding pursuant to this section shall have a minimum of fifty percent (50%) of its personnel certified as recognized by the Commission on Fire Protection Personnel Standards and Education.
- (6) Upon the written request of any department, the Commission on Fire Protection Personnel Standards and Education shall make available a certified training program in a county of which such department is located.

- (7) The amount of reimbursement for any given year for costs incurred by the Kentucky Community and Technical College System for administering these funds, including, but not limited to, the expenses and costs of commission operations, shall be determined by the commission and shall not exceed five percent (5%) of the total amount of moneys accruing to the Firefighters Foundation Program fund which are allotted for the purposes specified in this section during any fiscal year.
- (8) The commission shall withhold from the general distribution of funds under subsection (2) of this section an amount which it deems sufficient to reimburse volunteer fire departments for equipment lost or damaged beyond repair due to hazardous material incidents.
- (9) Moneys withheld pursuant to subsection (8) of this section shall be distributed only under the following terms and conditions:
 - (a) A volunteer fire department has lost or damaged beyond repair items of personal protective clothing or equipment due to that equipment having been lost or damaged as a result of an incident in which a hazardous material (as defined in any state or federal statute or regulation) was the causative agent of the loss;
 - (b) The volunteer fire department has made application in writing to the commission for reimbursement in a manner approved by the commission and the loss and the circumstances thereof have been verified by the commission;
 - (c) The loss of or damage to the equipment has not been reimbursed by the person responsible for the hazardous materials incident or by any other person;
 - (d) The commission has determined that the volunteer fire department does not have the fiscal resources to replace the equipment;
 - (e) The commission has determined that the equipment sought to be replaced is immediately necessary to protect the lives of the volunteer firefighters of the fire department;
 - (f) The fire department has agreed in writing to subrogate all claims for and rights to reimbursement for the lost or damaged equipment to the Commonwealth to the extent that the Commonwealth provides reimbursement to the department; and
 - (g) The department has shown to the satisfaction of the commission that it has made reasonable attempts to secure reimbursement for its losses from the person responsible for the hazardous materials incident and has been unsuccessful in the effort.
- (10) If a volunteer fire department has met all of the requirements of subsection (9) of this section, the commission may authorize a reimbursement of equipment losses not exceeding ten thousand dollars (\$10,000) or the actual amount of the loss, whichever is less.
- (11) Moneys which have been withheld during any fiscal year which remain unexpended at the end of the fiscal year shall be distributed in the normal manner required by subsection (2) of this section during the following fiscal year.
- (12) No volunteer fire department may receive funding for equipment losses more than once during any fiscal year.
- (13) The commission shall make reasonable efforts to secure reimbursement from the responsible party for any moneys awarded to a fire department pursuant to this section.
- (14) There shall be allotted each year of the 1992-93 biennium one million dollars (\$1,000,000), and each year of the 1994-95, 1996-97, 1998-99, and 2000-01 bienniums one million dollars (\$1,000,000) of the insurance premium surcharge proceeds accruing to the Firefighters Foundation Program fund for the purpose of creating a revolving low-interest loan fund, which shall thereafter be self-sufficient and derive its operating revenues from principal and interest payments. The commission, in accordance with the procedures in subsection (4) of this section, may make low-interest loans, and the interest thereon shall not exceed three percent (3%) annually or the amount needed to sustain operating expenses of the loan fund, whichever is less, to volunteer fire departments for the purposes of major equipment purchases and facility construction. Loans shall be made to departments which achieve the training standards necessary to qualify for volunteer fire department aid allotted pursuant to subsection (2) of this section, and which do not have other sources of funds at rates which are favorable given their financial resources. The proceeds of loan payments shall be returned to the loan fund for the purpose of providing future loans. If a department does not make scheduled loan payments, the commission may withhold any grants payable to the department pursuant to subsection (2) of this section until the

department is current on its payments. Money in the low-interest loan fund shall be used only for the purposes specified in this subsection. Any funds remaining in the fund at the end of a fiscal year shall be carried forward to the next fiscal year for the purposes of the fund.

Approved April 11, 2002

CHAPTER 310

(HJR 25)

A JOINT RESOLUTION directing the Department of Education to implement study recommendations.

WHEREAS, during the 2001 Interim, the Interim Joint Committee on Education studied the instruction of the principles of economics and the need for promoting economic education in the public schools as required by House Concurrent Resolution 82 of the 2000 session of the General Assembly; and

WHEREAS, the committee adopted its report and recommendations on December 5, 2001, and forwarded the report to the Legislative Research Commission;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Department of Education shall implement the recommendations of the Interim Joint Committee on Education as follows:

(1) The Kentucky Department of Education shall continue to partner with private organizations, public and private colleges and universities, and other public entities to offer meaningful professional development for teachers.

(2) The Kentucky Department of Education shall continue its efforts to develop teacher academies that focus on developing teachers' knowledge and skills in economics and in consumer education.

(3) The Kentucky Department of Education shall maximize the use of its Web site to communicate the professional development and other resources that are available to teachers.

(4) Local schools and teachers shall be encouraged to use some of the local professional development funds to participate in economics and consumer education-related programs conducted by the Kentucky Council on Economic Education and other appropriate providers.

(5) The Professional Growth Fund shall be extended to encourage all teachers' participation in consumer education courses or professional development institutes, not just social studies teachers.

(6) The Department of Education, the Kentucky Council on Economic Education, and other interested parties shall continue collaboration and if funds are made available, the department may choose to contract with the Kentucky Council on Economic Education to carry out coordinating functions in the areas of consumer education for the state.

Section 2. The Department of Education shall report to the Interim Joint Committee on Education on the status of these recommendations prior to October 1, 2002.

Approved April 11, 2002

CHAPTER 311

(HJR 92)

A JOINT RESOLUTION directing the Transportation Cabinet and the Tourism Cabinet to study potential sites for a country music shrine on United States Route 23 near where United States Route 23 enters Kentucky in Greenup County.

WHEREAS, Kentucky's rich heritage of country music has been immortalized with the designation of United States Route 23 through the entire Commonwealth of Kentucky as the "Country Music Highway"; and

WHEREAS, sections of this road honor such luminaries as Billy Ray Cyrus, Loretta Lynn, Ricky Skaggs, Dwight Yoakam, Crystal Gayle, Hylo Brown, Patty Loveless, Gary Stewart, and the Judds; and

WHEREAS, the completion of a new U.S. Grant Bridge on United States Route 23 over the Ohio River is planned within the next two years; and

WHEREAS, Kentucky should attempt to capitalize on our history and our country music heritage by establishing some visible sign of the importance of these country music stars that would attract the attention of local citizens and tourists alike;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet and the Tourism Cabinet are directed to jointly study and recommend a location for a park, shrine, or memorial to the state's country music heritage and the stars honored by the Country Music Highway on land owned by the state adjacent to United States Route 23 near the U.S. Grant Bridge, entryway of US 23 into Kentucky from the state of Ohio. The Transportation and Tourism Cabinets shall report their findings to the Legislative Research Commission no later than October 31, 2002.

Approved April 11, 2002

CHAPTER 312

(HJR 210)

A JOINT RESOLUTION authorizing and directing Kentucky State University, in cooperation with the Kentucky Aquaculture Task Force and the Kentucky Department of Fish and Wildlife Resources, to conduct and facilitate a series of statewide public meetings relating to the public support and regulation of reservoir ranching of paddlefish (zooplanktivore) on public waters, and making an appropriation therefor.

WHEREAS, The Kentucky Aquaculture Task Force is directed to assist the promotion and study of the aquaculture industry in Kentucky; and

WHEREAS, reservoir ranching of paddlefish should continue to be investigated to determine biological impacts; and

WHEREAS, the possible economic benefits should be determined; and

WHEREAS, the level of public support of the use of public waters and fisheries for reservoir ranching should be considered in any decision to allow reservoir ranching; and

WHEREAS, the General Assembly needs information on the feasibility and public support of allowing reservoir ranching of paddlefish on public waters in order to objectively and responsibly determine whether to proceed;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. Kentucky State University, with the cooperation of the Kentucky Aquaculture Task Force and the Kentucky Department of Fish and Wildlife Resources, shall conduct and facilitate a series of statewide public meetings, conduct a survey, and generate a final report and recommendations on:

- (1) The feasibility of allowing reservoir ranching of paddlefish on public waters; and
- (2) The public support of reservoir ranching of paddlefish on public waters.

Section 2. There is hereby appropriated from the general fund for fiscal year 2002-2003 the sum of \$10,000 to accomplish the feasibility study, meetings, and survey. Any amount remaining following the completion of the study shall revert to the general fund. The meetings shall begin not later than September 1, 2002, and the report and recommendations shall be submitted to the Interim Joint Committee on Agriculture and Natural Resources not later than the committee's regularly scheduled meeting in November, 2002.

Approved April 11, 2002

CHAPTER 313**(HJR 148)**

A JOINT RESOLUTION requesting the Cabinet for Health Services to study the issues surrounding a distribution system for used or donated assistive devices.

WHEREAS, many health care programs within the Commonwealth provide financial support for the purchase of assistive devices such as wheelchairs, crutches, walkers, and other medical supplies or durable goods on behalf of persons with limited income; and

WHEREAS, these assistive devices may be used for a short time for the treatment of temporary or acute conditions or injuries; and

WHEREAS, many Kentuckians still do not qualify for programs providing assistive devices that are necessary to keep the persons working and functioning as independent members of society; and

WHEREAS, it is in the best interests of the Commonwealth and of its citizens to ensure that people are able to function at their highest level, particularly if this can be accomplished with minimal assistance from the government; and

WHEREAS, new assistive devices are expensive and unaffordable for many persons with limited income, who do not qualify for assistance programs, or who do not have health insurance that provides coverage for the assistive devices; and

WHEREAS, many local civic organizations and agencies voluntarily collect used assistive devices for distribution to Kentuckians in need; and

WHEREAS, more Kentuckians could be helped through a centralized network for the distribution of used or donated assistive devices; and

WHEREAS, the Cabinet for Health Services has oversight over many health care programs involving Kentuckians;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Cabinet for Health Services is requested to study the issues surrounding a distribution system for used assistive devices for persons who are uninsured, or who have limited income, and to report by December 1, 2002, to the Interim Joint Committee on Health and Welfare on any findings and conclusions to date. In furtherance of this report, the cabinet is requested to consult with other state and local agencies and civic organizations regarding the needs of Kentuckians for used or donated assistive devices and the current and the best methods for collecting and distributing used or donated assistive devices.

Approved April 11, 2002

CHAPTER 314**(HB 857)**

AN ACT designating "Deo gratiam habeamus" as the Commonwealth's official Latin motto.

WHEREAS, the first Constitution of the Commonwealth of Kentucky was established in 1792 as the governing instrument of the state of Kentucky; and

WHEREAS, the Preamble to the current Constitution of the Commonwealth of Kentucky was established at Frankfort on the 28th day of September in the year of our Lord one thousand eight hundred ninety-one and in the one hundredth year of the Commonwealth; and

WHEREAS, the Preamble states, "We, the people of the Commonwealth of Kentucky, grateful to Almighty God for the civil, political and religious liberties we enjoy, and invoking the continuance of these blessings, do ordain and establish this Constitution."; and

WHEREAS, the Latin phrase "Deo gratiam habeamus," which is rendered in English "Let us be grateful to God," does correctly express the sentiment clearly stated in the Preamble to our Constitution;

NOW, THEREFORE,

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The phrase "Deo gratiam habeamus" is named and designated the Commonwealth's official Latin motto.

Approved April 11, 2002

CHAPTER 315

(HB 855)

AN ACT relating to the grape and wine industry.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky Grape and Wine Council, created in Section 4 of this Act to promote and facilitate the development of a grape, grape products, and wine industry, may:*

 - (a) *Conduct and contract with others to conduct research on grapes, grape products, and wine in Kentucky and elsewhere for use in Kentucky, including but not limited to:*

 - 1. Methods of marketing, market development, and distribution;*
 - 2. Methods of storage, refrigeration, processing, and transportation;*
 - 3. Methods of production and product development;*
 - 4. Methods of agronomic, enological, and viticultural practices to improve these practices in Kentucky; and*
 - 5. Economic benefits and impact from the industry;*
 - (b) *Publish and provide and contract with others to publish and provide wholesalers and retailers in the Kentucky grape, grape products, and wine industry with information on proper methods of handling and selling grapes, grape products, and wine;*
 - (c) *Publish and provide and contract with others to publish and provide producers of Kentucky grapes, grape products, and wine, as well as the general public, with information relating to Kentucky grapes, grape products, and wine; and*
 - (d) *Design and implement or contract with others to design and implement activities relating to Kentucky grapes, grape products, and wine including but not limited to:*

 - 1. Market surveys and analyses;*
 - 2. Industry promotion programs;*
 - 3. Market maintenance and expansion plans;*
 - 4. Education programs;*
 - 5. Public relations programs;*
 - 6. Economic impact analyses; and*
 - 7. Other analysis or research relating to the promotion and sale of Kentucky grapes, grape products, and wine.*
- (2) *The Kentucky Grape and Wine Council, to the extent that funds are available, shall:*

 - (a) *Promote the sale of grapes, grape products, and wine for the purpose of maintaining and expanding present markets and creating new markets for Kentucky grapes, grape products, and wine for the maximum economic impact on the agricultural economy of Kentucky;*

- (b) *Inform the public, producers, and vendors about Kentucky grapes, grape products, and wine, including uses and benefits of these products;*
- (c) *Advise the Commissioner to:*
 - 1. *Expend moneys from the Kentucky Grape and Wine Council fund created in Section 3 of this Act to carry out the duties and recommendations of the council; and*
 - 2. *Hire staff to carry out the duties and recommendations of the council; and*
 - 3. *Promulgate administrative regulations to carry out the duties and recommendations of the council;*
- (d) *Coordinate with the Kentucky Department of Agriculture and other state agencies in carrying out these duties; and*
- (e) *Report annually to the Governor and the General Assembly on the activities of the Kentucky Grape and Wine Council.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

The Commissioner shall, to the extent that funds are available and with the advice and recommendation of the council:

- (1) *Receive and disburse funds from the Kentucky Grape and Wine Council fund created in Section 3 of this Act;*
- (2) *Hire staff to carry out the duties and recommendations of the council;*
- (3) *Promulgate administrative regulations to carry out the duties and recommendations of the council;*
- (4) *Assist in the preparation of the annual report of the council; and*
- (5) *Monitor the activities of the council to ensure timely performance of the duties of the council under Section 1 of this Act.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

There is established and created in the State Treasury, a fund entitled the "Kentucky Grape and Wine Council fund" to provide funds to offset the costs of the Kentucky Grape and Wine Council. The fund may receive state appropriations, gifts, grants, federal funds, and any other funds both public and private. Money deposited in the fund shall be disbursed by the State Treasurer upon the warrant of the Commissioner of Agriculture or the Commissioner's representative. Any unallocated or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9), and any income earned from the investments along with the unallotted or unencumbered balances in the fund shall not lapse, and shall be deemed a trust and agency account and made available solely for the purposes and benefits of the Kentucky Grape and Wine Council.

Section 4. KRS 260.165 is amended to read as follows:

- (1) The **Kentucky Grape and Wine Council**~~Industry Advisory Committee~~ is hereby created within the Department of Agriculture. The purpose of the **council**~~committee~~ shall be to promote and facilitate the development of a grape industry in the Commonwealth of Kentucky.
- (2) The **council**~~committee~~ shall be composed of the Commissioner of Agriculture, or his designee, and **nine (9)**~~six (6)~~ members appointed by the Governor. Of the **nine (9)**~~six (6)~~ gubernatorial appointments, the Governor ~~shall be encouraged to~~ appoint one (1) from a list of three (3) candidates submitted by the director of the University of Kentucky Agriculture Experiment Station, one (1) from a list of three (3) candidates submitted by the secretary of the Tourism Development Cabinet, **three (3) winery operators** and two (2) **grape producers** from a list of **ten (10)**~~three (3)~~ candidates submitted by the Kentucky Vineyard Society **and the Kentucky Grape and Wine Council**.
- (3) The appointed members shall serve for terms of four (4) years and until their successors are appointed and qualify. The **council**~~committee~~ shall select a chairman and shall meet at the times and places that he designates. **Five (5)**~~Four (4)~~ members present at any meeting shall constitute a quorum. Upon the written request of any **five (5)**~~three (3)~~ members, the chairman shall call a meeting of the **council**~~committee~~ at the time and place requested.

- (4) Members shall receive no compensation but shall be reimbursed, payable from the *Kentucky Grape and Wine Council fund*~~[Division of Markets]~~, for any actual *travel* expense incurred *while attending meetings of the council*~~[in performing their duties]~~.

Approved April 11, 2002

CHAPTER 316

(HB 812)

AN ACT relating to revenue and taxation.

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

Section 1. KRS 186.021 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section, a county clerk shall not issue a replacement plate, decal, or registration certificate as provided in KRS 186.180, or a registration for renewal to any person who on January 1 of any year owned a motor vehicle on which state, county, city, urban-county government, school, or special taxing district ad valorem taxes are delinquent.
- (2) Pursuant to KRS 134.810(4), the owner *as defined in KRS 186.010(7)(a) and (c)*~~[of record]~~ on January 1 of any year shall be liable for taxes due on a motor vehicle. A person other than the owner of record who applies to a county clerk to transfer the registration of a motor vehicle may pay any delinquent ad valorem taxes due on the motor vehicle to facilitate the county clerk's transferring registration of the motor vehicle. The person applying shall not be required to pay delinquent ad valorem taxes due on any other motor vehicle owned by the owner of record from which he is purchasing his motor vehicle as a condition of registration.
- (3) A county clerk shall not issue a replacement plate, decal, or registration certificate as provided in KRS 186.180, or a registration renewal for any motor vehicle that is not insured in compliance with KRS 304.39-080. Each applicant for registration renewal shall present proof of compliance to the county clerk in a manner prescribed in administrative regulations issued by the Department of Insurance.

Section 2. KRS 134.805 is amended to read as follows:

- (1) The county clerk shall be allowed by the Revenue Cabinet, for collecting state ad valorem taxes on motor vehicles, a commission of four percent (4%) on state taxes collected.
- (2) The county clerk shall be allowed by the county treasurer, for collecting county and special district ad valorem taxes on motor vehicles, a commission of four percent (4%) on county and special taxes collected.
- (3) The county clerk shall be allowed a commission of four percent (4%) of the school district taxes collected.
- (4) Effective January 1, 1985, the county clerk shall be allowed a commission of four percent (4%) of the city or urban-county government taxes collected.
- (5)
 - (a) For the convenience and benefit of the Commonwealth's citizens and to maximize ad valorem tax collections, county clerks shall be responsible for causing the preparation and mailing of a notice of ad valorem taxes due to the January 1 owner, *as defined in KRS 186.010(7)(a) and (c)*,~~[of record]~~ of each motor vehicle no later than *forty-five (45) days*~~[one (1) month]~~ prior to the ad valorem tax and registration renewal due date in each calendar year.
 - (b) When a vehicle is transferred in any year before the ad valorem taxes on that vehicle have been paid, a notice of taxes due shall be sent within ten (10) working days after the date of transfer or notice of transfer to the owner~~[of record]~~ as of January 1 of that year.
 - (c) When ad valorem taxes on a vehicle become delinquent for sixty (60) days, as defined by KRS 134.810, a second notice shall be sent within ten (10) working days to the January 1 owner of record. The notice shall inform the delinquent owner of the lien provisions provided by KRS 134.810 on all vehicles owned or acquired by the owner of the vehicle at the time the tax liability arose.
 - (d) These notices shall be calculated, prepared, and mailed first class on behalf of county clerks by the AVIS. Nonreceipt of the notices required herein shall not constitute any defense against applicable penalty, interest, lien fees, or costs recovery.

Section 3. KRS 134.810 is amended to read as follows:

- (1) All state, county, city, urban-county government, school, and special taxing district ad valorem taxes shall be due and payable on or before the earlier of the last day of the month in which registration renewal is required by law for a motor vehicle renewed or the last day of the month in which a vehicle is transferred.
- (2) All state, county, city, urban-county government, school, and special taxing district ad valorem taxes due on motor vehicles shall become delinquent following the earlier of the end of the month in which registration renewal is required by law or the last day of the second calendar month following the month in which a vehicle was transferred.
- (3) Any taxes which are paid within thirty (30) days of becoming delinquent shall be subject to a penalty of three percent (3%) on the taxes due. However, this penalty shall be waived if the tax bill is paid within five (5) days of the tax bill being declared delinquent. Any taxes which are not paid within thirty (30) days of becoming delinquent shall be subject to a penalty of ten percent (10%) on the taxes due. In addition, interest at an annual rate of fifteen percent (15%) shall accrue on said taxes and penalty from the date of delinquency. A penalty or interest shall not accrue on a motor vehicle under dealer assignment pursuant to KRS 186A.220.
- (4) When a motor vehicle has been transferred before registration renewal or before taxes due have been paid, the owner **pursuant to KRS 186.010(7)(a) and (c)** ~~of record~~ on January 1 of any year shall be liable for the taxes on the motor vehicle, except as hereinafter provided.
- (5) If an owner obtains a certificate of registration for a motor vehicle valid through the last day of his second birth month following the month and year in which he applied for a certificate of registration, all state, county, city, urban-county government, school, and special tax district ad valorem tax liabilities arising from the assessment date following initial registration shall be due and payable on or before the last day of the first birth month following the assessment date or date of transfer, whichever is earlier. Any taxes due under the provisions of this subsection and not paid as set forth above shall be considered delinquent and subject to the same interest and penalties found in subsection (3) of this section.
- (6) For purposes of the state ad valorem tax only, all motor vehicles held for sale by a licensed Kentucky dealer and all motor vehicles with a salvage title held by an insurance company on January 1 of any year shall not be taxed as a motor vehicle pursuant to KRS 132.485 but shall be subject to ad valorem tax as goods held for sale in the regular course of business under the provisions of KRS 132.020(10) and 132.220.
- (7) Any provision to the contrary notwithstanding, when any ad valorem tax on a motor vehicle becomes delinquent, the state and each county, city, urban-county government, or other taxing district shall have a lien on all motor vehicles owned or acquired by the person who owned the motor vehicle at the time the tax liability arose. A lien for delinquent ad valorem taxes shall not attach to any motor vehicle transferred while the taxes are due on that vehicle. For the purpose of delinquent ad valorem taxes on leased vehicles only, a lien on a leased vehicle shall not be attached to another vehicle owned by the lessor.
- (8) The lien required by subsection (7) of this section shall be filed and released by the automatic entry of appropriate information in the AVIS database. For the filing and release of each lien or set of liens arising from motor vehicle ad valorem property tax delinquency, a fee of one dollar (\$1) shall be added to the delinquent tax account. The fee shall be collected and retained by the county clerk who collects the delinquent tax.
- (9) The implementation of the automated lien system provided in this section shall not affect the manner in which commercial liens are recorded or released.

Section 4. KRS 141.050 is amended to read as follows:

- (1) Except to the extent required by differences between this chapter and its application and the federal income tax law and its application, the administrative and judicial interpretations of the federal income tax law, computations of gross income and deductions therefrom, accounting methods, and accounting procedures, for purposes of this chapter shall be as nearly as practicable identical with those required for federal income tax purposes. ***Changes to federal income tax law made after the Internal Revenue Code reference date contained in KRS 141.010(3) shall not apply for purposes of this chapter unless adopted by the General Assembly.***
- (2) Every person subject to the provisions of this chapter shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations as the cabinet from time to time may prescribe. Whenever the cabinet judges it necessary, it may require such person, by notice served upon

him, to make a return, render under oath such statements, or keep such records, as the cabinet deems sufficient to show whether or not such person is liable for tax, and the extent of such liability.

- (3) The secretary or his authorized agent or representative, for the purpose of ascertaining the correctness of any return or for the purposes of making an estimate of the taxable income of any taxpayers, may require the attendance of the taxpayer or of any other person having knowledge in the premises.
- (4) The cabinet shall prescribe the forms and reports necessary to the proper administration of any and all provisions of this chapter, and shall promulgate such rules and regulations necessary to effectively carry out the provisions of this chapter.

Section 5. The amendments contained in Sections 1 to 3 of this Act shall apply for tax assessments made on or after January 1, 2003.

Approved April 11, 2002

CHAPTER 317

(HB 810)

AN ACT relating to the Commission on Small Business Advocacy.

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

Section 1. KRS 11.200 is amended to read as follows:

- (1) There is created the Commission on Small Business Advocacy. The commission shall be a separate administrative body of state government within the meaning of KRS 12.010(8).
- (2) It shall be the purpose of the Commission on Small Business Advocacy to:
 - (a) Address matters of small business as it relates to government affairs;
 - (b) Promote a cooperative and constructive relationship between state agencies and the small business community to ensure coordination and implementation of statewide strategies that benefit small business in the Commonwealth;
 - (c) Coordinate and educate the small business community of federal, state, and local government initiatives of value and importance to the small business community;
 - (d) Create a process by which the small business community is consulted in the development of public policy as it affects their industry sector;
 - (e) Aid the small business community in navigating the regulatory process, when that process becomes cumbersome, time consuming, and bewildering to the small business community; and
 - (f) Advocate for the small business, as necessary when regulatory implementation is overly burdensome, costly, and harmful to the success and growth of small businesses in the Commonwealth.
- (3) The Commission on Small Business Advocacy shall consist of **thirty-one (31)**~~twenty-seven (27)~~ members:
 - (a) The Governor, or the Governor's designee;
 - (b) The secretaries of the following cabinets, or their designees:
 1. Economic Development;
 2. Natural Resources and Environmental Protection;
 3. Revenue; and
 4. Transportation;
 - (c) The state director of the Small Business Development Centers in Kentucky;
 - (d) One (1) representative of each of the following organizations, appointed by the Governor from a list of three (3) nominees submitted by the governing bodies of each organization:
 1. Associated Industries of Kentucky;

2. National Federation of Independent Business;
 3. Kentucky Chamber of Commerce;
 4. Kentucky Federation of Business and Professional Women's Club, Inc.;
 5. Kentucky Retail Federation;
 6. Professional Women's Forum;
 7. Kentuckiana Minority Supplier Development Council;
 8. Greater Lexington Chamber of Commerce;
 9. Lexington chapter of the National Association of Women Business Owners;
 10. Greater Louisville, Inc.;
 11. Louisville chapter of the National Association of Women Business Owners;
 12. Northern Kentucky Chamber of Commerce, Inc.;
 13. Northern Kentucky - Greater Cincinnati chapter of the National Association of Women Business Owners;~~and~~
 14. ~~Kentucky Association of Realtors~~~~[Bowling Green chapter of the National Association of Women Business Owners];~~
 15. Henderson - Henderson County Chamber of Commerce;
 - 16. Kentucky Coal Council;**
 - 17. Kentucky Farm Bureau Federation; and**
 - 18. Kentucky Homebuilders Association;**
- (e) One (1) representative from small business from each of the following areas, appointed by the Governor:
1. A city of the second class;
 2. A city of the third class;
 3. A city of the fourth class; and
 4. A city of the fifth class;~~and~~
- (f) One (1) representative who is a small business owner served by each of the following organizations, appointed by the Governor:
1. The Center for Rural Development; and
 2. Community Ventures Corporation; **and**
- (g) ***One (1) representative who is a small business owner under the age of thirty-five (35), appointed by the Governor.***
- (4) The terms of all members appointed by the Governor shall be for four (4) years, except that the original appointments shall be staggered so that seven (7) appointments shall expire at two (2) years, seven (7) appointments shall expire at three (3) years, and seven (7) appointments shall expire at four (4) years from the dates of initial appointment.
- (5) The Governor shall appoint the chair and vice chair of the commission from the list of appointed members.
- (6) The commission shall meet quarterly and at other times upon call of the chair or a majority of the commission.
- (7) A quorum shall be a majority of the membership of the commission.
- (8) Members of the commission shall serve without compensation but shall be reimbursed for their necessary travel expenses actually incurred in the discharge of their duties on the commission, subject to Finance and Administration Cabinet administrative regulations.

- (9) There shall be an executive director, who shall be the administrative head and chief executive officer of the commission, recommended by the commission and appointed by the Governor. The executive director shall have authority to hire staff, contract for services, expend funds, and operate the normal business activities of the commission.
- (10) The Commission on Small Business Advocacy shall be an independent agency attached to the Office of the Governor.

Approved April 11, 2002

CHAPTER 318

(HB 755)

AN ACT relating to motor vehicles that have a limited exemption from being regulated as a motor carrier.

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

Section 1. KRS 281.605 is amended to read as follows:

The provisions of this chapter shall not apply, except as to safety regulations, to:

- (1) Motor vehicles used as school buses and while engaged in the transportation of students, under the supervision and control and at the direction of school authorities;
- (2) Except as provided in paragraph (e) of this subsection, motor vehicles, regardless of ownership, used exclusively:
 - (a) For the transportation of agricultural and dairy products, including fruit, livestock, meats, fertilizer, wood, lumber, cotton, products of grove or orchard, poultry, and eggs, while owned by the producer of the products, including landlord where the relation of landlord and tenant or landlord and cropper is involved, from the farm to a market, warehouse, dairy, or mill, or from one (1) market, warehouse, dairy, or mill to another market, warehouse, dairy, or mill;
 - (b) For the transportation of agricultural and dairy products, livestock, farm machinery, feed, fertilizer, and other materials and supplies essential to farm operation, from market or shipping terminal to farm;
 - (c) For both the purposes described in paragraphs (a) and (b) of this subsection;
 - (d) For the transportation of agricultural and dairy products from farm to regularly organized fairs and exhibits and return; or
 - (e) Motor vehicles used for the transportation of fly ash, in bags, sacks, or other containers, the aggregate weight of which does not exceed ten thousand (10,000) pounds; or bottom ash, waste ash, sludge, and pozatec which is being removed from the premises of a power generator facility for the purpose of disposal;
- (3) Motor vehicles used exclusively as church buses and while operated in the transportation of persons to and from a church or place of worship or for other religious work under the supervision and control and at the direction of church authorities;
- (4) Motor vehicles used exclusively for the transportation of property belonging to a nonprofit cooperative association or its members where the vehicle is owned or leased exclusively by the association;
- (5) Motor vehicles owned in whole or in part by any person and used by such person to transport commodities of which such person is the bona fide owner, lessee, consignee, or bailee; provided, however, that such transportation is for the purpose of sale, lease, rent, or bailment, and is an incidental adjunct to an established private business owned and operated by such person within the scope and in furtherance of any primary commercial enterprise of such person other than the business of transportation of property for hire;
- (6) Motor vehicles used in pick-up or delivery service within a city or within a city and its commercial area for a carrier by rail;
- (7) Motor vehicles used exclusively for the transportation of coal from the point at which such coal is mined to a railhead or tipple where the railhead or tipple is located at a point not more than fifty (50) air miles from the point at which the coal is mined;

- (8) Motor vehicles used as ambulances in transporting wounded, injured, or sick animals or as ambulances as defined in KRS 311.6521;
- (9) Motor vehicles used by transit authorities as created and defined in KRS Chapter 96A except as required by KRS 96A.170. Vehicles operated under the authority and direct responsibility of such transit authorities, through contractual agreement, shall be included within this exemption, without regard to the legal ownership of the vehicles, but only for such times as they are operated under the authority and responsibility of the transit authority;
- (10) Motor vehicles having a seating capacity of fifteen (15) or fewer passengers and while transporting persons between their places of residence, on the one hand, and, on the other, their places of employment, provided the driver himself is on his way to or from his place of employment, and further provided that any person who operates or controls the operation of vehicles hereunder of which said person is the owner or lessee, and any spouse of said person and any partnership or corporation with said person or his spouse having an interest therein doing such, shall be eligible to so operate an aggregate number of not more than one (1) vehicle on other than a nonprofit basis;
- (11) Motor vehicles used to transport cash letters, data processing material, instruments, or documents, regardless of the ownership of any of said cash letters, data processing material, instruments, or documents;
- (12) Motor vehicles operated by integrated intermodal small package carriers who provide intermodal-air-and-ground-transportation. For the purposes of this section, "integrated intermodal small package carrier" shall mean an air carrier holding a certificate of public convenience and necessity or qualifying as an indirect air carrier that undertakes, by itself or through a company affiliated through common ownership, to provide intermodal-air-and-ground-transportation, and "intermodal-air-and-ground-transportation" shall mean transportation involving the carriage of articles weighing not more than one hundred fifty (150) pounds by aircraft or other forms of transportation, including by motor vehicle, wholly within the Commonwealth of Kentucky. The incidental or occasional use of aircraft in transporting packages or articles shall not constitute an integrated intermodal operation within the meaning of this section; or
- (13) Motor vehicles operated pursuant to a grant of funds in furtherance of and governed by 49 U.S.C. secs. 5310 or 5311, including all amendments, and whose operators have jurisdictions and services approved annually by the Transportation Cabinet in accordance with 49 C.F.R. Title VI.
- (14) *Motor vehicles used to transport children to educational events or conservation camps run by, or sponsored by, the Department of Fish and Wildlife.*
- (15) *Motor vehicles used to transport children to events or camps run by, or sponsored by, the Kentucky Sheriffs Association.*

Approved April 11, 2002

CHAPTER 319

(HB 739)

AN ACT relating to joint sewer agencies and declaring an emergency.

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

Section 1. KRS 76.231 is amended to read as follows:

- (1) As an alternative to establishing a metropolitan sewer district pursuant to KRS 76.010, any city of the second class together with the county in which it is located, may jointly establish a sewer agency for the purpose of providing sewer and drainage facilities within the city and the county.
- (2) A joint sewer agency shall be established upon the enactment of identical ordinances establishing and setting out the powers of the agency by both the legislative body of the city and the fiscal court of the county.
- (3) All the powers granted a metropolitan sewer district in cities of the first class by KRS 76.010 to 76.279 may be granted by ordinance to the sewer agency except that these powers may be restricted or qualified in order to conform to the local needs of the county and the city.

- (4) The legislative body of the city and the fiscal court of the county shall establish a schedule of rates, rentals and charges to be collected from all real property served by the facilities of the sewer agency in the manner provided by KRS 76.090. ***If the city, county, and sewer agency find that local needs warrant, uniformity of rates for all residential property shall not be required for a period of no more than ten (10) years from the date the sewer agency is established under subsection (2) of this section.*** If for whatever reason the city and county cannot agree to amendments to a rate schedule, the current schedule shall remain in effect until such time as an agreement can be reached.
- (5) For purposes of establishing a schedule of rates, rentals, and charges to be collected, the legislative body of the city and the fiscal court of the county may prescribe by joint ordinance for the creation of a rate adjustment board that shall be comprised of the members of both legislative bodies, sitting as a single body. Upon the creation of a rate adjustment board, a simple majority of the combined membership of the rate adjustment board shall be required to establish rates, rentals, and charges to be collected.
- (6) The joint sewer agency shall be administered as a separate legal entity or by a jointly appointed administrator or joint board as set out in the establishing ordinances.
- (7) The joint sewer agency may be dissolved only by a joint action of the legislative body of the city and the fiscal court of the county. The establishing ordinance may be amended in the same manner as originally enacted.
- (8) The legislative body of any city of the third to sixth class may by ordinance elect to be within the jurisdiction of a joint sewer agency established pursuant to this section.

Section 2. Whereas joint sewer agencies are interested in distributing debt service in a fair manner, and whereas the constituent sewer providers in those joint sewer agencies have differing levels of debt that need to be distributed via appropriate rates to their customers in the most expedient manner, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 11, 2002

CHAPTER 320

(HB 723)

AN ACT to revise and correct the Kentucky Revised Statutes.

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

Section 1. KRS 24A.120 is amended to read as follows:

- (1) District Court shall have exclusive jurisdiction in:
 - (a) Civil cases in which the amount in controversy does not exceed four thousand dollars (\$4,000), exclusive of interest and costs, except matters affecting title to real estate and matters of equity; however, nothing herein shall prohibit execution levy on real estate in enforcement of judgment of District Court;
 - (b) Matters involving probate, except matters contested in an adversary proceeding. Such adversary proceeding shall be filed in Circuit Court in accordance with the Kentucky Rules of Civil Procedure and shall not be considered an appeal; and
 - (c) Matters not provided for by statute to be commenced in Circuit Court shall be deemed to be nonadversarial within the meaning of ***paragraph (b)***~~subsection (2)~~ of this ***subsection***~~section~~ and therefore are within the jurisdiction of the District Court.
- (2) Whenever the Chief Justice, by order pursuant to Section 110(5)(b) of the Constitution of Kentucky, or the Supreme Court, pursuant to Section 116 of the Constitution of Kentucky, establishes a family court within a judicial circuit, the District Court shall exercise concurrent jurisdiction, or as the Chief Justice or the Supreme Court may direct, exclusive jurisdiction in all matters assigned to the family court, notwithstanding any other statute relating to the subject matter jurisdiction of the Circuit and District Courts.

Section 2. KRS 45A.100 is amended to read as follows:

- (1) Procurements may be made in accordance with small purchase administrative regulations promulgated by the secretary of the Finance and Administration Cabinet, pursuant to KRS Chapter 13A, as follows:

- (a) Up to ten thousand dollars (\$10,000) per project for construction and one thousand dollars (\$1,000) for purchases by any state governmental body, except for those state administrative bodies specified in **paragraph**~~(paragraphs)~~ (b)~~and (c)~~ of this subsection; and
 - (b) Up to forty thousand dollars (\$40,000) per project for construction or purchases by the Finance and Administration Cabinet, state institutions of higher education, and the legislative branch of government.
- (2) Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section. At least every two (2) years, the secretary shall review the prevailing costs of labor and materials and may make recommendations to the next regular session of the General Assembly for the revision of the then current maximum small purchase amount as justified by intervening changes in the cost of labor and materials.
- (3) The secretary of the Finance and Administration Cabinet may grant to any state agency with a justifiable need a delegation of small purchasing authority which exceeds the agency's small purchase limit provided in subsection (1) of this section. Delegations of small purchasing authority shall be granted or revoked by the secretary of the Finance and Administration Cabinet, in accordance with administrative regulations promulgated by the cabinet pursuant to KRS Chapter 13A. These administrative regulations shall establish, at a minimum, the criteria for granting and revoking delegations of small purchasing authority, including the requesting agency's past compliance with purchasing regulations, the level of training of the agency's purchasing staff, and the extent to which the agency utilizes the Kentucky Automated Purchasing System. The administrative regulations may permit the secretary of the Finance and Administration Cabinet to delegate small purchase procurements up to the maximum amount specified in subsection (1)(b) of this section.

Section 3. KRS 311.669 is amended to read as follows:

- (1) The provisions of KRS 311.665 to 311.669 shall not apply to the use of an AED by:
- (a) Physicians, podiatrists, or osteopaths licensed under KRS Chapter 311 or chiropractors licensed under KRS Chapter 312;
 - (b) Physician assistants as defined in KRS 311.550;
 - (c) Registered nurses, practical nurses, or advanced registered nurse practitioners licensed under KRS Chapter 314;
 - (d) Dentists licensed under KRS Chapter 313; or
 - (e) Paramedics certified under KRS 311.654, or emergency medical technicians certified under KRS **311.654**~~211.964~~.
- (2) Nothing in this section shall preclude the licensing boards referred to in subsection (1) of this section from requiring continuing education or training on the use of an AED.

Section 4. Nothing in this Act shall be construed under KRS 7.123(4) as appearing to effect any substantive change in the statute law of Kentucky, and the actions contained within this Act shall not operate under KRS 446.250 or 446.260 to defeat any amendments in other Acts of this 2002 Regular Session of the Kentucky General Assembly to the statutes contained in this Act.

Approved April 11, 2002

CHAPTER 321

(HB 720)

AN ACT relating to the Kentucky National Guard.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 38 IS CREATED TO READ AS FOLLOWS:

Any right, benefit, or protection that may accrue to a member of the Kentucky National Guard under the Federal Soldiers' and Sailors' Civil Relief Act of 1940, 50 U.S.C. 501 et seq., as a result of a call to federal active duty service under Title 10 of the United States Code shall be extended to a member of the Kentucky National Guard called to active duty service under Title 32 of the United States Code, or to state active duty by the Governor of the Commonwealth of Kentucky, if the active duty orders are for a period of thirty (30) days or more.

Approved April 11, 2002

CHAPTER 322

(HCR 55)

A CONCURRENT RESOLUTION confirming the appointment of Doris S. Barlow to the Education Professional Standards Board.

WHEREAS, KRS 161.028 requires the Governor to appoint fifteen citizen members of the Education Professional Standards Board, subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, pursuant to KRS 161.028, the Governor appointed Ms. Doris S. Barlow as a citizen member of the Education Professional Standards Board representing elementary teachers for a term expiring September 18, 2005; and

WHEREAS, the Senate and the House of Representatives find that Ms. Barlow is qualified for reappointment to the Education Professional Standards Board;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That the House of Representatives and the Senate, pursuant to KRS 161.028, do confirm the appointment of Ms. Doris S. Barlow to the Education Professional Standards Board for a term expiring September 18, 2005.

Section 2. That the Clerk of the House shall forward a copy of this Resolution, and written notification of its adoption, to Ms. Doris S. Barlow, 104 Westwind Boulevard, Madisonville, Kentucky 42431, and to Governor Paul Patton, Room 100, State Capitol, Frankfort, Kentucky, 40601.

Approved April 11, 2002

CHAPTER 323

(HCR 125)

A CONCURRENT RESOLUTION reauthorizing the Task Force on Funding for Wildlife Conservation.

WHEREAS, the Task Force on Funding for Wildlife Conservation was authorized by the 1996 General Assembly and reauthorized in 1998 and 2000; and

WHEREAS, wildlife-related tourism is a strong economic factor in the Commonwealth; and

WHEREAS, a stable funding source is needed for fish and wildlife work which currently receives no general fund money; and

WHEREAS, important issues in this area will require the oversight and continued attention of this task force;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Task Force on Funding for Wildlife Conservation is reauthorized with 16 members to meet during the 2002 and 2003 interims. The Task Force shall convene not less than twice each year.

Section 2. The task force shall report its findings each year to the Interim Joint Committee on Agriculture and Natural Resources and the Interim Joint Committee on Appropriations and Revenue before December 1, 2002 and December 1, 2003.

Section 3. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 11, 2002

CHAPTER 324

(HB 715)

AN ACT relating to taxation.

WHEREAS, foreign trade zones are secure areas under the supervision of the United States Customs Service that are considered outside the Customs territory of the United States upon activation of all or any portion of a zone or zone site under United States Customs Service regulations, 19 C.F.R. Part 146; and

WHEREAS, the nature, use, and utility of property located in an activated area of a foreign trade zone or zone site is different from other commercial property that is not involved in international trade and does not have to comply with the regulations of the Foreign Trade Zones Board and the United States Customs Service; and

WHEREAS, it is necessary to clarify the General Assembly's original intention that the state tax rate and local exemption from tangible personal property tax is limited to tangible personal property that is located within the boundaries of an activated area within a foreign trade zone or zone site;

NOW, THEREFORE,

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

Section 1. KRS 132.020 is amended to read as follows:

- (1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (\$0.315) upon each one hundred dollars (\$100) of value of all real property directed to be assessed for taxation, and one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing, and one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (\$0.25) upon each one hundred dollars (\$100) of value of all money in hand, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value of unmanufactured agricultural products, one-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of value of all farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operations, one-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of value of all livestock and domestic fowl, one-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of value of all tangible personal property located in a foreign trade zone ~~established pursuant to~~ *as designated under* 19 U.S.C. sec. 81, ***provided that the zone is activated in accordance with the regulations of the United States Customs Service and the Foreign Trade Zones Board***, fifteen cents (\$0.15) upon machinery actually engaged in manufacturing, fifteen cents (\$0.15) upon commercial radio, television, and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (\$0.15) upon property which has been certified as a pollution control facility as defined in KRS 224.01-300, one-tenth of one cent (\$0.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, or as a fluidized bed energy production facility as defined in KRS 211.390, twenty-five cents (\$0.25) upon each one hundred dollars (\$100) of value of motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043, and forty-five cents (\$0.45) upon each one hundred dollars (\$100) of value of all other property directed to be assessed for taxation shall be paid by the

owner or person assessed, except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.300, 136.320, and other sections providing a different tax rate for particular property.

- (2) (a) An annual ad valorem tax for state purposes of one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value shall be paid upon the following classes of intangible personal properties, when the intangible personal properties have not acquired a taxable situs without this state:
 1. Accounts receivable, notes, bonds, credits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state;
 2. Patents, trademarks, copyrights, and licensing or royalty agreements relating to these;
 3. Notes, bonds, accounts receivable, and all other intercompany intangible personal property due from any affiliated company; and
 4. Tobacco base allotments.
- (b) An annual ad valorem tax for state purposes of one-thousandth of one percent (0.001%) shall be paid upon money in hand, notes, bonds, accounts, credits, and other intangible assets, whether by mortgage, pledge, or otherwise, or unsecured, of financial institutions, as defined in KRS 136.500.
- (3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten percent (10%) of the outstanding voting stock.
- (4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school, or other taxing district on the intangible properties, or directly or indirectly against the owner.
- (5) Thirty cents (\$0.30) of the thirty-one and one-half cents (\$0.315) state tax rate on real property and thirty cents (\$0.30) of the forty-five cents (\$0.45) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (\$0.30), as certified by the Department of Education, the direct payments shall be reduced proportionately.
- (6) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that the increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.
- (7) By July 1 each year, the cabinet shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of subsection (5) of this section and certify the rate to the county clerks for their use in preparing the tax bills. If the assessments for all counties have not been certified by July 1, the cabinet shall, when either real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been determined to be acceptable by the cabinet, or when the number of counties having at least seventy-five percent (75%) of the total real property assessment for the previous year have been determined to be acceptable by the cabinet, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.
- (8) If the tax rate set by the cabinet as provided in subsection (6) of this section produces more than a four percent (4%) increase in real property tax revenues, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.
- (9) The provisions of subsection (6) of this section notwithstanding, the assessed value of unmined coal certified by the cabinet after July 1, 1994, shall not be included with the assessed value of other real property in determining the state real property tax rate. All omitted unmined coal assessments made after July 1, 1994, shall also be excluded from the provisions of subsection (6) of this section. The calculated rate shall, however, be applied to unmined coal property, and the state revenue shall be devoted to the program described in KRS 146.550 to 146.570, except that four hundred thousand dollars (\$400,000) of the state revenue shall be paid

annually to the State Treasury and credited to the Kentucky Coal Council for the purpose of public education of coal-related issues.

- (10) Effective on or after January 1, 1990, an ad valorem tax for state purposes of five cents (\$0.05) upon each one hundred dollars (\$100) of value shall be paid upon goods held for sale in the regular course of business, which, on or after January 1, 1999, includes machinery and equipment held in a retailer's inventory for sale or lease originating under a floor plan financing arrangement; and raw materials, which includes distilled spirits and distilled spirits inventory, and in-process materials, which includes distilled spirits and distilled spirits inventory, held for incorporation in finished goods held for sale in the regular course of business.
- (11) An ad valorem tax for state purposes of ten cents (\$0.10) per one hundred dollars (\$100) of assessed value shall be paid on the operating property of railroads or railway companies that operate solely within the Commonwealth.
- (12) An ad valorem tax for state purposes of one and one-half cents (\$0.015) per one hundred dollars (\$100) of assessed value shall be paid on aircraft not used in the business of transporting persons or property for compensation or hire.
- (13) An ad valorem tax for state purposes of one and one-half cents (\$0.015) per one hundred dollars (\$100) of assessed value shall be paid on federally documented vessels not used in the business of transporting persons or property for compensation or hire, or for other commercial purposes.

Section 2. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school, or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

- (1) Farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operation;
- (2) Livestock, ratite birds, and domestic fowl;
- (3) Capital stock of savings and loan associations;
- (4) Machinery actually engaged in manufacturing, products in the course of manufacture, and raw material actually on hand at the plant for the purpose of manufacture. The printing, publication, and distribution of a newspaper or operating a job printing plant shall be deemed to be manufacturing;
- (5) Commercial radio, television, and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;
- (6) Unmanufactured agricultural products. They shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof, and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents (\$0.015) on each one hundred dollars (\$100) of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (\$0.045) on each one hundred dollars (\$100) of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;
- (7) Money in hand, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured. Nothing in this section shall forbid local taxation of franchises of corporations or of financial institutions, as provided for in KRS 136.575, or domestic life insurance companies;
- (8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing;
- (9) Property which has been certified as a pollution control facility as defined in KRS 224.01-300;
- (10) Property which has been certified as an alcohol production facility as defined in KRS 247.910;

- (11) On and after January 1, 1977, the assessed value of unmined coal shall be included in the formula contained in KRS 132.590(9) in determining the amount of county appropriation to the office of the property valuation administrator;
- (12) Tangible personal property located in a foreign trade zone *established pursuant to*~~[as designated under]~~ 19 U.S.C. sec. 81, ***provided that the zone is activated in accordance with the regulations of the United States Customs Service and the Foreign Trade Zones Board;***
- (13) Motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043. However, nothing herein shall be construed to exempt historical motor vehicles from the usage tax imposed by KRS 138.460;
- (14) Property which has been certified as a fluidized bed energy production facility as defined in KRS 211.390;
- (15) All motor vehicles held for sale in the inventory of a licensed motor vehicle dealer, which are not currently titled and registered in Kentucky and are held on an assignment pursuant to the provisions of KRS 186A.230, and all motor vehicles with a salvage title held by an insurance company;
- (16) Machinery or equipment owned by a business, industry, or organization in order to collect, source separate, compress, bale, shred, or otherwise handle waste materials if the machinery or equipment is primarily used for recycling purposes as defined in KRS 139.095;
- (17) New farm machinery and other equipment held in the retailer's inventory for sale under a floor plan financing arrangement by a retailer, as defined under KRS 365.800;
- (18) New boats and new marine equipment held for retail sale under a floor plan financing arrangement by a dealer registered under KRS 235.220;
- (19) Aircraft not used in the business of transporting persons or property for compensation or hire if an exemption is approved by the county, city, school, or other taxing district in which the aircraft has its taxable situs;
- (20) Federally documented vessels not used in the business of transporting persons or property for compensation or hire or for other commercial purposes, if an exemption is approved by the county, city, school, or other taxing district in which the federally documented vessel has its taxable situs; and
- (21) Any nonferrous metal that conforms to the quality, shape, and weight specifications set by the New York Mercantile Exchange's special contract rules for metals, and which is located or stored in a commodity warehouse and held on warrant, or for which a written request has been made to a commodity warehouse to place it on warrant, according to the rules and regulations of a trading facility. In this subsection:
 - (a) "Commodity warehouse" means a warehouse, shipping plant, depository, or other facility that has been designated or approved by a trading facility as a regular delivery point for a commodity on contracts of sale for future delivery; and
 - (b) "Trading facility" means a facility that is designated by or registered with the federal Commodity Futures Trading Commission under 7 U.S.C. secs. 1 et seq. "Trading facility" includes the Board of Trade of the City of Chicago, the Chicago Mercantile Exchange, and the New York Mercantile Exchange.

Approved April 11, 2002

CHAPTER 325

(HB 705)

AN ACT relating to oil and gas conservation.

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

Section 1. KRS 353.580 is amended to read as follows:

- (1) Each permit issued under KRS 353.500 to 353.720 shall expire one (1) year after the date issued, unless the drilling, deepening or reopening of a well is commenced pursuant thereto prior to the expiration of the one (1) year period. ***However the permit term shall be extended by one (1) year if, prior to the expiration date, the permit applicant notifies the department in writing of the applicant's request for an extension, submits an affidavit stating that the information in the original permit application is still correct, and submits a fee for***

the extension in an amount equal to the permit fee required by KRS 353.590. With respect to permits issued prior to the effective date of this Act, no extension shall be granted for any permit in cases where there has been a complete severance of the ownership of the oil and gas from the ownership of the surface to be disturbed, unless the requested extension is agreed to in writing by the surface owner.

- (2) All permits issued by the department under any previous statute shall continue in force as written, only if the drilling of the well has been commenced pursuant thereto on or before sixty (60) days after June 16, 1960.

Approved April 11, 2002

CHAPTER 326

(HB 684)

AN ACT relating to student financial aid.

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

Section 1. KRS 164.7535 is amended to read as follows:

Notwithstanding KRS 164.753(4)(d), the Kentucky Higher Education Assistance Authority may award college access program grants pursuant to KRS 164.753(4), to the extent funds are available for the purpose, to financially needy part-time and full-time undergraduate students, ***including students enrolled in a program of study designated as an equivalent undergraduate program of study by the Council on Postsecondary Education in an administrative regulation***, enrolled or accepted for enrollment at participating institutions that are colleges, business schools, schools of nursing, or vocational schools located within the Commonwealth. Grants under this section to recipients attending colleges shall be awarded only for attendance in a program of study of at least two (2) academic years' duration that leads to a degree, and shall not exceed the prevailing amount charged for tuition at publicly-supported community colleges in Kentucky. Grants under this section shall be awarded to students enrolled or accepted for enrollment at publicly-operated vocational-technical institutions only for attendance in a program of study of at least two (2) academic years' duration that leads to a certificate or diploma. Awards to recipients attending business schools, schools of nursing, or vocational schools shall not exceed the prevailing amount charged for tuition at publicly-operated vocational-technical institutions in Kentucky. The provisions of this section shall not limit the authority's capability to use funds appropriated for this purpose to match federal funds, make grant awards, adopt administrative regulations that conform to the requirements of federal laws and regulations for full participation in federally-funded student financial assistance programs.

Section 2. KRS 164.7881 is amended to read as follows:

- (1) Eligible high school students who have graduated from high school and eligible postsecondary students who have earned a Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and a supplemental award, or a supplemental award only pursuant to KRS 164.7879(3)(c), shall be eligible to receive the Kentucky educational excellence scholarship, the Kentucky educational excellence scholarship and the supplemental award, or a supplemental award only for a maximum of eight (8) academic terms in an undergraduate or other postsecondary program of study at a participating institution, except as provided in subsection (6) of this section.
- (2) To receive the Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and supplemental award, or a supplemental award only, an eligible high school or postsecondary student shall:
 - (a) Enroll in and attend a participating institution as a full-time student or a part-time student; and
 - (b) Maintain eligibility as provided in subsection (3) of this section.
- (3) Eligibility for a Kentucky educational excellence scholarship or a Kentucky educational excellence scholarship and supplemental award shall terminate upon the earlier of:
 - (a) The expiration of five (5) years following the student's graduation from high school, except as provided in subsection (5) or (6) of this section; or
 - (b) The successful completion of an undergraduate or other postsecondary course of study. However, any student who successfully completes the requirements for a degree or certification involving a postsecondary course of study that normally requires less than eight (8) academic terms to complete may

continue to receive the benefits of a Kentucky educational excellence scholarship, a Kentucky educational excellence scholarship and supplemental award, or a supplemental award only, for a cumulative total of eight (8) academic terms if the student enrolls as at least a part-time student in a four (4) year program.

- (4)
 - (a) The maximum award amount shall be determined by the council and shall be adjusted as provided in this subsection. The award amount ultimately determined to be available to an eligible postsecondary student for an award period shall be disbursed by the authority to the eligible postsecondary student in two (2) installments, with one (1) installment being disbursed in each of the two (2) academic terms during the award period.
 - (b) The authority shall, by promulgation of administrative regulations, provide for the proportionate reduction of the maximum award amount for an eligible postsecondary student for any academic term in which the student is enrolled on a part-time basis. Each academic term for which any scholarship or supplemental award funds are accepted by an eligible postsecondary student shall count as a full academic term, even if the award amount was reduced to reflect the part-time status of the eligible postsecondary student.
 - (c)
 - 1. An eligible postsecondary student who is enrolled full-time in an undergraduate program of study, *or in a program of study designated as an equivalent undergraduate program of study by the Council on Postsecondary Education in an administrative regulation*, shall receive the maximum award amount for the first award period that the student is enrolled in and attending the program of study. To retain the maximum award for the second award period, an eligible postsecondary student shall have at least a 2.5 grade point average at the end of the first award period. To retain the maximum award amount for subsequent award periods, an eligible postsecondary student shall have a cumulative grade point average of 3.0 or greater at the end of the prior award period.
 - 2. Any eligible postsecondary student who maintains a cumulative grade point average of less than 3.0 but at least 2.5 at the completion of any award period shall receive a reduction in the maximum award amount equal to fifty percent (50%) of the maximum award amount for the next award period.
 - 3. Any eligible postsecondary student who maintains a cumulative grade point average of less than 2.5 at the completion of any award period shall lose his or her award for the next award period.
 - 4. Each participating institution shall certify to the authority at the close of each award period the cumulative grade point average of each Kentucky educational excellence scholarship recipient enrolled as a full-time or part-time student at the participating institution.
 - 5. Any student who loses eligibility through failure to maintain the required cumulative grade point average may regain eligibility in a subsequent award period upon reestablishing at least a 2.5 cumulative grade point average or its equivalent during a subsequent award period, as certified by the participating institution.
- (5) The expiration of a student's five (5) year eligibility shall be extended by the authority upon a determination that the student was unable to enroll for or complete an academic term due to any of the following circumstances:
 - (a) A serious and extended illness or injury of the student, certified by an attending physician;
 - (b) The death or serious and extended illness or injury of an immediate family member of the student, certified by an attending physician, which would render the student unable to attend classes;
 - (c) Natural disasters that would render a student unable to attend classes; or
 - (d) Active duty status for the student in the United States Armed Forces or as an officer in the Commissioned Corps of the United States Public Health Service, or active service by the student in the Peace Corps Act or the Americorps, for up to three (3) years.
- (6) An eligible postsecondary student who is enrolled at a participating institution in a five (5) year undergraduate degree program designated in an administrative regulation promulgated by the council shall be eligible to receive the Kentucky educational excellence scholarship, the Kentucky educational excellence scholarship and the supplemental award, or the supplemental award only for a maximum of ten (10) academic terms. The

expiration of an eligible postsecondary student's five (5) year eligibility shall be extended to six (6) years for eligible postsecondary students meeting the requirements of this subsection.

- (7) Each eligible high school student who attains a 28 or above on the ACT and a 4.0 grade point average for all four (4) years of high school shall be designated as a "Senator Jeff Green Scholar" in honor of the late Senator Jeff Green of Mayfield, Kentucky, First District, and shall be recognized by the high school in a manner consistent with recognition given by the high school to other high levels of academic achievement.

Section 3. The provisions of this Act apply to the 2001-2002 academic year and thereafter. An eligible student under the provisions of this Act for the 2001-2002 academic year shall have until October 1, 2002, to apply for a retroactive award.

Approved April 11, 2002

CHAPTER 327

(HB 622)

AN ACT relating to the Judicial Form Retirement System.

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

Section 1. KRS 21.425 is amended to read as follows:

- (1) In any circumstances in which a surviving spouse would be entitled to any allowance under KRS 21.420, but there is no surviving spouse or the surviving spouse subsequently dies, and there is a surviving child or children of the member under the age of twenty-one (21), ***or there is a disabled child or children***, the monthly allowance that the surviving spouse would have received or was receiving shall be continued, ***as follows***:
- (a) ***If the member does not have a disabled***~~[for the benefit of such]~~ child or children, ***the benefit shall continue until there are no children*** remaining ~~[under the age of twenty one (21) until there are none]~~ under the age of twenty-one (21); ***or***
- (b) ***If the member has a disabled child or children, the benefit shall continue until the death of the last remaining disabled child.***
- (2) A member may designate his child or children under the age of twenty-one (21), ***or his disabled child or children***, to receive the death benefit payable under KRS 21.420 instead of his spouse, or he may designate that his spouse shall receive a percentage of the death benefit, and his child or children under the age of twenty-one (21), ***or his disabled child or children***, shall receive the remainder. The member making such a choice shall designate his beneficiary or beneficiaries in writing to the manager of the Judicial Form Retirement System on a form provided by the manager.
- (3) ***For purposes of this section, "disabled" means an individual determined by the Social Security Administration to be entitled to total disability benefits.***

Approved April 11, 2002

CHAPTER 328

(HB 599)

AN ACT relating to reporting on capital projects.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 45 IS CREATED TO READ AS FOLLOWS:

The Commonwealth's chief information officer shall provide to the Capital Projects and Bond Oversight Committee at its January, April, July, and October regular meetings a status report on any information technology system not yet completed which received line item authorization by the Kentucky General Assembly or was authorized pursuant to KRS 45.760(14), excluding systems of an institution as defined under KRS 164.001. The committee shall prescribe data elements to be included in the quarterly status reports.

Section 2. KRS 26A.168 is amended to read as follows:

- (1) The Administrative Office of the Courts shall provide to the Capital Projects and Bond Oversight Committee, at the committee's January, April, July, and October regular meetings, a status report~~[-on the progress]~~ of all incomplete court facilities projects. ***The Capital Projects and Bond Oversight Committee shall prescribe data elements for the quarterly status reports.*** For each project, the status report shall include:
 - (a) The project title;
 - (b) The county in which the project is located;
 - (c) The scope and use allowance authorized for the project in the judicial branch budget and budget memorandum, and any increases to the scope or use allowance under KRS 26A.164;
 - (d) The current status of the project;
 - (e) ***Estimated completion date of the project;***
 - (f) An explanation of any delay or major change in the project, ***including deletion or modification of project components;*** and
 - (g)~~[(f)]~~ Any other information that the committee requests.
- (2) On August 1 of each year, the Administrative Office of the Courts shall prepare a financial report on the court facility use allowance contingency fund for the fiscal year ending on June 30 of that year. The report shall include, with explanations, allotments, expenditures, encumbrances, and the available balance.

Section 3. KRS 45.793 is amended to read as follows:

~~[(1) Beginning in October, 1992,]~~The Finance and Administration Cabinet ***and any institution that manages its own capital construction under KRS 164A.580*** shall provide to the committee at its January, April, July, and October regular meetings a status report~~[-on the progress]~~ of ***any capital project, excluding items of equipment, [projects]*** not yet completed which received line item authorization by the Kentucky General Assembly ***or was authorized pursuant to KRS 45.760(14)***~~[and which were:~~

~~(a) Financed with at least four hundred thousand dollars (\$400,000) from the general fund, the road fund, restricted agency funds, federal funds, investment income, capital construction surplus funds, or bond surplus funds, excluding items of equipment; or~~

~~(b) State or agency bond funded].~~ ***The Capital Projects and Bond Oversight Committee shall prescribe data elements to be included in the quarterly status reports.***

~~(2)]~~ For each capital project~~[-identified in subsection (1)(a) of this section]~~, the status report shall include, but not be limited to, the:

- ~~(1)~~~~[(a)]~~ Project title;
- ~~(2)~~~~[(b)]~~ Amount authorized, including any project cost modification reported to the committee pursuant to KRS 45.760, 45.770, and 45.800;
- ~~(c)~~ Source of funds;
- ~~(d)]~~ County or counties in which the project is located;
- ~~(3)~~~~[(e)]~~ Current phase of the project;
- ~~(4)~~ ***Estimated completion date of the project***
- ~~[(f)]~~ Status of the assistance agreement, if applicable;
- ~~(5)~~~~[(g)]~~ Explanation of any delay or major change in the project, ***including deletion or modification of project components;*** and
- ~~(6)~~ ***Any other information that the committee requests***~~]~~
- ~~(h)~~ Other information which might be useful in explaining the status of the project.
- ~~(3)~~ For each capital project identified in subsection (1)(b) of this section, the status report shall include the information required in subsection (2) of this section as well as the status of the bond sale which shall include, but not be limited to:

- ~~(a) The estimated sale date or date sold;~~
- ~~(b) The bond issue series name or number;~~
- ~~(c) An explanation of the difference, if any, between the budgeted and actual annual debt service requirements; and~~
- ~~(d) If the bonds have not yet been sold, an explanation of why authorized bonds have not been sold.~~

Approved April 11, 2002

CHAPTER 329

(HB 596)

AN ACT relating to compensatory time.

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

Section 1. KRS 337.285 is amended to read as follows:

- (1) No employer shall employ any of his employees for a work week longer than forty (40) hours, unless such employee receives compensation for his employment in excess of forty (40) hours in a work week at a rate of not less than one and one-half (1-1/2) times the hourly wage rate at which he is employed. This provision does not apply to employees of retail stores engaged in work connected with selling, purchasing, and distributing merchandise, wares, goods, articles, or commodities or to employees of restaurant, hotel, and motel operations, to employees as defined and exempted from the overtime provision of the Fair Labor Standards Act in Sections 213(b)(1), 213(b)(10) and 213(b)(17) of Title 29, U.S.C., or to employees whose function is to provide twenty-four (24) hour residential care on the employer's premises in a parental role to children who are primarily dependent, neglected, and abused and who are in the care of private nonprofit childcaring facilities licensed by the Cabinet for Health Services under KRS 199.640 to 199.670.
- (2) *Notwithstanding the provisions of subsection (1) of this section or any other chapter of the KRS to the contrary, upon written request by a county employee, made freely and without coercion, pressure, or suggestion by the employer, and upon a written agreement reached between the employer and the county employee before the performance of the work, a county employee who is authorized to work one (1) or more hours in excess of the prescribed hours per week may be granted compensatory leave on an hour-for-hour basis. Upon the written request by a county employee, made freely and without coercion, pressure, or suggestion by the employer, and upon a written agreement reached between the employer and the county employee before the performance of the work, a county employee who is not exempt from the provisions of the Federal Fair Labor Standards Act, 29 U.S.C. et seq., may be granted compensatory time in lieu of overtime pay, at the rate of not less than one and one half (1.5) hours for each hour the county employee is authorized to work in excess of forty (40) hours in a work week.*
- (3) (a) *Upon the request of the county employee, and as provided in subsection (2) of this section, compensatory time shall be awarded as follows:*
 - 1. *A county employee who provided work in excess of forty (40) hours in a public safety activity, an emergency response activity, or a seasonal activity as described in 29 C.F.R. sec. 553.24, may accrue not more than four hundred eighty (480) hours of compensatory time; or*
 - 2. *A county employee engaged in other work in excess of forty (40) hours, may accrue not more than two hundred forty (240) hours of compensatory time.*
- (b) *A county employee who has accrued four hundred eighty (480) hours of compensatory time off pursuant to subparagraph (a)1. of this subsection, or two hundred forty (240) hours of compensatory time off pursuant to subparagraph (a)2. of this subsection, shall for additional overtime hours of work, be paid overtime compensation.*
- (4) *A county employee who has accrued compensatory time off as provided in subsection (2) of this section, and who requested the use of compensatory time shall be permitted by the employer to use the compensatory time within a reasonable period after making the request if the use of the compensatory time*

does not unduly disrupt the operations of the employer. Mere inconvenience to the employer shall not constitute a sufficient basis for denial of a county employee's request for compensatory time off.

- (5) *If compensation is paid to a county employee for accrued compensatory time off, the compensation shall be paid at the regular rate earned by the county employee at the time the county employee receives the payment.*
- (6) *Upon a county employee's termination of employment, all unused accrued compensatory time shall be paid at a rate of compensation not less than:*
 - (a) *The average regular rate received by the county employee during the last three (3) years of the county employee's employment; or*
 - (b) *The final regular rate received by the county employee, whichever is higher,*
- (7) *Compensatory time shall not be used as a means to avoid statutory overtime compensation. A county employee shall have the right to use compensatory time earned and shall not be coerced to accept more compensatory time than an employer can realistically and in good faith expect to be able to grant within a reasonable period upon the county employee making the request for compensatory time off.*
- (8) *Nothing in subsections (2) to (7) of this section shall be construed to supersede any collective bargaining agreement, memorandum of understanding, or any other agreement between the employer and representative of the county employees.*
- (9) *As used in subsections (2) to (7) of this section, "county employee" means an employee of any county, charter county, consolidated local government, or urban-county government, including an employee of a county elected official.*

Section 2. KRS 337.990 is amended to read as follows:

The following civil penalties shall be imposed, in accordance with the provisions in KRS 336.985, for violations of the provisions of this chapter:

- (1) Any firm, individual, partnership, or corporation that violates KRS 337.020 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense. Each failure to pay an employee the wages when due him under KRS 337.020 shall constitute a separate offense.
- (2) Any employer who violates KRS 337.050 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000).
- (3) Any employer who violates KRS 337.055 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense and shall make full payment to the employee by reason of the violation. Each failure to pay an employee the wages as required by KRS 337.055 shall constitute a separate offense.
- (4) Any employer who violates KRS 337.060 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) and shall also be liable to the affected employee for the amount withheld, plus interest at the rate of ten percent (10%) per annum.
- (5) Any employer who violates the provisions of KRS 337.065 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense and shall make full payment to the employee by reason of the violation.
- (6) Any person who fails to comply with KRS 337.070 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense and each day that the failure continues shall be deemed a separate offense.
- (7) Any employer who violates any provision of KRS 337.275 to 337.325, KRS 337.345, and KRS 337.385 to 337.405, or willfully hinders or delays the commissioner or his authorized representative in the performance of his duties under KRS 337.295, or fails to keep and preserve any records as required under KRS 337.320 and 337.325, or falsifies any record, or refuses to make any record or transcription thereof accessible to the commissioner or his authorized representative shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000). ***A civil penalty of not less than one thousand dollars (\$1,000) shall be assessed for any subsequent violation of subsections (2) to (7) of Section 1 of this Act and each day the employer violates subsections (2) to (7) of Section 1 shall constitute a separate offense and penalty.***

- (8) Any employer who pays or agrees to pay wages at a rate less than the rate applicable under KRS 337.275 and 337.285, or any wage order issued pursuant thereto shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000).
- (9) Any employer who discharges or in any other manner discriminates against any employee because the employee has made any complaint to his employer, to the commissioner, or to his authorized representative that he has not been paid wages in accordance with KRS 337.275 and 337.285 or regulations issued thereunder, or because the employee has caused to be instituted or is about to cause to be instituted any proceeding under or related to KRS 337.385, or because the employee has testified or is about to testify in any such proceeding, shall be deemed in violation of KRS 337.275 to 337.325, KRS 337.345, and KRS 337.385 to 337.405 and shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000).
- (10) Any employer who violates KRS 337.365 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000).
- (11) Any person who violates KRS 337.530 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000).
- (12) Any contractor or subcontractor who violates any wage or work hours provision in any contract under KRS 337.505 to 337.550 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense, and the contractor or subcontractor shall make full restitution to all employees to whom he is legally indebted by reason of said violation. The prime contractor shall be jointly and severally liable with a subcontractor for wages due an employee of the subcontractor. For a flagrant or repeated violation the offending contractor or subcontractor shall be barred from bidding on, or working on, any and all public works contracts, either in his name or in the name of any other company, firm, or other entity in which he might be interested for a period of two (2) years from the date of the last offense. Each day of violation shall constitute a separate offense, and the violation as affects each individual worker shall constitute a separate offense.
- (13) Any public authority, public official, or member of a public authority who willfully fails to comply or to require compliance with KRS 337.505 to 337.550 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense. Each day of violation shall constitute a separate offense. If a public authority, public official or member of a public authority willfully or negligently fails to comply with KRS 337.505 to 337.550 and the failure results in damages, injury or loss to any person, the public authority, public official, or member of a public authority may be held liable in a civil action.
- (14) A person shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) when that person discharges or in any other manner discriminates against an employee because the employee has:
 - (a) Made any complaint to his employer, the commissioner, or any other person; or
 - (b) Instituted, or caused to be instituted, any proceeding under or related to KRS 337.420 to 337.433; or
 - (c) Testified, or is about to testify, in any such proceedings.

Approved April 11, 2002

CHAPTER 330

(HB 587)

AN ACT relating to peace officers.

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

Section 1. KRS 148.290 is amended to read as follows:

- (1) The commission may enter into agreements with the ~~chief of the~~ law enforcement agency of any urban-county or counties in which the State Horse Park is located or in any adjacent county **or with the State Police** for proper policing of the State Horse Park ~~and may arrange with the state for the policing of the State Horse~~

~~Park by the State Police]. If authorized to do so by the commission and subject to KRS 61.300, the executive director may commission employees of the park as patrol officers. These patrol officers shall have all the powers of peace officers upon the property of the State Horse Park and the public property and roads traversing or immediately adjacent thereto.~~
~~[The commission may also apply for the appointment of special law enforcement officers to provide security subject to the procedures of KRS 61.900 to 61.930].~~

- (2) The commission is authorized to establish by resolution speed limits governing the operation of motor vehicles on horse park property. Notice to the public of such speed limits shall be posted by signs or markings.

Approved April 11, 2002

CHAPTER 331

(HCR 132)

A CONCURRENT RESOLUTION to study how best to implement a disaster relief funding program for the Commonwealth, its local governments, and citizens.

WHEREAS, the Commonwealth is subject to many types of natural and manmade disasters and emergencies which leave recovery costs in their wake; and

WHEREAS, these disasters include floods, tornadoes, snowstorms, hazardous materials incidents, fires, power outages, and others too numerous to mention; and

WHEREAS, in a large disaster, following a Presidential disaster declaration, the Federal Emergency Management Agency covers a large portion of the costs of recovering from the disaster; and

WHEREAS, even with a Presidential disaster declaration, state and local governments must routinely match the federal dollars, dollars which local government does not have; and

WHEREAS, small disasters which do not qualify for federal assistance require 100% funding of recovery efforts for local governments and the citizens by local governments; and

WHEREAS, the Governor's emergency fund is sometimes used to provide relief in such situations but is not always able to fund recovery efforts in specific incidents; and

WHEREAS, in reality, the Commonwealth has no fund specifically dedicated to helping local governments and the citizens recover from disasters, either large or small; and

WHEREAS, disasters and emergencies do not recognize that local government and the citizens may not have the money to recover and rebuild after disasters and emergencies, so these incidents keep occurring; and

WHEREAS, the House of Representatives, the Senate concurring therein, recognizing the need to establish such a fund, wants to gather together local government officials, emergency management professionals, and members of the General Assembly to work out the most feasible and efficient means of establishing and operating a disaster relief funding program;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Disaster Relief Funding Task Force is created and is directed to study the establishment of a disaster relief funding program for the Commonwealth which would provide grants that require no matching funds to units of local government and the citizens to recover and rebuild following a disaster or emergency where federal funds were either unavailable or insufficient to fund the recovery and rebuilding effort.

Section 2. The Legislative Research Commission shall appoint the following members to the Task Force on Disaster Grant Funding:

- (1) Two Representatives and two Senators who are members of the Interim Joint Committee on State Government;
- (2) Two Representatives and two Senators who are members of the Interim Joint Committee on Local Government;
- (3) One Representative and one Senator who are members of the Interim Joint Committee on Appropriations and Revenue; and

- (4) One person recommended by each of the following organizations:
- (a) The Division of Emergency Management of the Department of Military Affairs;
 - (b) The Department for Local Government;
 - (c) The Kentucky Emergency Management Association;
 - (d) The Kentucky Association of Counties;
 - (e) The Kentucky League of Cities; and
 - (f) The Kentucky Council of Area Development Districts.

The agencies and organizations specified in this subsection shall inform the Legislative Research Commission as to their recommended permanent representative to the task force within twenty days after the effective date of this resolution. Any organization which does not make such a notification shall forfeit membership on the task force. Only the permanent member of a state agency or organization may represent the agency or organization or vote at any meeting of the task force.

Section 3. Members of the task force may be reimbursed for travel and other necessary expenses. All members shall have voting privileges. The chair and vice chairs of the task force shall be members of the Interim Joint Committee on State Government or the Interim Joint Committee on Local Government and shall be chosen by the Legislative Research Commission.

Section 4. The task force shall report to the Interim Joint Committee on State Government, the Interim Joint Committee on Local Government, the Interim Joint Committee on Appropriations and Revenue, and the Legislative Research Commission recommendations relating to at least the following subjects: sources of revenue; the agency or official which should administer the program; whether grant decisions should be made by a committee or by a single official; eligibility for grant funding; the constitutionality of providing grants to individual citizens; amount of grant funding; the handling of requests in excess of the amount of funding available; disqualifying factors relating to application for funds; and similar details. The report shall include a draft of legislation necessary to accomplish the program recommended. The report shall be completed and presented to the interim committees and the Legislative Research Commission not later than October 15, 2002.

Section 5. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 11, 2002

CHAPTER 332

(SCR 142)

A CONCURRENT RESOLUTION urging the Kentucky Department of Education, Kentucky educators, and students to participate in international exchange and study programs.

WHEREAS, the economic and cultural structure of our world is becoming increasingly global in scope and perspective; and

WHEREAS, knowledge of other cultures, economies, and systems of government is becoming an increasingly necessary skill for future leaders and workers; and

WHEREAS, even within Kentucky, the diversity of languages, cultures, and ethnic backgrounds is expanding, requiring both Kentucky educators and students to develop global communication skills and understanding; and

WHEREAS, international education exchange and study programs offer both educators and students the opportunity to learn about foreign nations, cultures, and customs; and

WHEREAS, these programs offer educators and students the opportunity to develop lifelong friendships and professional relationships as well as developing new methods of teaching and learning; and

WHEREAS, these programs offer educators and students the ability to develop increased awareness of diverse ideas, values, world views, and ways of life; and

WHEREAS, participation in international educational exchange and study programs offers educators and students a view of countries with vastly different systems of government, social and cultural beliefs, and economic standards, increasing the appreciation these educators and students have for the American system of government, economy, and basic personal freedoms when they return to the United States;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. The Kentucky Board of Education is urged to encourage its students, teachers, administrators, and educational policy makers to participate in international study and educational exchange programs and other activities that advance cultural awareness and promote mutual understanding and respect for citizens of other countries.

Section 2. The Department of Education is urged to identify international opportunities for learning, educational exchange programs, and the availability of curriculum materials and provide information to local districts that will increase the awareness of Kentucky educators and students of other cultures, languages, economies, and systems of government.

Approved April 11, 2002

CHAPTER 333

(HCR 13)

A CONCURRENT RESOLUTION directing studies of tax issues relating to forest management and enterprise zone programs.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission is directed to have the Interim Joint Committee on Appropriations and Revenue conduct a study of the Kentucky Enterprise Zone Program. The study shall focus upon the effectiveness of the program to achieve its stated goals and make findings as to changes needed to increase the effectiveness and efficiency of the programs and determine whether the program merits continuation beyond the statutory dates of expiration. The study shall examine the impact the program has or could have on tobacco dependent communities and tourism dependent communities. The committee is authorized to hold three meetings outside of Frankfort at locations determined by the co-chairs.

Section 2. The findings of the Interim Joint Committee on Appropriations and Revenue shall be presented to the Legislative Research Commission no later than December 1, 2002.

Section 3. The Legislative Research Commission shall study state and federal inheritance, property, and income tax policies for the purpose of identifying policies that discourage good forest management practices. In addition, the study shall identify incentives to encourage good forest management. A report shall be prepared and submitted to the 2003 General Assembly. The study shall be conducted with the assistance of the Revenue Cabinet, the Natural Resources and Environmental Protection Cabinet, and the University of Kentucky.

Section 4. Provisions of this Resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 11, 2002

CHAPTER 334

(HB 749)

AN ACT designating the Louisville Science Center as the State Science Center of Kentucky.

WHEREAS, the Louisville Science Center is a nonprofit educational institution dedicated to improving the public's understand of mathematics, science, and technology through interactive exhibits, IMAX films, and educational programs; and

WHEREAS, the Louisville Science Center houses the first IMAX Theatre in Kentucky and serves more than 550,000 people annually, introducing them to the excitement and wonders of science in an engaging and interactive environment; and

WHEREAS, the Louisville Science Center has recently received recognition from several local, regional, and national organizations; and

WHEREAS, for example, in September 2001, the Louisville Science Center was recognized by the Giant Screen Theater Association for having the Best Film Launch by a Theater for the IMAX film, *Michael Jordan to the Max*; and

WHEREAS, in September 2001, the Center for Nonprofit Excellence presented the Science Center with the 2001 Pyramid Award for "The Art of Vision" in recognition of its successful implementation of its 1992 strategic plan; and

WHEREAS, in October 2001, the Southeast Museum Conference presented the Louisville Science Center with an award for excellence in exhibition design for *The World Within Us*; and

WHEREAS, the Louisville Science Center has been awarded several prestigious grants for educational programs to be conducted during the 2001-2002 school year, including a grant from the Center for Disease Control for a program entitled "Healthy Hearts, Healthy Futures," a grant from the Chicago Academy of Science for an educational program associated with an upcoming public television series, "Journey to the Planet Earth," and a grant from the Federal Institute of Museum and Library Services for general operating support; and

WHEREAS, the Louisville Science Center is dedicated to providing invaluable educational enrichment programs for Kentucky's schools and students and sparking the interest of all ages in math, science, and technology; and

WHEREAS, this prestigious program continues to offer to the Commonwealth of Kentucky inspiration and enrichment in areas of knowledge needed for its citizens' full participation in a global society;

NOW, THEREFORE,

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The Louisville Science Center shall be designated as the State Science Center of Kentucky.

Approved April 11, 2002

CHAPTER 335

(HB 249)

AN ACT relating to the discipline of professionals.

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

Section 1. KRS 315.121 is amended to read as follows:

- (1) The board may refuse to issue or renew a license, permit, or certificate to, or may suspend, temporarily suspend, revoke, fine, place on probation, reprimand, reasonably restrict, or take any combination of these actions against any licensee, permit holder, or certificate holder for the following reasons:
 - (a) Unprofessional or unethical conduct;
 - (b) Mental or physical incapacity that prevents the licensee, permit holder, or certificate holder from engaging in the practice of pharmacy or the wholesale distribution or manufacturing of drugs with reasonable skill, competence, and safety to the public;
 - (c) Being convicted of, or entering an "Alford" plea or plea of nolo contendere to, irrespective of an order granting probation or suspending imposition of any sentence imposed following the conviction or entry of such plea, one (1) or more of the following:
 1. A felony;

2. An act involving moral turpitude or gross immorality; or
 3. A violation of the pharmacy or drug laws, rules, or administrative regulations of this state, any other state, or the federal government;
- (d) Knowing or having reason to know that a pharmacist, pharmacist intern, or pharmacy technician is incapable of engaging or assisting in the practice of pharmacy with reasonable skill, competence, and safety to the public and failing to report any relevant information to the board;
 - (e) Knowingly making or causing to be made any false, fraudulent, or forged statement or misrepresentation of a material fact in securing issuance or renewal of a license, permit, or certificate;
 - (f) Engaging in fraud in connection with the practice of pharmacy or the wholesale distribution or manufacturing of drugs;
 - (g) Engaging in or aiding and abetting an individual to engage in the practice of pharmacy without a license or falsely using the title of "pharmacist," "pharmacist intern," or other term which might imply that the individual is a pharmacist or pharmacist intern;
 - (h) Being found by the board to be in violation of any provision of this chapter, KRS Chapter 217, KRS Chapter 218A, or the administrative regulations promulgated pursuant to these chapters;
 - (i) Violation of any order issued by the board to comply with any applicable law or administrative regulation; or
 - (j) Knowing or having reason to know that a pharmacist, pharmacist intern, or pharmacy technician has engaged in or aided and abetted the unlawful distribution of legend medications, and failing to report any relevant information to the board.
- (2) Unprofessional or unethical conduct includes, but is not limited to, the following acts of a pharmacist or pharmacist intern:
- (a) Publication or circulation of false, misleading, or deceptive statements concerning the practice of pharmacy;
 - (b) Divulging or revealing to unauthorized persons patient information or the nature of professional services rendered without the patient's express consent or without order or direction of a court. In addition to members, inspectors, or agents of the board, the following are considered authorized persons:
 1. The patient, patient's agent, or another pharmacist acting on behalf of the patient;
 2. Certified or licensed health-care personnel who are responsible for care of the patient;
 3. Designated agents of the Cabinet for Health Services for the purposes of enforcing the provisions of KRS Chapter 218A;
 4. Any federal, state, or municipal officer whose duty is to enforce the laws of this state or the United States relating to drugs and who is engaged in a specific investigation involving a designated person; or
 5. An agency of government charged with the responsibility of providing medical care for the patient, upon written request by an authorized representative of the agency requesting such information;
 - (c) Selling, transferring, or otherwise disposing of accessories, chemicals, drugs, or devices found in illegal traffic when the pharmacist or pharmacy intern knows or should have known of their intended use in illegal activities;
 - (d) Engaging in conduct likely to deceive, defraud, or harm the public, demonstrating a willful or careless disregard for the health, welfare, or safety of a patient, or engaging in conduct which substantially departs from accepted standards of pharmacy practice ordinarily exercised by a pharmacist or pharmacy intern, with or without established proof of actual injury;
 - (e) Engaging in grossly negligent professional conduct, with or without established proof of actual injury;
 - (f) Selling, transferring, dispensing, ingesting, or administering a drug for which a prescription drug order is required, without having first received a prescription drug order for the drug;

- (g) Willfully or knowingly failing to maintain complete and accurate records of all drugs received, dispensed, or disposed of in compliance with federal and state laws, rules, or administrative regulations;
 - (h) Obtaining any remuneration by fraud, misrepresentation, or deception; or
 - (i) Accessing or attempting to access confidential patient information for persons other than those with whom a pharmacist has a current pharmacist-patient relationship and where such information is necessary to the pharmacist to provide pharmacy care.
- (3) Any licensee, permit holder, or certificate holder entering an "Alford" plea, pleading nolo contendere, or who is found guilty of a violation prescribed in subsection (1)(c) of this section shall within thirty (30) days notify the board of that plea or conviction. Failure to do so shall be grounds for suspension or revocation of the license, certificate, or permit.
 - (4) Any person whose license, permit, or certificate has been revoked in accordance with the provisions of this section, may petition the board for reinstatement. The petition shall be made in writing and in a form prescribed by the board. The board shall investigate all reinstatement petitions, and the board may reinstate a license, permit, or certificate upon showing that the former holder has been rehabilitated and is again able to engage in the practice of pharmacy with reasonable skill, competency, and safety to the public. Reinstatement may be on the terms and conditions that the board, based on competent evidence, reasonably believes necessary to protect the health and welfare of the citizens of the Commonwealth.
 - (5) Upon exercising the power of revocation provided for in subsection (1) of this section, the board may reasonably prohibit any petition for reinstatement for a period up to and including five (5) years.
 - (6) ***Any licensee, permit holder, or certificate holder who is disciplined under this section for a minor violation may request in writing that the board expunge the minor violation from the licensee's, permit holder's, or certificate holder's permanent record.***
 - (a) ***The request for expungement may be filed no sooner than three (3) years after the date on which the licensee, permit holder, or certificate holder has completed disciplinary sanctions imposed and if the licensee, permit holder, or certificate holder has not been disciplined for any subsequent violation of the same nature within this period of time.***
 - (b) ***No person may have his or her record expunged under this section more than once.***

The board shall promulgate administrative regulations under KRS Chapter 13A to establish violations which are minor violations under this subsection. A violation shall be deemed a minor violation if it does not demonstrate a serious inability to practice the profession; adversely affect the public health, safety, or welfare; or result in economic or physical harm to a person, or create a significant threat of such harm.

Section 2. KRS 320.310 is amended to read as follows:

- (1) The board may refuse to issue, refuse to renew, limit or restrict, revoke, or suspend a license, may place on probation, or reprimand a licensee, may order restitution, may impose a fine not to exceed one thousand dollars (\$1,000) for each violation of this chapter or the corresponding administrative regulations, or may impose any combination of these penalties if it finds that an applicant or a licensee has:
 - (a) Engaged in any practice of fraud or deceit in obtaining or attempting to obtain a license;
 - (b) Been convicted of a felony or misdemeanor involving moral turpitude. A record of the conviction or a certified copy of the record shall be conclusive evidence;
 - (c) Chronic or persistent inebriety or addiction to a drug habit to an extent that continued practice is dangerous to patients or to the public safety;
 - (d) Been granted a license upon a mistake of material fact;
 - (e) Engaged in incompetence, as determined by the board;
 - (f) Practiced as an itinerant, peddled from door to door, established a temporary office, or practiced optometry outside of or away from his regular office or place of practice;
 - (g) Employed, procured, induced, aided, or abetted any person, not holding a Kentucky license, to practice optometry or in practicing optometry;

- (h) Used the title "doctor" or its abbreviation without further qualifying this title or abbreviation with the word "optometrist" or suitable words or letters designating an optometry degree;
 - (i) Engaged in any conduct likely to deceive or defraud the public;
 - (j) Violated any order issued by the board;
 - (k) Had his license to practice optometry in any other jurisdiction revoked, suspended, limited, placed on conditions of probation, or subjected to any other disciplinary action by the licensing authority thereof;
 - (l) Prescribed any therapeutic agent in an amount that the optometrist knows, or should know, is excessive under accepted and prevailing standards, or which the optometrist knows, or has reason to know, will be used or is likely to be used other than for an accepted therapeutic purpose;
 - (m) Developed a physical or mental disability, or other condition, which renders the continued practice by the optometrist dangerous to patients or the public; or
 - (n) Violated any statute under this chapter or administrative regulation promulgated under those statutes.
- (2) Nothing in this section shall prevent an optometrist from establishing branch offices if each office contains minimum equipment as required by administrative regulation of the board, ensures patient care as necessary, and has a Kentucky licensed optometrist in charge of the office.
- (3) *Any licensee, permit holder, or certificate holder who is disciplined under this chapter for a minor violation may request in writing that the board expunge the minor violation from the licensee's, permit holder's, or certificate holder's permanent record.*
- (a) *The request for expungement may be filed no sooner than three (3) years after the date on which the licensee, permit holder, or certificate holder has completed disciplinary sanctions imposed and if the licensee, permit holder, or certificate holder has not been disciplined for any subsequent violation of the same nature within this period of time.*
 - (b) *No person may have his or her record expunged under this chapter more than once.*

The board shall promulgate administrative regulations under KRS Chapter 13A to establish violations which are minor violations under this subsection. A violation shall be deemed a minor violation if it does not demonstrate a serious inability to practice the profession; adversely affect the public health, safety or welfare; or result in economic or physical harm to a person, or create a significant threat of such harm.

SECTION 3. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

- (1) *Any licensee, permit holder, or certificate holder who is disciplined under this chapter for a minor violation may request in writing that the board expunge the minor violation from the licensee's, permit holder's, or certificate holder's permanent record.*
- (a) *The request for expungement may be filed no sooner than three (3) years after the date on which the licensee, permit holder, or certificate holder has completed disciplinary sanctions imposed and if the licensee, permit holder, or certificate holder has not been disciplined for any subsequent violation of the same nature within this period of time.*
 - (b) *No person may have his or her record expunged under this chapter more than once.*
- (2) *The board shall promulgate administrative regulations under KRS Chapter 13A to establish violations which are minor violations under this section. A violation shall be deemed a minor violation if it does not demonstrate a serious inability to practice the profession; adversely affect the public health, safety or welfare; or result in economic or physical harm to a person, or create a significant threat of such harm.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 313 IS CREATED TO READ AS FOLLOWS:

- (1) *Any licensee, permit holder, or certificate holder who is disciplined under this chapter for a minor violation may request in writing that the board expunge the minor violation from the licensee's, permit holder's, or certificate holder's permanent record.*
- (a) *The request for expungement may be filed no sooner than three (3) years after the date on which the licensee, permit holder, or certificate holder has completed disciplinary sanctions imposed and if the*

licensee, permit holder, or certificate holder has completed disciplinary sanctions imposed and if the licensee, permit holder, or certificate holder has not been disciplined for any subsequent violation of the same nature within this period of time.

- (b) *No person may have his or her record expunged under this chapter more than once.*
- (2) *The board shall promulgate administrative regulations under KRS Chapter 13A to establish violations which are minor violations under this section. A violation shall be deemed a minor violation if it does not demonstrate a serious inability to practice the profession; adversely affect the public health, safety or welfare; or result in economic or physical harm to a person, or create a significant threat of such harm.*

Approved April 11, 2002

CHAPTER 336

(HB 133)

AN ACT relating to crimes and punishments.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

- (1) *A person is guilty of voyeurism when:*
 - (a) *He or she intentionally:*
 - 1. *Uses or causes the use of any camera, videotape, photooptical, photoelectric, or other image recording device for the purpose of observing, viewing, photographing, filming, or videotaping the sexual conduct, genitals, or nipple of the female breast of another person without that person's consent; or*
 - 2. *Uses the unaided eye or any device designed to improve visual acuity for the purpose of observing or viewing the sexual conduct, genitals, or nipple of the female breast of another person without that person's consent; or*
 - 3. *Enters or remains unlawfully in or upon the premises of another for the purpose of observing or viewing the sexual conduct, genitals, or nipple of the female breast of another person without the person's consent; and*
 - (b) *The other person is in a place where a reasonable person would believe that his or her sexual conduct, genitals, or nipple of the female breast will not be observed, viewed, photographed, filmed, or videotaped without his or her knowledge.*
- (2) *The provisions of subsection (1) of this section shall not apply to:*
 - (a) *A law enforcement officer during a lawful criminal investigation; or*
 - (b) *An employee of the Department of Corrections, the Department of Juvenile Justice, a private prison, a local jail, or a local correctional facility whose actions have been authorized for security or investigative purposes.*
- (3) *Unless objected to by the victim or victims of voyeurism, the court on its own motion or on motion of the Commonwealth's attorney shall:*
 - (a) *Order the sealing of all photographs, film, videotapes, or other images that are introduced into evidence during a prosecution under this section or are in the possession of law enforcement, the prosecution, or the court as the result of a prosecution under this section; and*
 - (b) *At the conclusion of a prosecution under this section, unless required for additional prosecutions, order the destruction of all of the photographs, film, videotapes, or other images that are in possession of law enforcement, the prosecution, or the court.*
- (4) *Voyeurism is a Class A misdemeanor.*

Approved April 11, 2002

CHAPTER 337

(SB 197)

AN ACT relating to planning and zoning.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO READ AS FOLLOWS:

- (1) *The Kentucky General Assembly hereby recognizes and affirms that the protection of property values is a legitimate issue to local governments and the enactment of regulations designed to protect property values is a proper exercise of local government legislative power.*
- (2) *As used in this section, unless the context requires otherwise:*
 - (a) *"Compatibility standards" means standards that have been enacted by a local government under the authority of this section for the purpose of protecting and preserving the monetary value of real property located within the local government's jurisdiction;*
 - (b) *"Local government" means a city, county, urban-county government, charter county government or consolidated local government that is engaged in planning and zoning under KRS Chapter 100;*
 - (c) *"Manufactured home" means a single-family residential dwelling constructed after June 15, 1976, in accordance with the National Manufactured Home Construction and Safety Standards Act of 1974, 42 U.S.C. Section 5401, et. seq., as amended, and designed to be used as a single-family residential dwelling with or without permanent foundation when connected to the required utilities, and which includes the plumbing, heating, air conditioning, and electrical systems contained therein;*
 - (d) *"Qualified manufactured home" means a manufactured home that meets all of the following criteria:*
 1. *Is manufactured on or after July 15, 2002;*
 2. *Is affixed to a permanent foundation and is connected to the appropriate facilities and is installed in compliance with KRS 227.570;*
 3. *Has a width of at least twenty (20) feet at its smallest width measurement or is two (2) stories in height and oriented on the lot or parcel so that its main entrance door faces the street;*
 4. *Has a minimum total living area of nine hundred (900) square feet; and*
 5. *Is not located in a manufactured home land-lease community; and*
 - (e) *"Permanent foundation" means a system of supports that is: capable of transferring, without failure, into soil or bedrock, the maximum design load imposed by or upon the structure; constructed of concrete; and placed at a depth below grade adequate to prevent frost damage.*
- (3) *Any local government may adopt and enforce, as a part of its zoning regulations, compatibility standards governing the placement of qualified manufactured homes in residential zones within the local government's jurisdiction. Compatibility standards shall be adopted, amended, and enforced in the same manner as other zoning regulations and shall be in addition to any zoning regulations that are generally applicable to single-family residences. The compatibility standards shall be designed to ensure that when a qualified manufactured home is placed in a residential zone it is compatible, in terms of assessed value, with existing housing located within a one-eighth (1/8) mile or less radius from the proposed location of the qualified manufactured home. The compatibility standards adopted by a local government shall relate to architectural features that have a significant impact on the overall assessed value of the structure, including, for example, but not limited to, features such as: roof pitch; square footage of livable space; type and quality of exterior finishing materials; foundation skirting; and existence and type of attached structures.*
- (4) *Nothing in this section shall be construed to affect, modify, or abolish restrictions contained in recorded deeds, covenants, or developers' subdivision restrictions.*

- (5) *Nothing in this section shall be construed as limiting in any way the authority of local governments to adopt regulations designed to protect historic properties or historic districts.*

Section 2. This Act takes effect July 1, 2003.

Approved April 11, 2002

CHAPTER 338

(HB 372)

AN ACT relating to economic development and declaring an emergency.

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

Section 1. KRS 42.4588 is amended to read as follows:

- (1) There is established within the Kentucky Economic Development Finance Authority a Local Government Economic Development Program to consist of a system of grants to counties to attract new industry.
- (2) Grants obtained under this program shall be used for:
 - (a) Industrial development projects if an industrial firm has agreed with the local government, to the satisfaction of the Kentucky Economic Development Finance Authority, to develop, in conjunction with the industrial development project, manufacturing, processing, assembling, or other facilities approved by the *secretary of*~~commissioner of the Department for Coal County Development in~~ the Cabinet for Economic Development;
 - (b) Industrial development projects if the *secretary of*~~commissioner of the Department for Coal County Development in~~ the Cabinet for Economic Development finds that the project is necessary for the creation of an environment for new industry in order to obtain an agreement from an industrial firm to develop manufacturing, processing, assembling, or other facilities approved by the *secretary of the Cabinet for Economic Development*~~commissioner of the Department for Coal County Development~~; and
 - (c) Debt service for industrial development projects, as defined in subsection (2)(a) and (b) of this section, or for facilities approved by the *secretary of*~~commissioner of the Department for Coal County Development in~~ the Cabinet for Economic Development under the provisions of subsection (3) of this section.
- (3) The *secretary of*~~commissioner of the Department for Coal County Development in~~ the Cabinet for Economic Development may approve facilities, other than manufacturing, processing, or assembling facilities, for industrial development projects when the *secretary*~~commissioner~~ finds that the facility will add value to a product. Value-added facilities shall include data processing, telecommunication, and distribution facilities, but shall not include retail facilities or coal mining, coal processing, or coal transportation facilities. The *secretary*~~commissioner~~ may also approve privately-owned facilities for transient lodging and recreation where the *secretary*~~commissioner~~ finds that the cost of the recreation component of the facility is equal to, or greater than, the cost of the lodging component of the facility. The criteria for approval of applications for grants provided for in paragraphs (a), (b), and (c) of subsection (10) of this section shall be paramount in the case of lodging and recreational facilities.
- (4) Applications for grants from funds provided for in KRS 42.4592(1)(a) and (b) shall be made by the legislative bodies of one (1) or more counties with accounts in the local government economic development fund. Applications for grants from funds provided for in KRS 42.4592(1)(c) shall be made by the legislative bodies of two (2) or more counties with accounts in the local government economic development fund. No grant shall be awarded without application for a grant.
- (5) A grant may be awarded for an industrial development project located in a county that does not have an account in the local government economic development fund, if the *secretary of*~~commissioner of the Department for Coal County Development in~~ the Cabinet for Economic Development finds that the industrial development project may be reasonably expected to create jobs for residents of the local unit or units of

government applying for the grant. Application for the grant shall be made by the legislative bodies of one (1) or more counties with accounts in the local government economic development fund.

- (6) An industrial development project may include legal, accounting, engineering, and marketing expenses for a regional industrial park, in addition to the activities set forth in subsection (11)(a) of this section.
- (7) Grants awarded from funds provided for in KRS 42.4592(1)(a) and (b) shall not exceed the total balance of the accounts of the applicant counties at the time of the award of the grant.
- (8) Grants awarded under the provisions of subsection (2)(c) of this section may be for a period not to exceed the current biennium of the Commonwealth, and shall be limited to an amount not to exceed the amount estimated to be allocated to the applicant county or counties for the current biennium under the provisions of KRS 42.4592(1)(a) and (b).
- (9) Approval of grant applications shall be by the ~~secretary of the Department for Coal County Development in~~ the Cabinet for Economic Development. Award of grants shall be by the Kentucky Economic Development Finance Authority.
- (10) Criteria for approval of applications and the award of grants to be considered, if applicable, shall include:
 - (a) The number of jobs to be created or preserved, directly or indirectly, by the industrial development project;
 - (b) Payrolls, and the taxes generated, both at the state and local levels, by the industrial development project and taxes generated by the employment created or preserved by the industrial development project;
 - (c) The size, nature, and cost of the industrial development project, including the prospect of the industrial development project providing long-term jobs in enterprises consistent with the changing economies of the affected local units of government;
 - (d) The needs, and degree of needs, of the local units of government which will be affected by the industrial development project;
 - (e) The needs of any industrial firm benefiting from the industrial development project;
 - (f) The amount and kind of assistance, if any, available to an industrial firm from other government agencies through tax exemption or abatement, financing assistance through industrial development bonds, and otherwise, with respect to the industrial development project;
 - (g) The amount of capital made available to the facility by lenders and by the industrial firm; and
 - (h) The economic feasibility of the facility.
- (11) For purposes of this section:
 - (a) "Industrial development project" includes the acquisition of any real estate and the construction, acquisition, and installation thereon and with respect thereto of improvements and facilities necessary and useful for the improvement of the real estate for conveyance to or lease to industrial firms to be used for manufacturing, processing, or assembling purposes, including surveys; site tests and inspections; subsurface site work; excavation, removal of structures, roadways, cemeteries, and other surface obstructions; filling, grading, and provision of drainage; storm water retention; installation of utilities, such as water, sewer, sewage treatment, gas, electricity, communication, and other similar facilities; off-site construction of utility extensions to the boundaries of the real estate; construction and installation on the real estate of the industrial firm of buildings, including buildings to be used for worker training and education; rail facilities; roads; sidewalks; curbs; other improvements to the real estate necessary to its manufacturing, processing, assembling, or other approved use by industrial entities; workforce training; and job development incentive grants;
 - (b) "Industrial firm" means any corporation, limited liability company, limited liability partnership, partnership, person, or other legal entity, whether domestic or foreign, which will itself or through its subsidiaries and affiliates construct and develop a manufacturing, processing, assembling, or other approved facility on the site of an industrial development project financed pursuant to this section;
 - (c) "Job development incentive grant" means an award to a county of funds from its account administered by the Kentucky Economic Development Finance Authority pursuant to KRS 42.4592(1)(a) and (b) for

the use by the county to encourage job development for those industrial development projects located in that county which create at least twenty-five (25) new full-time jobs held by Kentucky residents who receive a minimum wage of at least one hundred thirty percent (130%) of the federal minimum wage. Each job development incentive grant ~~shall be~~^{is} limited to five thousand dollars (\$5,000) for each job created which fulfills the requirements of this subsection. The industrial firm receiving the job development incentive grant shall pay its employees at the project site an average wage equal to or greater than one hundred fifty percent (150%) of the federal minimum wage and shall invest at least ten thousand dollars (\$10,000) per new job created. After a fiscal court has received authorization for the job development grant by the Kentucky Economic Development Finance Authority, the county, the industrial firm, and the Kentucky Economic Development Finance Authority shall enter into an agreement committing the grant funds to be disbursed at such time as the industrial firm certifies the authenticity of the following information to be delivered to the county:

1. The industrial firm has made at least the minimum investment required;
2. At least twenty-five (25) new full-time Kentucky jobs have been created at the project site by the industrial firm;
3. No employee at the project site is paid a salary by the industrial firm which is less than one hundred thirty percent (130%) of the federal minimum wage;
4. The employees at the project site are paid an average wage by the industrial firm at least equal to one hundred fifty percent (150%) of the federal minimum wage;
5. Each employee hired for the project by the industrial firm shall have worked on a full-time basis at the minimum wages described in this section at least twelve (12) full consecutive months at the site prior to any grant funds disbursement; and
6. No job created by the industrial firm after twenty-four (24) months from the date of the first eligible hire at the project site shall be considered for the grant.

If the county is satisfied the information provided is accurate and qualifies the industrial firm for the job development incentive grant as described in the agreement, it shall forward the certified information to the Department for Coal County Development, Cabinet for Economic Development which shall make the job development grant disbursement upon sufficient evidence that all terms of the agreement have been met; and

- (d) "Regional industrial park" means an industrial development project authorized for a grant award by the Kentucky Economic Development Finance Authority for a minimum of three (3) counties eligible for grant funds provided for in KRS 42.4592(1)(c), which coalition may include a county as approved under subsection (5) of this section.
- (12) Findings by the ~~secretary of the commissioner of the Department for Coal County Development in~~ the Cabinet for Economic Development, provided for in subsections (2)(b), (3), and (5) of this section, shall be made in writing to the affected counties, the Governor, and the Legislative Research Commission.
- (13) By October 1 of each odd-numbered year, the ~~secretary of the commissioner of the Department for Coal County Development,~~ Cabinet for Economic Development shall provide, in writing, to the Governor and the Legislative Research Commission a listing of all applications for grants received pursuant to this section subsequent to the last report, indicating which applications were approved or disapproved, with the reason for disapproval when the decision was to disapprove, and a listing of all grants awarded, with the amount of the award, the recipient county, and the related industrial development project.

Section 2. KRS 42.4585 is amended to read as follows:

- (1) A portion of each quarterly transfer of moneys provided for in KRS 42.4582 shall be transferred from the local government economic development fund into the local government economic assistance fund according to the following schedule:
- (a) Effective July 1, 1992, an amount equal to eighty percent (80%) of each quarterly transfer;
 - (b) Effective July 1, 1993, an amount equal to sixty-six and seven-tenths percent (66.7%) of each quarterly transfer;

- (c) Effective July 1, 1994, an amount equal to forty-eight percent (48%) of each quarterly transfer; and
- (d) Effective July 1, 1995, and thereafter, an amount equal to twenty-four percent (24%) of each quarterly transfer.

The transfers shall be made quarterly.

- (2) The amount transferred annually from the local government economic development fund into the local government economic assistance fund under the provisions of subsection (1) of this section shall ~~be not be~~ less than an amount equal to ~~fifteen~~~~[thirteen]~~ percent ~~(15%)~~~~(13%)~~ of the severance and processing taxes on coal collected annually.
- (3) The quarterly calculation and transfer of funds pursuant to subsections (1) and (2) of this section shall be made only after the quarterly installment of the annual nineteen million dollars (\$19,000,000) allocation of coal severance tax revenues has been credited to the benefit reserve fund within the Kentucky Workers' Compensation Funding Commission as required by KRS 342.122.

Section 3. KRS 65.680 is amended to read as follows:

As used in KRS 65.680 to 65.699:

- (1) *"Activation date" means the date established in the grant contract at any time in a two (2) year period after the date of approval of the grant contract by the economic development authority or the tourism development authority, as appropriate. The economic development authority or tourism development authority, as appropriate, may extend this two (2) year period to no more than four (4) years upon written application of the agency requesting the extension. To implement the activation date, the agency who is a party to the grant contract shall notify the economic development authority or the tourism development authority, as appropriate, the Revenue Cabinet, and other taxing districts that are parties to the grant contract when the implementation of the increment authorized in the grant contract shall occur;*
- (2) *"Agency" means an urban renewal and community development agency established under KRS Chapter 99; a development authority established under KRS Chapter 99; a nonprofit corporation established under KRS Chapter 58; an air board established under KRS 183.132 to 183.160; a local industrial development authority established under KRS 154.50-301 to 154.50-346; a riverport authority established under KRS 65.510 to 65.650; or a designated department, division, or office of a city or county;*
- (3) "Assessment" means the job development assessment fee authorized by KRS 65.6851, which the governing body may elect to impose throughout the development area;
- (4) *"Brownfield site" means real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant;*
- ~~(5)~~~~(2)~~ "City" means any city or urban-county;
- ~~(6)~~~~(3)~~ "Commencement date" means the date a development area is established, as provided in the ordinance creating the development area;
- (7) *"Commonwealth" means the Commonwealth of Kentucky;*
- ~~(8)~~~~(4)~~ "County" means any county or charter county;
- ~~(9)~~~~(5)~~ *"CPI" means the non-seasonally adjusted Consumer Price Index for all urban consumers, all items (base year computed for 1982 to 1984 equals one hundred (100)), published by the United States Department of Labor, Bureau of Labor Statistics;*
- (10) "Debt charges" means the principal, including any mandatory sinking fund deposits, interest, and any redemption premium, payable on increment bonds as the payments come due and are payable and any charges related to the payment of the foregoing;
- ~~(11)~~~~(6)~~ "Development area" means a contiguous geographic area, which may be within one (1) or more cities or counties, defined and created for economic development purposes by an ordinance of a city or county in which one (1) or more ~~economic development~~ projects are proposed to be located, *except that for any development area for which increments are to include revenues from the Commonwealth, the contiguous geographic area shall satisfy the requirements of Section 14 or 15 of this Act;*

- (12)~~(7)~~ "Economic development *authority*" means the *Kentucky Economic Development Finance Authority as created in KRS 154.20-010*~~[project]~~ means any property, asset, or improvement certified by the governing body, which certification is conclusive as:
- (a) ~~Being for a public purpose;~~
 - (b) ~~Being for economic development purposes;~~
 - (c) ~~Being in or related to a development area; and~~
 - (d) ~~Having an estimated life or period of usefulness of one (1) year or more, including, but not limited to, real estate, buildings, personal property, equipment, furnishings, and site improvements and reconstruction, rehabilitation, renovation, installation, improvement, enlargement, and extension of property, assets, or improvements so certified as having an estimated life or period of usefulness of one (1) year or more;~~
- (8) ~~"Economic development purposes" means the development of facilities for residential, commercial, industrial, public, recreational, or other uses, or for open space, or any combination thereof, which is determined by the governing body establishing the development area as contributing to economic development;~~
- (9) ~~"Financing agreement" means an agreement made between cities, counties, or a combination thereof providing for the release of increments under the authority of KRS 65.680 to 65.699;~~
- (13) *"Enterprise Zone" means an area designated by the Enterprise Zone Authority of Kentucky to be eligible for the benefits of KRS 154.45-010 to KRS 154.45-110;*
- (14)~~(10)~~ "Governing body" means the body possessing legislative authority in a city or county;
- (15) *"Grant contract" means:*
- (a) *That agreement with respect to a development area established under Section 9 of this Act, by and among an agency and one (1) or more taxing districts other than the Commonwealth, by which a taxing district permits the payment to an agency of an amount equal to a portion of increments other than revenues from the Commonwealth received by it in return for the benefits accruing to the taxing district by reason of one (1) or more projects in a development area; or*
 - (b) *That agreement, including with respect to a development area satisfying the requirements of Section 14 or 15 of this Act, a master agreement and addenda to the master agreement, by and among an agency, one (1) or more taxing districts, and the economic development authority or the tourism development authority, as appropriate, by which a taxing district permits the payment to an agency of an amount equal to a portion of increments received by it in return for the benefits accruing to the taxing district by reason of one (1) or more projects in a development area;*
- (16)~~(11)~~ "Increment bonds" means bonds and notes issued for the purpose of paying the costs of one (1) or more ~~economic development~~ projects in a development area, the payment of which is secured solely by a pledge of increments or by a pledge of increments and other sources of payment that are otherwise permitted by law to be pledged or used as a source of payment of the bonds or notes;
- (17)~~(12)~~ "Increments" means ~~the [that]~~ amount of ~~revenues [revenue due to be]~~ received by *any taxing district*~~[a city or county]~~, determined by subtracting the amount of old revenues from the amount of new revenues *in the calendar year*~~[, including assessments, if any,]~~ with respect to a development area *and for which the taxing district or districts and the agency have agreed upon under the terms of a grant contract;*
- (18) *"Infrastructure development" means the acquisition of real estate within a development area meeting the requirements of Section 14 of this Act and the construction or improvement, within a development area meeting the requirements of Section 14 of this Act of roads and facilities necessary or desirable for improvements of the real estate, including surveys; site tests and inspections; environmental remediation; subsurface site work; excavation; removal of structures, roadways, cemeteries, and other underground and surface obstructions; filling, grading, and provision of drainage, storm water retention, installation of utilities such as water, sewer, sewage treatment, gas, and electricity, communications, and similar facilities; and utility extensions to the boundaries of the development area meeting the requirements of Section 14 of this Act;*
- (19)~~(13)~~ "Issuer" means a city,~~or~~ county, *or an agency* issuing increment bonds;

~~(20)~~~~(14)~~ "New revenues" means the **amount of** revenues received with respect to a development area in any **calendar** year after the **activation**~~commencement~~ date for ~~a~~~~the~~ development area:

- (a) *Established under Section 9 of this Act, the ad valorem taxes other than the school and fire district portions of the ad valorem taxes received from real property generated from the development area and properties sold within the development area, and occupational license fees not otherwise used as a credit against an assessment, and all or a portion of assessments as determined by the governing body; or*
- (b) *Satisfying the requirements of Section 14 of this Act, the ad valorem taxes other than the school and fire district portions of the ad valorem taxes received from real property generated from the development area and properties sold within the development area; or*
- (c) *Satisfying the requirements of Section 15 of this Act, the ad valorem taxes, other than the school and fire district portions of the ad valorem taxes, received from real property, Kentucky individual income tax, Kentucky sales and use taxes, local insurance premium taxes, occupational license fees or other such state taxes as may be determined by the Revenue Cabinet to be applicable to the project and specified in the grant contract, generated from the primary project entity within the development area minus relocation revenue~~and may include all or a portion of the assessments as determined by the governing body~~;*

~~(21)~~~~(15)~~ "Old revenues" means the amount of revenues received with respect to a development area:

- (a) *Established under Section 9 of this Act, in the last calendar year prior to the commencement date for the development area, revenues which constitute ad valorem taxes other than the school and fire district portions of ad valorem taxes received from real property in the development area and occupational license fees generated from the development area; or*
- (b) *Satisfying the requirements of Section 14 of this Act, in the last calendar year prior to the commencement date for the development area, revenues which constitute ad valorem taxes other than the school and fire district portions of ad valorem taxes received from real property in the development area; or*
- (c) *Satisfying the requirements of Section 15 of this Act, in the period of no longer than three (3) calendar years prior to the commencement date, the average as determined by the Revenue Cabinet to be a fair representation of revenues derived from ad valorem taxes, other than the school and fire district portions of ad valorem taxes, from real property in the development area, and Kentucky individual income tax, Kentucky sales and use taxes, local insurance premium taxes, occupational license fees and other such state taxes as may be determined by the Revenue Cabinet as specified in the grant contract generated from the development area. With respect to this paragraph, if the development area was within an active enterprise zone for the period used by the Revenue Cabinet for measuring old revenues, then the calculation of old revenues shall include the amounts of ad valorem taxes, other than the school and fire district portions of ad valorem taxes, that would have been generated from real property, Kentucky individual income tax, Kentucky sales and use taxes, local insurance premium taxes, occupational license fees and other such state taxes as may be determined by the Revenue Cabinet as specified in the grant contract, were the development area not within an active enterprise zone. With respect to this paragraph, if the primary project entity generated old revenue prior to the commencement date in the development area or revenues were derived from the development area prior to the commencement date of the development area, then revenues shall increase each calendar year by the percentage increase of the consumer price index, if any;*

~~(22)~~~~(16)~~ "Outstanding" means increment bonds that have been issued, delivered, and paid for, except any of the following:

- (a) Increment bonds canceled upon surrender, exchange, or transfer, or upon payment or redemption;
- (b) Increment bonds in replacement of which or in exchange for which other bonds have been issued; or
- (c) Increment bonds for the payment, or redemption or purchase for cancellation prior to maturity, of which sufficient moneys or investments, in accordance with the ordinance or other proceedings or any applicable law, by mandatory sinking fund redemption requirements, or otherwise, have been deposited, and credited in a sinking fund or with a trustee or paying or escrow agent, whether at or prior to their maturity or redemption, and, in the case of increment bonds to be redeemed prior to their stated

maturity, notice of redemption has been given or satisfactory arrangements have been made for giving notice of that redemption, or waiver of that notice by or on behalf of the affected bond holders has been filed with the issuer or its agent;

- (23) *"Primary project entity" means the entity responsible for control, ownership and operation of the project within a development area satisfying the requirements of Section 15 of this Act which generates the greatest amount of new revenues or, in the case of a proposed development area satisfying the requirements of Section 15 of this Act, is expected to generate the greatest amount of new revenues;*
- (24) *"Project" means, for purposes of a development area:*
- (a) *Established under Section 9 of this Act, any property, asset, or improvement certified by the governing body, which certification is conclusive as:*
 1. *Being for a public purpose;*
 2. *Being for the development of facilities for residential, commercial, industrial, public, recreational, or other uses, or for open space, or any combination thereof, which is determined by the governing body establishing the development areas as contributing to economic development;*
 3. *Being in or related to a development area; and*
 4. *Having an estimated life or period of usefulness of one (1) year or more, including, but not limited to, real estate, buildings, personal property, equipment, furnishings, and site improvements and reconstruction, rehabilitation, renovation, installation, improvement, enlargement, and extension of property, assets, or improvements so certified as having an estimated life or period of usefulness of one (1) year or more;*
 - (b) *Satisfying the requirements of Section 14 of this Act; an economic development project defined under Section 19 of this Act, Section 32 of this Act, or Section 37 of this Act; or a tourism attraction project defined under KRS 148.851; or*
 - (c) *Satisfying the requirements of Section 15 of this Act, the development of facilities for:*
 1. *The transportation of goods or persons by air, ground, water, or rail;*
 2. *The transmission or utilization of information through fiber-optic cable or other advanced means;*
 3. *Commercial, industrial, recreational, tourism attraction, or educational uses; or*
 4. *Any combination thereof;*
- (25) *"Relocation revenue" means the ad valorem taxes, other than the school and fire district portions of ad valorem taxes, from real property, Kentucky individual income tax, Kentucky sales and use taxes, local insurance premium taxes, occupational license fees and other such state taxes as specified in the grant contract, received by a taxing district attributable to that portion of the existing operations of the primary project entity located in the Commonwealth and relocating to the development area satisfying the requirements of Section 15 of this Act;*
- (26) *"Special fund" means a special fund created in accordance with KRS 65.688 into which increments are to be deposited;*
- (27) *"Taxing district" means a city, county, or other taxing district that encompasses all or part of a development area, or the Commonwealth, but does not mean a school district or fire district;*
- ~~[(17) "Revenue collector" means any official charged with collecting revenues in a development area;~~
- ~~(18) "Revenues" means ad valorem revenues, occupational license fees, and assessments received by the city or county creating a development area and by each city and county that is a party to a financing agreement related to that development area;~~
- ~~(19) "Special fund" means a special fund created in accordance with KRS 65.688 into which increments are to be deposited;]~~

(28)~~(20)~~ "Termination date" means the date on which ~~a~~~~the~~ development area shall cease to exist, which *for purposes of a development area:*

- (a) *Established under Section 9 of this Act, shall be for a period of no longer than twenty (20) years from the commencement date and set forth in the grant contract. Increment bonds shall not mature on a date beyond the termination date established by this paragraph; or*
- (b) *Satisfying the requirements of Section 14 of this Act, shall be for a period of no longer than twenty (20) years from the commencement date and set forth in the grant contract constituting a master agreement, except that for an addendum added to the master agreement for each project in the development area, the termination date may be extended to no longer than twenty (20) years from the date of each addendum; or*
- (c) *Satisfying the requirements of Section 15 of this Act, shall be for a period of no longer than twenty (20) years from the activation date of the grant contract. Increment bonds shall not mature on a date beyond the termination date established by this subsection*~~{date shall be no earlier than the date any increment bonds secured by increments from a development area are no longer outstanding};~~ ~~and~~

(29)~~(21)~~ "Tourism development authority" means the Tourism Development Finance Authority as created in KRS 148.850; and

(30) "Project costs" mean the total private and public capital costs of a project~~{“Year” means January 1 to December 31 of the same calendar year}.~~

Section 4. KRS 65.682 is amended to read as follows:

The General Assembly finds and declares that economic development created by the development of ~~economic development~~ projects to support economic revitalization and improvement in a development area which results in the increase in the value of property located in a development area or results in increased employment opportunities within or around a development area serves a public purpose; *and that the authority prescribed by KRS 65.680 to 65.699 and the purposes to be accomplished thereunder, are proper governmental and public purposes for which public moneys may be expended; and that the creation or expansion of development areas is of paramount importance mandating that the provisions of KRS 65.680 to 65.699 be liberally construed and applied in order to advance public purposes.*

Section 5. KRS 65.684 is amended to read as follows:

For any development area for which increments do not include revenues from the Commonwealth, in addition to any other powers conferred by law, any city or county may exercise any powers necessary or convenient to carry out the purposes of KRS 65.680 to 65.699, including the power to:

- (1) Create development areas and to define their boundaries;
- (2) Undertake~~{economic development}~~ projects;
- (3) Issue increment bonds and pledge increments to the payment of debt charges on those increment bonds;
- (4) Create a special fund established for the deposit of increments and other funds that may be used or pledged for the payment of increment bonds and to pay the costs of ~~{economic development}~~ projects;
- (5) Utilize increments to pay the costs of economic development projects and for the payment of amounts due on increment bonds; and
- (6) Impose *assessments*~~{job development assessment fees}~~.

Section 6. KRS 65.6851 is amended to read as follows:

For any development area for which increments do not include revenues from the Commonwealth:

- (1) Any governing body establishing a development area may impose ~~an~~~~{a job development}~~ assessment~~{fee}~~ on each person employed in the development area, *as a condition of employment*, whose job was newly created as a result of ~~a~~~~{an economic development}~~ project~~{begun on or after January 1, 2002}~~, and as determined by the policies and procedures established by the governing body, subject to the conditions in subsection (6) of this section, and who is subject to the state tax imposed by KRS 141.020. A job shall not be deemed to be newly created under this section if it occurs due to the relocation of jobs from another location within the Commonwealth.

- (2) ***Subject to Section 7 of this Act***, the total assessment levied by all the governing bodies within the development area shall not exceed an amount equal to ~~two~~~~three~~ percent (2%)(3%) of the gross wages of the employee.
- (3) Each person so assessed shall be entitled to credits against ***local occupational license fees, if a local occupational license fee is then in existence and not otherwise totally used as a credit against assessments imposed under Subchapter 23, 24, or 26 of KRS Chapter 154,*** ~~Kentucky income tax~~ equal to the assessment ~~fee~~ withheld from wages during the *calendar* year ~~as provided by KRS 141.310 and 141.350~~ so long as the amount does not exceed the amount of the assessment itself. ~~The approved company shall determine the applicable tax credit for each of its employees using the methods set forth in KRS 141.347.~~
- (4) Subsequent to the establishment of a development area by one (1) governing body, no other governing body may levy an assessment in any portion of the development area that would cause the total assessment in any portion of the development area to exceed ~~two~~~~three~~ percent (2%)(3%) of the gross wages of the employee, ***subject to Section 7 of this Act***. If more than one (1) governing body jointly establishes a development area, the governing bodies that establish the development area shall agree upon the amount of the assessment and the manner by which the assessment is to be prorated among the governing bodies establishing the development area.
- (5) Any assessment of employees in connection with their employment at ~~a~~~~an economic development~~ project levied under this section shall permanently lapse on the date:
 - (a) Any bonds issued in connection with acquiring or developing the infrastructure of a development area ~~or a qualified development area~~, in accordance with KRS 65.680 to 65.699, are retired; or
 - (b) Any loans or other financing incurred in connection with the establishment of a development area ~~or a qualified development area~~ mature or are prepaid in full.
- (6) For the purposes of this section:
 - (a) The development area shall be a previously undeveloped tract of land;
 - (b) No more than five hundred (500) acres may be approved in any twelve (12) month period in any county; ***and***
 - (c) Acceptable developments shall be limited to ***projects as defined in Section 3 of this Act*** ~~manufacturing, and technical developments as approved by the Commissioner of the New Economy;~~
 - ~~(d) Each proposed development shall be evaluated by the Kentucky Economic Development Finance Authority in consultation with the Governor's Office of Economic Analysis for fiscal viability; and~~
 - ~~(e) The amount of the total assessment for each company locating within the development area shall be subject to approval by the Office of the State Budget Director, the Finance and Administration Cabinet, and the Revenue Cabinet. Approval shall not be granted if it is determined that there is no net positive economic impact to the Commonwealth.~~
- (7) ***Any agency that has established a development area under KRS 65.680 to 65.699 prior to the effective date of this Act, unless otherwise approved by the agency, shall continue to operate under the provisions of KRS 65.680 to 65.699 as determined by the policies and procedures established by the agency prior to the effective date of this Act.***

Section 7. KRS 65.6853 is amended to read as follows:

For any development area for which increments do not include revenues from the Commonwealth:

- (1) If a company, against whose employees an assessment is levied under ***Section 6 of this Act*** ~~KRS 65.6851~~, enters into an agreement with the ***economic development authority*** ~~Kentucky Economic Development Finance Authority~~ under ***Subchapter 23, 24, or 26 of KRS Chapter 154*** ~~154.22-010 to 154.22-080, KRS 154.23-005 to 154.23-079, KRS 154.24-010 to 154.24-150, KRS 154.26-010 to 154.26-100, and KRS 154.28-010 to 154.28-100~~ allowing the company to ***impose*** ~~assess~~ a job development assessment fee as part of that agreement, the total assessment levied against the employee ***for state inducements and the development area*** shall not exceed ***six percent (6%), subject to subsection (2) of this section*** ~~the maximum assessment allowed under KRS 154.22-010 to 154.22-080, KRS 154.23-005 to 154.23-079, KRS 154.24-010 to 154.24-150, KRS 154.26-010 to 154.26-100, and KRS 154.28-010 to 154.28-100~~.

- (2) *If an eligible company under Subchapter 23, 24, or 26 of KRS Chapter 154 locates or expands within a development area, the assessment imposed under subsection (1) of Section 6 of this Act shall not exceed the lesser of two percent (2%) or the difference between two percent (2%) and the local occupational license fee used as a credit against the assessments granted under Subchapter 23, 24, or 26 of KRS Chapter 154.* ~~When added with the job development assessment fees under KRS 65.6851, the total credits that an employee may claim against his or her Kentucky income tax imposed under KRS 141.020 shall not exceed the maximum total job development assessment fees under KRS 154.22-010 to 154.22-080, KRS 154.23-005 to 154.23-079, KRS 154.24-010 to 154.24-150, KRS 154.26-010 to 154.26-100, and KRS 154.28-010 to 154.28-100.~~

Section 8. KRS 65.6855 is amended to read as follows:

For any development area for which increments do not include revenues from the Commonwealth:

- (1) The employees of any ~~approved~~ company choosing to locate in a development area shall be subject to any assessments levied against them, and the ~~approved~~ company shall not have the authority to reject an assessment.
- (2) Each employer in the development area shall:
 - (a) Collect the assessment from its employees by deducting the assessment from each paycheck of its employees;
 - (b) Promptly remit the assessment to the *official charged with collecting revenues in the development area* ~~revenue collector~~;
 - (c) Make its payroll books and records available to the *official charged with collecting revenues in the development area* ~~revenue collector~~ at a reasonable time as specified by the governing body; and
 - (d) File with the *official charged with collecting revenues in the development area* ~~revenue collector~~ any documentation with regard to the assessment as required by the governing body.

Section 9. KRS 65.686 is amended to read as follows:

- (1) Any city or county may establish or modify a development area by:
 - (a) Holding a public hearing by its governing body or its designee at which interested parties are afforded a reasonable opportunity to express their views on the proposed creation or modification of a development area and its boundaries. Notice of the hearing shall:
 1. Include a declaration that the purpose of the hearing is to afford interested parties an opportunity to express their views regarding the *proposed* development area;
 2. Include a general description of the boundaries of the proposed development area;
 3. State the time and place of the hearing; and
 4. Be published in a local newspaper of general circulation at least seven (7) days but no more than twenty-one (21) days prior to the scheduled hearing date; and
 - (b) Adopting an ordinance which shall:
 1. Describe the boundaries of the *proposed* development area with sufficiency to allow ordinary and reasonable certainty of the territory included. However, no *proposed* development area shall include property located in any other development area;
 2. Create the development area on a date certain, which shall be referred to as the commencement date ~~and, if deemed appropriate by the governing body, establish a termination date~~;
 3. Assign a name to the *proposed* development area for identification purposes;
 4. Contain findings that the designation of the proposed development area will result in the increase in the value of property located in the development area or result in increased employment within or around the development area, or both;
 5. Approve the *grant contract* ~~financing agreement~~, if any, relating to ~~a~~ *the economic* development ~~area~~ *project*;
 6. Establish, *if applicable*, a special fund for that development area;

7. Contain any other findings, limitations, rules, or procedures regarding the *proposed* development area and its establishment or maintenance as deemed necessary by the governing body; and
8. *Permit, if applicable, the levying of an assessment*~~[Levy the job development assessment fee, if any]; and~~
- (c) Providing the *official charged with collecting revenues in the development area*~~[revenue collector]~~, if the *official*~~[collector]~~ is not an employee of the city or county designating the development area, with a description of the development area and any other information available which is needed to determine increments or new revenues.
- (2) (a) *For any development area for which increments do not include revenues from the Commonwealth*, increments generated in a development area shall be submitted by the *official charged with collecting revenues in the development area*~~[revenue collector]~~ to the city or county establishing the special fund for that development area, deposited to that special fund and used to pay the costs of ~~[economic development]~~ projects or to pay debt charges on increment bonds, except that increments payable to any city or county other than the city or county establishing the ~~[economic]~~ development area shall be submitted to that city or county as if no development area existed unless that city or county is a party to a *grant contract*~~[financing agreement]~~ that provides that some or all of the increments are to be submitted to a special fund.
- (b) *For any development area for which increments include revenues from the Commonwealth, increments paid by the city, county, or Commonwealth to the agency for which the development area is created shall be used to pay the costs of projects or to pay debt charges on increment bonds.*
- (3) The existence of a development area shall terminate on the termination date~~[and if no termination date is established by the ordinance creating the development area, on the earlier of the termination date subsequently established by ordinance or the first December 31 that is at least thirty (30) years from the commencement date; however, any development area shall not be terminated as long as there are any increment bonds outstanding for which the revenues of the development area are pledged to the repayment thereof].~~

Section 10. KRS 65.688 is amended to read as follows:

For any development area for which increments do not include revenues from the Commonwealth, while increment bonds are outstanding, the issuer shall maintain a special fund which shall be pledged for the retirement of those increment bonds. *Officials charged with collecting revenues in the development area*~~[Revenue collectors]~~ shall, for each year a *grant contract*~~[financing agreement]~~ is in effect or any increment bonds are outstanding with respect to a development area, determine the amount of increments from the development area which they are charged with collecting and submit those increments for deposit in the special fund established by the governing body for that development area. Funds deposited in a special fund for the payment of increment bonds shall be disbursed at the times and in the amounts required to pay debt charges on those increment bonds. Accrued interest from the sale of increment bonds shall be deposited in the special fund pledged to the payment of those bonds. Amounts in a special fund which exceed the amount required to pay debt charges on related increment bonds in any fiscal year may accumulate in the special fund for the payment of future debt charges or to pay the costs of additional~~[economic development]~~ projects in the development area, or may be transferred by the governing body from the special fund under the terms of a *grant contract*~~[financing agreement]~~ or used for any lawful purpose.

Section 11. KRS 65.692 is amended to read as follows:

- (1) Increment bonds may be issued to pay the costs of ~~[economic development]~~ projects *in the development area*. The provisions of KRS 66.021, 66.031, 66.041, 66.045, 66.071, 66.091, 66.121, 66.131, 66.141, 66.151, 66.171, 66.181, and 66.191 shall apply to the issuance of increment bonds *insofar as they do not conflict with KRS 65.680 to 65.699; if they do conflict, KRS 65.680 to 65.699 shall apply.*
- (2) Debt payments on increment bonds may be paid from increments, from any other funds of the issuer, or from funds identified in a *grant contract*~~[financing agreement]~~, or any combination thereof. If increment bonds are payable solely from increments, the issuer shall, prior to the issuance of the increment bonds, make a determination that the increments are adequate to make the debt payments so long as the increment bonds are outstanding.
- (3) Increment bonds may also be issued to fund or refund all or any portion of outstanding increment bonds. Any increment bonds issued under this subsection shall mature as determined by the governing body consistent with

the definition of termination date as contained in Section 3 of this Act and KRS 66.091 ~~but their maturity shall not be later than the date that would have been permitted by KRS 66.091, as of the date the original bonds were issued.~~

Section 12. KRS 65.694 is amended to read as follows:

Any city or county may pledge increments to the payment of increment bonds by an ordinance adopted by the governing body or by a **grant contract** ~~financing agreement~~ adopted by ordinance. Any pledge of increments adopted under this section shall, as to the increments, but not as to any other revenues, be superior to any other pledge of revenues for any other purpose and shall, from the effective date of the ordinance to the termination date, supersede any statute or ordinance regarding the application or use of increments. No ordinance in conflict with an ordinance pledging increments shall be adopted while any increment bonds secured by that pledge remain outstanding. Ordinances pledging increments on a subordinate basis to any existing pledges may be adopted.

Section 13. KRS 65.696 is amended to read as follows:

For any development area for which increments do not include revenues from the Commonwealth:

- (1) Upon establishment of a development area, any city or county may release, by a **grant contract** ~~financing agreement~~ with any other city or county, increments expected to be collected by that city or county in the related development area for a period that does not extend beyond the termination date.
- (2) The **grant contract** ~~financing agreement~~ shall include the following provisions:
 - (a) The identity of each city and county participating in the financing agreement;
 - (b) A detailed description of each ~~economic development~~ project that is the subject of the **grant contract** ~~financing agreement~~, including an estimate of its costs of construction or acquisition and development;
 - (c) A detailed description of the development area;
 - (d) A detailed summary estimating old revenues collected and projected new revenues in the development area for each city and county that is a party to the **grant contract** ~~financing agreement~~, on an annual basis, for the term of the proposed **grant contract** ~~financing agreement~~;
 - (e) The maximum amount of increments to be released by the parties to the **grant contract** ~~financing agreement~~, if any, and the maximum number of years the release will be effective, including an agreement to deposit the increments in a special fund created for that purpose, which, if any increment bonds are to be issued, shall be held by the issuer of the increment bonds;
 - (f) The times and procedures for depositing increments and other funds, if any, in the special fund to be established for the development area and any provisions relating to the collection of the increments;
 - (g) Any covenants regarding additional funds or to pay the costs of the ~~economic development~~ projects;
 - (h) Any covenants regarding completion of the ~~economic development~~ project;
 - (i) Terms of default and remedies, except that no remedy shall permit the withholding by any party to the **grant contract** ~~financing agreement~~ of any increments to be deposited in the special fund identified in the **grant contract** ~~financing agreement~~ so long as any increment bonds are outstanding that are secured by a pledge of those increments; ~~and~~
 - (j) ***The commencement date;***
 - (k) ***The termination date; and***
 - (l) Any other provisions not inconsistent with KRS 65.680 to 65.699 that are deemed necessary or appropriate by the parties to the **grant contract** ~~financing agreement~~.

SECTION 14. A NEW SECTION OF KRS 65.680 TO 65.699 IS CREATED TO READ AS FOLLOWS:

- (1) ***A city, county, or agency shall submit an application to the Cabinet for Economic Development for approval of a development area for infrastructure development which includes revenues from the Commonwealth, the standards for which the Cabinet for Economic Development and the Tourism Development Cabinet shall establish through their operating procedures or by the promulgation of administrative regulations in accordance with KRS Chapter 13A. The Cabinet for Economic Development shall determine whether the development area described in the application constitutes a project of the type***

described in this section. The Cabinet for Economic Development, upon its determination, shall assign the application to the economic development authority or the tourism development authority, as appropriate, for further consideration and approval.

- (2) *A development area for purposes of infrastructure development shall:*
 - (a) *1. Consist of at least fifty (50) acres of undeveloped land, unless approved otherwise by the economic development authority or the tourism development authority in consideration of the geography of the area; or*
 - 2. Consist of at least one (1) acre constituting a brownfield site; and*
 - (b) *1. In the case of an economic development project, be under the control of, owned by, and operated by an agency at the commencement date; or*
 - 2. In the case of a tourism attraction project, be under the control of, leased by, owned by, or operated by an agency at the commencement date.*
- (3) *With respect to each city, county, or agency that applies to the economic development authority or the tourism development authority for approval of a development area for infrastructure development, the economic development authority or the tourism development authority shall request materials and make all inquiries concerning the application the economic development authority or the tourism development authority deems necessary. Upon review of the application and requested materials, and completion of inquiries, the economic development authority or the tourism development authority may grant approval for:*
 - (a) *The development area for infrastructure development;*
 - (b) *Each project for which an application has been submitted to be located in the development area for infrastructure development, provided that each project approved for location in the development area for infrastructure development meets the criteria necessary in order to qualify for inducements under subchapters 22, 24, or 28 of KRS Chapter 154, or satisfies the requirements of a tourism development attraction defined under KRS 148.851;*
 - (c) *The percentage of the Commonwealth's portion of the increment that the Commonwealth agrees to distribute to the agency each year during the term of the grant contract;*
 - (d) *The maximum amount of costs for infrastructure development for which the increment may be distributed to the agency; and*
 - (e) *The master agreement constituting a grant contract and any addendum for each project approved for location in the development area for infrastructure development.*
- (4) *Prior to any approval by the economic development authority or the tourism development authority, the economic development authority or the tourism development authority shall have received an ordinance adopted by the city or county creating the development area and establishing the percentage of increment that the city and county are distributing each year to the agency for use in the infrastructure development of the development area for which economic development authority or the tourism development authority approval is sought. The economic development authority or the tourism development authority shall not approve a percentage of the Commonwealth's portion of the increment to be distributed to the agency each calendar year with respect to a development area for infrastructure development greater than the percentage approved by the city or county creating the development area.*
- (5) *The maximum amount of increment available for development areas for infrastructure development is one hundred percent (100%).*
- (6) *The terms and conditions of each grant contract, including the master agreement constituting a grant contract and any addenda, are subject to negotiations between the economic development authority or the tourism development authority and the other parties to the grant contract. The grant contract shall include, but not be limited to, the following provisions: the activation date, the taxes to be included in the calculation of the increment, the percentage increment to be contributed by each taxing district, the maximum amount of infrastructure development costs, a description of the development area, the termination date, subject to extension through each addendum, and the requirement of the agency to annually certify to the economic*

development authority or the tourism development authority as to the use of the increment for payment of infrastructure development costs.

- (7) (a) *Any agency that enters into a grant contract for the release of any increments that may arise during the period of a grant contract shall, after each calendar year a grant contract is in effect, notify each taxing district obligated under the grant contract that an increment is due, and, in consultation with each taxing district, determine the respective portion of the total increment due from each taxing district. The agency shall then present the total increment due from the Commonwealth under the grant contract to the Revenue Cabinet for certification.*
 1. *Upon notice from the agency, each taxing district obligated under the grant contract, other than the Commonwealth, shall release to the agency the respective portion of the total increment due under the grant contract. The agency shall certify to the Revenue Cabinet on a calendar year basis the amount of the increment collected.*
 2. *Upon certification of the total increment due from the Commonwealth by the Revenue Cabinet, the Cabinet is authorized and directed to transfer the increment to a tax increment financing account established and administered by the Finance and Administration Cabinet for payment of the Commonwealth's portion of the increment. Prior to disbursement by the Finance and Administration Cabinet of the funds from the tax increment financing account, the economic development authority or the tourism development authority shall notify the Finance and Administration Cabinet that the agency is in compliance with the terms of the grant contract. Upon notification, the Finance and Administration Cabinet is authorized and directed to release to the agency the Commonwealth's portion of the total increment due under the grant contract.*
- (b) *The Revenue Cabinet shall report to the economic development authority or the tourism development authority on a calendar year basis the amount of the total increment released to an agency.*
- (8) *The Revenue Cabinet shall have the authority to establish operating procedures for the administration and determination of the Commonwealth's increment.*
- (9) *The Revenue Cabinet or agency shall have no obligation to refund or otherwise return any of the increment to the taxpayer from whom the increment arose or is attributable. Further, no additional increment resulting from audit, amended returns or other activity for any period shall be transferred to the tax increment financing account after the initial release to the agency of the Commonwealth's increment for that period.*

SECTION 15. A NEW SECTION OF KRS CHAPTER 65.680 TO 65.699 IS CREATED TO READ AS FOLLOWS:

- (1) *A city, county, or agency shall submit an application to the Cabinet for Economic Development for approval of a development area, which includes revenues from the Commonwealth, and the related project, the standards for which the Cabinet for Economic Development and the Tourism Development Cabinet shall establish through their operating procedures or by the promulgation of administrative regulations in accordance with KRS Chapter 13A. The Cabinet for Economic Development shall determine whether the development area and related project described in the application constitutes a project of the type described in KRS Chapter 154 for which the economic development authority shall have the right to approve the development area and related project or KRS Chapter 148 for which the tourism development authority shall have the right to approve the development area and related project. The Cabinet for Economic Development, upon its determination, shall assign the application to the economic development authority or the tourism development authority, as appropriate, for further consideration and approval.*
- (2) *A project otherwise satisfying the requirements of the project as defined in Section 3 of this Act, in order to qualify the project and related development area, in addition shall satisfy all of the following requirements for a project:*
 - (a) *Represent new economic activity in the Commonwealth;*
 - (b) *Result in a minimum capital investment of ten million dollars (\$10,000,000);*
 - (c) *Result in the creation of a minimum of twenty-five (25) new full-time jobs for Kentucky residents to be held by persons subject to the personal income tax of the Commonwealth within two (2) years of the date of the final resolution authorizing the development area and the project;*

- (d) *Result in a net positive economic impact to the economy of the Commonwealth, taking into consideration any substantial adverse impact on existing Commonwealth businesses;*
 - (e) *Generate a minimum of twenty-five percent (25%) of the total revenues derived from the project attributable to sources outside of the Commonwealth during each year a grant contract is in effect;*
 - (f) *Result in a unique contribution to or preservation of the economic vitality and quality of life of a region of the Commonwealth; and*
 - (g) *Not be primarily devoted to the retail sale of goods.*
- (3) *After assignment of the application for the project and related development area by the Cabinet for Economic Development:*
- (a) *The economic development authority or the tourism development authority, as appropriate, shall engage the services of a qualified independent consultant to analyze data related to the project and the development area, who shall prepare a report for the economic development authority or the tourism development authority, as appropriate, with the following findings:*
 - 1. *The percentage of revenues derived from the development area which are generated from business not located in the Commonwealth;*
 - 2. *The estimated amount of increment the development area is expected to generate over a twenty (20) year period from the projected activation date;*
 - 3. *The estimated amount of ad valorem taxes, other than the school or fire district portion of ad valorem taxes, from real property, Kentucky individual income tax, Kentucky sales and use taxes, local insurance premium taxes, occupational license fees, or other such state taxes which would be displaced within the Commonwealth, to reflect economic activity which is being shifted over the twenty (20) year period;*
 - 4. *The estimated increment the development area is expected to generate over the twenty (20) year period, equal to the estimated amount set forth in paragraph (a)2. of this subsection minus the estimated amount set forth in paragraph (a)3. of this subsection; and*
 - 5. *The project or development area will not occur if not for the designation of the development area and granting of increments by the Commonwealth to the development area.*
 - (b) *The independent consultant shall consult with the economic development authority or the tourism development authority, as appropriate, the Office of State Budget Director, the Finance and Administration Cabinet, and the Revenue Cabinet in the development of the report. The Office of State Budget Director, the Finance and Administration Cabinet, and the Revenue Cabinet shall agree as to methodology to be used and assumptions to be made by the independent consultant in preparing its report. On the basis of the independent consultant's report and prior to any approval of a project by the economic development authority or the tourism development authority, as appropriate, the Office of State Budget Director, the Finance and Administration Cabinet, and the Revenue Cabinet shall certify whether there is a projected net positive economic impact to the Commonwealth and the expected amount of incremental state revenues from the project to the economic development authority or tourism development authority, as appropriate. Approval shall not be granted if it is determined that there is no projected net positive economic impact to the Commonwealth.*
 - (c) *The primary project entity shall pay all costs associated with the independent consultant's report.*
- (4) *With respect to each city, county, or agency that applies for approval of a project and development area, the economic development authority or the tourism development authority, as appropriate, shall request materials and make all inquiries concerning the application the economic development authority or the tourism development authority, as appropriate, deems necessary. Upon review of the application and requested materials, and completion of inquiries, the economic development authority or the tourism development authority, as appropriate, may, by resolution grant approval for:*
- (a) *The development area and project for which an application has been submitted;*
 - (b) *The percentage of the Commonwealth's portion of the increment that the Commonwealth agrees to have distributed to the agency each year during the term of the grant contract;*

- (c) *The maximum amount of costs for the project for which the increment may be distributed to the agency; and*
 - (d) *The grant contract.*
- (5) *Prior to any approval by the economic development authority or the tourism development authority, as appropriate, the economic development authority or the tourism development authority shall have received an ordinance adopted by the city or county creating the development area and approving the project and establishing the percentage of increment that the city and county are distributing each year to the agency to pay for the development area for which economic development authority or tourism development authority approval is sought. The economic development authority or the tourism development authority, as appropriate, shall not approve a percentage of the Commonwealth's portion of the increment to be distributed to the agency each year with respect to a development area and project greater than the percentage approved by the city or county creating the development area.*
- (6) *The amount of increment available for a development area shall be no more than eighty percent (80%) per year, but shall in no case exceed twenty-five percent (25%) of the project costs during the term of the grant agreement.*
- (7) *The terms and conditions of each grant contract are subject to negotiations between the economic development authority or the tourism development authority, as appropriate, and the other parties to the grant contract. The grant contract shall include, but not be limited to, the following provisions: the activation date, the agreed taxes to be included in the calculation of the increment, the percentage increment to be contributed by the Commonwealth and other taxing districts, the maximum amount of project costs, a description of the development area and the project, the termination date, and the requirement that the agency annually certify to the economic development authority or tourism development authority, as appropriate, as to the use of the increment for payment of project costs in the development area.*
- (8) *The agency responsible for the development area that enters into the grant contract shall, after each year the grant contract is in effect, certify to the economic development authority or the tourism development authority, as appropriate:*
- (a) *The amount of the increment used during the previous calendar year for the project costs; and*
 - (b) *That more than twenty-five percent (25%) of the total revenues derived from the project during the previous calendar year were attributable to sources outside the Commonwealth.*
- (9) (a) *Any agency that enters into a grant contract for the release of any increments that may arise during the period of a grant contract shall, after each calendar year a grant contract is in effect, notify each taxing district obligated under the grant contract that an increment is due. In consultation with each taxing district, the agency shall determine the respective portion of the total increment due from each taxing district, and the determination of the agency shall be reviewed by an independent certified public accountant. The agency shall submit to the Revenue Cabinet for certification its determination with respect to the total increment due together with the review of the certified public accountant and detailed information concerning ad valorem taxes, Kentucky individual income tax, Kentucky sales and use taxes, local insurance premium taxes, occupational license fees, and other such state taxes as may be determined by the Revenue Cabinet, including withholding taxes of employees of each taxpayer located in the development area.*
- 1. *Upon notification to the agency of the total increment by the Revenue Cabinet and notice from the agency, each taxing district obligated under the grant contract, other than the Commonwealth, shall release to the agency the respective portion of the total increment due under the grant contract. The agency shall certify to the Revenue Cabinet on a calendar year basis the amount of the increments collected.*
 - 2. *Upon certification of the total increment due from the Commonwealth by the Revenue Cabinet, the Cabinet is authorized and directed to transfer the increment to a tax increment financing account established and administered by the Finance and Administration Cabinet for payment of the Commonwealth's portion of the increment. Prior to disbursement by the Finance and Administration Cabinet of the funds from the tax increment financing account, the economic development authority or the tourism development authority, as appropriate, shall notify the Finance and Administration Cabinet that the agency is in compliance with the*

terms of the grant contract. Upon notification, the Finance and Administration Cabinet is authorized and directed to release to the agency the Commonwealth's portion of the total increment due under the grant contract.

- (b) The Revenue Cabinet shall report to the economic development authority or the tourism development authority, as appropriate, on a calendar year basis the amount of the total increment released to an agency.*
- (10) The Revenue Cabinet shall have the authority to establish operating procedures for the administration and determination of the Commonwealth's increment.*
- (11) The Revenue Cabinet or agency shall have no obligation to refund or otherwise return any of the increment to the taxpayer from whom the increment arose or is attributable. Further, no additional increment resulting from audit, amended returns or other activity for any period shall be transferred to the trust account established under subsection (9)(a)2. of this section and administered by the Finance and Administration Cabinet after the initial release to the agency of the Commonwealth's increment for that period.*

Section 16. KRS 103.210 is amended to read as follows:

- (1) In order to promote the economic development of the Commonwealth, promote reconversion to peacetime economy, to relieve conditions of unemployment, to aid in the rehabilitation of returning veterans, to encourage the increase of industry in this state, and to aid in the retention of existing industry through the control of pollution or through conversion of energy facilities to more readily available fuels, any city or county may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building or pollution control facility, either by purchase or construction, but only after an ordinance or resolution has been adopted by the legislative body of the city or the fiscal court of the county, or the governing body of Kentucky Economic Development Finance Authority, if requested by the legislative body of the city or the fiscal court of the county, as the case may be, specifying the proposed undertaking, the maximum amount of bonds to be outstanding at any one (1) time, and the maximum rate of interest the bonds are to bear. This section shall not be deemed to require, however, that such ordinance or resolution be adopted prior to interim financing of the project, if such interim financing was undertaken by the proposed lessee corporation upon the basis of discussions between the corporation and responsible officials of the issuer which were later formally ratified by the appropriate governing body of the issuer. The ordinance or resolution shall further provide that the industrial building or the pollution control facility is to be acquired pursuant to the provisions of KRS 103.200 to 103.285. Each such bond-authorizing ordinance or resolution shall be effective only after publication, in a newspaper authorized to publish official advertisements for the issuer, of the title to said ordinance or resolution, together with a statement signed by the clerk of the issuer setting forth the maximum amount of bonds to be outstanding at any one (1) time, the name of the lessee corporation, and the fact that the bonds are to be retired from the proceeds of either the lease payments as set forth in KRS 103.200 to 103.285, inclusive, or the loan payments or sale payments in the event the industrial building financing transaction is carried out pursuant to a loan agreement, sale agreement, or other ~~tax incentive financing~~ agreement. No publication of the complete ordinance or resolution shall be required, but said ordinance or resolution shall be entered upon the records of the issuer and shall be available for public inspection. ***Any industrial buildings financed by bonds pursuant to KRS 103.200 to 103.285 and leased in connection with the bond financing from a tax-exempt governmental unit, or tax-exempt statutory authority, shall require the prior approval by the Kentucky Economic Development Finance Authority of the reduced ad valorem tax for industrial buildings under KRS 132.020, the standards for which the Kentucky Economic Development Finance Authority shall establish through its operating procedures or by the promulgation of administrative regulations in accordance with KRS Chapter 13A. The authority shall consider, along with other indicators, when establishing standards, the number of jobs to be created, the amount of capital to be invested, and the wages and benefits to be paid.***
- (2) Kentucky Economic Development Finance Authority, any air board established pursuant to KRS 183.132, and any riverport authority established as provided in KRS 65.510 to 65.650, inclusive, shall have and possess all power and authority granted to cities and counties by the provisions of KRS 103.200 to 103.285, excluding condemnation powers under KRS 103.245, for the financing of industrial buildings. For such purposes, the terms "city," "county," and "issuer" as used in KRS 103.200 to 103.285, inclusive, shall also mean and refer to Kentucky Economic Development Finance Authority, any air board established pursuant to KRS 183.132, and any riverport authority established as provided in KRS 65.510 to 65.650. The power and authority granted to

Kentucky Economic Development Finance Authority, any air board, and any riverport authority shall be and constitute an additional and alternative grant of power and authority to such governmental agencies, and shall not be construed as being in derogation of any other powers vested in each of such governmental agencies.

Section 17. KRS 132.020 is amended to read as follows:

- (1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (\$0.315) upon each one hundred dollars (\$100) of value of all real property directed to be assessed for taxation, and one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103, ***upon the prior approval of the Kentucky Economic Development Finance Authority***~~directed to be assessed for taxation~~, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing, and one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (\$0.25) upon each one hundred dollars (\$100) of value of all money in hand, notes, bonds, accounts, and other credits, whether secured by mortgage, pledge, or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value of unmanufactured agricultural products, one-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of value of all farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operations, one-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of value of all livestock and domestic fowl, one-tenth of one cent (\$0.001) upon each one hundred dollars (\$100) of value of all tangible personal property located in a foreign trade zone as designated under 19 U.S.C. sec. 81, fifteen cents (\$0.15) upon machinery actually engaged in manufacturing, fifteen cents (\$0.15) upon commercial radio, television, and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (\$0.15) upon property which has been certified as a pollution control facility as defined in KRS 224.01-300, one-tenth of one cent (\$0.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, or as a fluidized bed energy production facility as defined in KRS 211.390, twenty-five cents (\$0.25) upon each one hundred dollars (\$100) of value of motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043, and forty-five cents (\$0.45) upon each one hundred dollars (\$100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed, except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.300, 136.320, and other sections providing a different tax rate for particular property.
- (2) (a) An annual ad valorem tax for state purposes of one and one-half cents (\$0.015) upon each one hundred dollars (\$100) of value shall be paid upon the following classes of intangible personal properties, when the intangible personal properties have not acquired a taxable situs without this state:
 1. Accounts receivable, notes, bonds, credits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state;
 2. Patents, trademarks, copyrights, and licensing or royalty agreements relating to these;
 3. Notes, bonds, accounts receivable, and all other intercompany intangible personal property due from any affiliated company; and
 4. Tobacco base allotments.
- (b) An annual ad valorem tax for state purposes of one-thousandth of one percent (0.001%) shall be paid upon money in hand, notes, bonds, accounts, credits, and other intangible assets, whether by mortgage, pledge, or otherwise, or unsecured, of financial institutions, as defined in KRS 136.500.
- (3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten percent (10%) of the outstanding voting stock.
- (4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school, or other taxing district on the intangible properties, or directly or indirectly against the owner.
- (5) Thirty cents (\$0.30) of the thirty-one and one-half cents (\$0.315) state tax rate on real property and thirty cents (\$0.30) of the forty-five cents (\$0.45) state tax on tangible personalty subject to local taxation shall be

considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (\$0.30), as certified by the Department of Education, the direct payments shall be reduced proportionately.

- (6) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property to the extent that the increase exceeds the preceding year's assessment by more than four percent (4%), ***excluding the assessment from property which is subject to tax increment financing pursuant to KRS Chapter 65 and the assessment from leasehold property which is owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 and entitled to the reduced rate of one and one-half cents (\$0.015) pursuant to subsection (1) of this section.*** In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.
- (7) By July 1 each year, the cabinet shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of subsection (5) of this section and certify the rate to the county clerks for their use in preparing the tax bills. If the assessments for all counties have not been certified by July 1, the cabinet shall, when either real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been determined to be acceptable by the cabinet, or when the number of counties having at least seventy-five percent (75%) of the total real property assessment for the previous year have been determined to be acceptable by the cabinet, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.
- (8) If the tax rate set by the cabinet as provided in subsection (6) of this section produces more than a four percent (4%) increase in real property tax revenues, ***excluding the revenue from property which is subject to tax increment financing pursuant to KRS Chapter 65 and the revenue from leasehold property which is owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 and entitled to the reduced rate of one and one-half cents (\$0.015) pursuant to subsection (1) of this section,*** the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase shall not exceed four percent (4%) per year.
- (9) The provisions of subsection (6) of this section notwithstanding, the assessed value of unmined coal certified by the cabinet after July 1, 1994, shall not be included with the assessed value of other real property in determining the state real property tax rate. All omitted unmined coal assessments made after July 1, 1994, shall also be excluded from the provisions of subsection (6) of this section. The calculated rate shall, however, be applied to unmined coal property, and the state revenue shall be devoted to the program described in KRS 146.550 to 146.570, except that four hundred thousand dollars (\$400,000) of the state revenue shall be paid annually to the State Treasury and credited to the Kentucky Coal Council for the purpose of public education of coal-related issues.
- (10) Effective on or after January 1, 1990, an ad valorem tax for state purposes of five cents (\$0.05) upon each one hundred dollars (\$100) of value shall be paid upon goods held for sale in the regular course of business, which, on or after January 1, 1999, includes machinery and equipment held in a retailer's inventory for sale or lease originating under a floor plan financing arrangement; and raw materials, which includes distilled spirits and distilled spirits inventory, and in-process materials, which includes distilled spirits and distilled spirits inventory, held for incorporation in finished goods held for sale in the regular course of business.
- (11) An ad valorem tax for state purposes of ten cents (\$0.10) per one hundred dollars (\$100) of assessed value shall be paid on the operating property of railroads or railway companies that operate solely within the Commonwealth.
- (12) An ad valorem tax for state purposes of one and one-half cents (\$0.015) per one hundred dollars (\$100) of assessed value shall be paid on aircraft not used in the business of transporting persons or property for compensation or hire.
- (13) An ad valorem tax for state purposes of one and one-half cents (\$0.015) per one hundred dollars (\$100) of assessed value shall be paid on federally documented vessels not used in the business of transporting persons or property for compensation or hire, or for other commercial purposes.

Section 18. KRS 154.20-010 is amended to read as follows:

- (1) There is created and established within the cabinet, subject to the authority of the board, the Kentucky Economic Development Finance Authority as an agency, instrumentality, and political subdivision of the Commonwealth and a public body corporate and politic with all powers, duties, and responsibilities delegated to it by the board or as otherwise provided by law, including, all programs, powers, duties, rights, and obligations of the Kentucky Development Finance Authority and the Kentucky Rural Economic Development Authority.
- (2) Any interest, right, or cause of action held in whole or in part by any person, corporation, limited liability company, partnership, registered limited liability partnership, government agency, or other entity under any agreement, contract, lease, mortgage, guarantee, bond, note, refund bond, or other financial transaction or obligation, made, issued, or otherwise entered into by any of the authorities, programs, or funds specified in subsection (1) of this section or that may be delegated to the authority by the board, shall not be impaired or otherwise diminished.
- (3) Any interest, right, or cause of action held in whole or in part by any of the authorities, programs, or funds specified in subsection (1) of this section shall not be impaired or otherwise diminished, but shall be assumed by the authority, for and on behalf of the cabinet.
- (4) The authority shall consist of a committee of seven (7) persons, including six (6) persons appointed by the board who shall be private citizens of the Commonwealth, and the secretary of the Finance and Administration Cabinet who shall serve ex officio. Any person appointed to the committee shall have experience and expertise in business or finance.
- (5) Two (2) members initially appointed to the committee shall have a term of one (1) year each, two (2) members initially appointed to the committee shall have a term of two (2) years each, and two (2) members initially appointed to the committee shall have a term of three (3) years each, except that any person appointed to fill a vacancy shall serve only for the remainder of the unexpired term. All subsequent appointments shall be for a term of three (3) years.
- (6) Any person appointed to the committee shall be eligible for reappointment, including any member of the committee appointed prior to July 15, 1994.
- (7) The members of the committee shall elect biennially from the committee's private citizen membership the following officers: chairman, vice chairman, secretary-treasurer, and any assistant secretaries and assistant treasurers the committee deems necessary.
- (8) A majority of the members of the committee, determined by excluding any existing vacancies from the total number of members, shall constitute a quorum. ***A majority vote of the members present at a duly called meeting of the committee shall be required*** for the purposes of conducting its business and exercising its powers and for all other purposes.
- (9) The committee shall prepare bylaws and procedures applicable to the operations of the authority and submit them to the board to be promulgated as administrative regulations in accordance with KRS Chapter 13A.
- (10) Members of the committee shall be entitled to compensation for their services in an amount of one hundred dollars (\$100) for each regular meeting of the committee and shall be entitled to reimbursement for all necessary expenses in connection with the performance of their duties.

Section 19. KRS 154.22-010 is amended to read as follows:

The following words and terms as used in KRS 154.22-010 to 154.22-080, unless the context clearly indicates a different meaning, shall have the following meanings:

- (1) ***"Activation date" means a date selected by an approved company in the tax incentive agreement at any time within a two (2) year period after the date of final approval of the tax incentive agreement by the authority;***
- (2) "Affiliate" means the following:
 - (a) Members of a family, including only brothers and sisters of the whole or half blood, spouse, ancestors, and lineal descendants of an individual;
 - (b) An individual, and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for that individual;

- (c) An individual, and a limited liability company of which more than fifty percent (50%) of the capital interest or profits are owned or controlled, directly or indirectly, by or for that individual;
- (d) Two (2) corporations which are members of the same controlled group, which includes and is limited to:
 - 1. One (1) or more ~~chains~~^{claims} of corporations connected through stock ownership with a common parent corporation if:
 - a. Stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each of the corporations, except the common parent corporation, is owned by one (1) or more of the other corporations; and
 - b. The common parent corporation owns stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of at least one (1) of the other corporations, excluding, in computing the voting power or value, stock owned directly by the other corporations; or
 - 2. Two (2) or more corporations if five (5) or fewer persons who are individuals, estates, or trusts own stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each person only to the extent the stock ownership is identical with respect to each corporation;
- (e) A grantor and a fiduciary of any trust;
- (f) A fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts;
- (g) A fiduciary of a trust and a beneficiary of that trust;
- (h) A fiduciary of a trust and a beneficiary of another trust, if the same person is a grantor of both trusts;
- (i) A fiduciary of a trust and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;
- (j) A fiduciary of a trust and a limited liability company more than fifty percent (50%) of the capital interest, or the interest in profits, of which is owned directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;
- (k) A corporation and a partnership, including a registered limited liability partnership, if the same persons own:
 - 1. More than fifty percent (50%) in value of the outstanding stock of the corporation; and
 - 2. More than fifty percent (50%) of the capital interest, or the profits interest, in the partnership, including a registered limited liability partnership;
- (l) A corporation and a limited liability company if the same persons own:
 - 1. More than fifty percent (50%) in value of the outstanding stock of the corporation; and
 - 2. More than fifty percent (50%) of the capital interest or the profits in the limited liability company;
- (m) A partnership, including a registered limited liability partnership, and a limited liability company if the same persons own:
 - 1. More than fifty percent (50%) of the capital interest or profits in the partnership, including a registered limited liability partnership; and
 - 2. More than fifty percent (50%) of the capital interest or the profits in the limited liability company;

- (n) An S corporation and another S corporation if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation, S corporation designation being the same as that designation under the Internal Revenue Code of 1986, as amended; or
- (o) An S corporation and a C corporation, if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation; S and C corporation designations being the same as those designations under the Internal Revenue Code of 1986, as amended;{ }
- (3){(2)} "Agribusiness" means any activity involving the processing of raw agricultural products, including timber, or the providing of value-added functions with regard to raw agricultural products;{ }
- ~~(3) "Electric generation" means the generation of electricity for resale by means of combusting at least fifty percent (50%) of the total fuel used to generate electricity from coal or from gas derived from coal. }~~
- (4) "Approved company" means any eligible company seeking to locate an economic development project in a qualified county, which eligible company is approved by the authority pursuant to KRS 154.22-010 to 154.22-080;{ }
- (5) "Approved costs" means:
 - (a) Obligations incurred for labor and to contractors, subcontractors, builders, and materialmen in connection with the acquisition, construction, installation, equipping, and rehabilitation of an economic development project;
 - (b) The cost of acquiring land or rights in land and any cost incidental thereto, including recording fees;
 - (c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, installation, equipping, and rehabilitation of an economic development project which is not paid by the contractor or contractors or otherwise provided for;
 - (d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all the duties required by or consequent upon the acquisition, construction, installation, equipping, and rehabilitation of an economic development project;
 - (e) All costs which shall be required to be paid under the terms of any contract or contracts for the acquisition, construction, installation, equipping, and rehabilitation of an economic development project; and
 - (f) All other costs of a nature comparable to those described above;{ }
- (6) "Assessment" means the job development assessment fee authorized by KRS 154.22-010 to 154.22-080;{ }
- (7) "Authority" means the Kentucky Economic Development Finance Authority as created in KRS 154.20-010;{ }
- (8) ***"Average hourly wage" means the most current wage and employment data published by the Department for Employment Services in the Kentucky Cabinet for Workforce Development collectively translated into wages per hour based on a two thousand and eighty (2,080) hour work year for the following sectors:***
 - (a) Manufacturing;***
 - (b) Transportation, communications and public utilities;***
 - (c) Wholesale and retail trade;***
 - (d) Finance, insurance and real estate; and***
 - (e) Services;***
- ~~{ "Bonds" means the revenue bonds, notes, or other debt obligations of the authority authorized to be issued by the authority, eligible companies, or other state agency. }~~
- (9) "Commonwealth" means the Commonwealth of Kentucky;{ }
- (10) (a) "Economic development project" means and includes:
 - 1. The acquisition of ownership in any real estate in a qualified county by the authority, the approved manufacturing or agribusiness company, or its affiliate;

2. The present ownership of real estate in a qualified county by the approved manufacturing or agribusiness company or its affiliate;
 3. The acquisition or present ownership of improvements or facilities, as described in paragraph (b) of this subsection, on land which is possessed or is to be possessed by the approved manufacturing or agribusiness company pursuant to a ground lease having a term of sixty (60) years or more; and
 4. The new construction of an electric generation facility;{+}
- (b) For purposes of subparagraphs 1. and 2. of paragraph (a) of this subsection, ownership of real estate shall only include fee ownership of real estate and possession of real estate pursuant to a capital lease as determined in accordance with Statement of Financial Accounting Standards No. 13, Accounting for Leases, issued by the Financial Accounting Standards Board, November 1976. With respect to subparagraphs 1., 2., and 3. of paragraph (a) or paragraph (b) of this subsection, the construction, installation, equipping, and rehabilitation of improvements, including fixtures and equipment, and facilities necessary or desirable for improvement of the real estate, including surveys; site tests and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries, and other surface obstructions; filling, grading, and provision of drainage, storm water retention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; off-site construction of utility extensions to the boundaries of the real estate; and the acquisition, installation, equipping, and rehabilitation of manufacturing facilities on the real estate, for use and occupancy by the approved company or its affiliates for manufacturing purposes, electric generation, or for agribusiness purposes. Pursuant to subparagraph 3. of paragraph (a) of this subsection, an economic development project shall not include lease payments made pursuant to a ground lease for purposes of the tax credits provided under the provisions of KRS 154.22-010 to 154.22-080;{+}
- (11) ***"Electric generation" means the generation of electricity for resale by means of combusting at least fifty percent (50%) of the total fuel used to generate electricity from coal or from gas derived from coal;***
- (12) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other entity engaged in manufacturing, electric generation, or in agribusiness;{+}
- (13) ***"Employee benefits" means nonmandated costs paid by an eligible company for its full-time employees for health insurance, life insurance, dental insurance, vision insurance, defined benefits, 401(K) or similar plans;***
- ~~(14){(12)} "Final approval" means the action taken by the authority authorizing the eligible company to receive inducements under this subchapter;{-~~
- ~~(13) "Financing agreement" means any agreement entered into, pursuant to KRS 154.22-010 to 154.22-080, on behalf of the authority or other lenders, or both, and an approved company with respect to an economic development project.{-~~
- (15) ***"Full-time employee" means a person employed by an approved company for a minimum of thirty-five (35) hours per week and subject to the state income tax imposed by KRS 141.020;***
- ~~(16){(14)} "Inducements" means the assessment and the income tax credits allowed by KRS 154.22-060;{-~~
- ~~(17){(15)} "Manufacturing" means any activity involving the manufacturing, processing, assembling, or production of any property, including the processing resulting in a change in the conditions of the property and any activity related to it, together with the storage, warehousing, distribution, and related office facilities; however, "manufacturing" shall not include mining, coal or mineral processing, or extraction of minerals;{-~~
- ~~(18){(16)} "Preliminary approval" means the action taken by the authority conditioning final approval by the authority upon satisfaction by the eligible company of the requirements under this subchapter;{-~~
- ~~(19){(17)} "Qualified county" means any county certified as such by the authority pursuant to KRS 154.22-010 to 154.22-080;{-~~
- ~~(20){(18)} "Revenues" shall not be considered state funds;{-~~
- ~~(21){(19)} "State agency" shall have the meaning assigned to the term in KRS 56.440(8); and~~

- (22) *"Tax incentive agreement" means the agreement entered into, pursuant to Section 21 of this Act, between the authority and an approved company with respect to an economic development project.*

Section 20. KRS 154.22-040 is amended to read as follows:

- (1) Each year the authority shall under its Rural Economic Development Assistance Program, on the basis of the final unemployment figures calculated by the Department for Employment Services within the Cabinet for Workforce Development, determine which counties have had a countywide rate of unemployment exceeding the statewide unemployment rate of the Commonwealth in the most recent five (5) consecutive calendar years, or which have had an average countywide rate of unemployment exceeding the statewide unemployment rate of the Commonwealth by two hundred percent (200%) in the most recent ~~calendar year~~ ~~[twelve (12) consecutive months for which unemployment figures are available]~~, and shall certify those counties as qualified counties. ***A county not certified on the basis of final unemployment figures may also be certified as a qualified county if the authority determines the county is one (1) of the sixty (60) most distressed counties in the Commonwealth based on the following criteria with equal weight given to each criterion:***
- (a) *The average countywide rate of unemployment in the most recent three (3) consecutive calendar years, on the basis of final unemployment figures calculated by the Department for Employment Services in the Cabinet for Workforce Development;*
 - (b) *In each county the percentage of adults twenty-five (25) years of age and older who have attained at least a high school education or equivalent, on the basis of the most recent data available from the United States Department of Commerce, Bureau of the Census; and*
 - (c) *Road quality, as quantified by the access within a county to roads ranked in descending order from best quality to worst quality as follows: two (2) or more interstate highways, one (1) interstate highway, a state four (4) lane parkway, four (4) lane principal arterial access to an interstate highway, state two (2) lane parkway and none of the preceding road types, as certified by the Kentucky Transportation Cabinet to the authority.*

If the authority determines that a county which has previously been certified as a qualified county no longer ~~[has an unemployment rate that]~~ meets the criteria of this subsection, the authority shall decertify that county. The authority shall not ***provide inducements for*** ~~[finance]~~ any facilities in that county and an approved company shall not be eligible for the ***inducements*** ~~[incentives]~~ offered by KRS 154.22-010 to 154.22-070 unless the ***tax incentive*** ~~[financing]~~ agreements required herein are entered into by all parties prior to July 1 of the year following the calendar year in which the authority decertified that county. ***In addition, the authority shall certify coal-producing counties, not otherwise certified as qualified counties in this subsection, for economic development projects involving the new construction of electric generation facilities*** ~~[the authority shall certify every coal-producing county as a qualified county]~~. A coal producing county shall mean a county in the Commonwealth of Kentucky that has produced coal upon which the tax imposed under KRS 143.020 was paid at any time. ***For economic development projects undertaken in a regional industrial park, as defined in Section 1 of this Act, or in an industrial park created pursuant to an interlocal agreement in which revenues are shared as provided in KRS 65.245, where the physical boundaries of the industrial park lie within two (2) or more counties of which at least one (1) of the counties is a qualified county under this section, an eligible company undertaking an economic development project within the physical boundaries of the industrial park may be approved for the inducements under KRS 154.22-010 to 154.22-080.***

- (2) The authority shall establish the procedures and standards for the determination and approval of eligible companies and their economic development projects by the promulgation of administrative regulations in accordance with KRS Chapter 13A. The criteria for approval of eligible companies and economic development projects shall include but not be limited to the creditworthiness of eligible companies; the number of new jobs to be provided by an economic development project to residents of the Commonwealth; and the likelihood of the economic success of the economic development project.
- (3) The economic development project shall involve a minimum investment of one hundred thousand dollars (\$100,000) by the eligible company and shall result in the creation by the eligible company, within two (2) years from the date of the final approval authorizing the economic development project, of a minimum of fifteen (15) new full-time jobs at the site of the economic development project for Kentucky residents to be employed by the eligible company and to be held by persons subject to the personal income tax of the Commonwealth. The authority may extend this two (2) year period upon the written application of an eligible company requesting an extension.

- (4) (a) *Within six (6) months after the activation date, the approved company shall compensate a minimum of ninety percent (90%) of its full-time employees whose jobs were created with base hourly wages equal to either:*
1. *Seventy-five percent (75%) of the average hourly wage for the Commonwealth; or*
 2. *Seventy-five percent (75%) of the average hourly wage for the county in which the project is to be undertaken.*
- (b) *If the base hourly wage calculated in subparagraph (a)1. or (a)2. of this subsection is less than one hundred fifty percent (150%) of the federal minimum wage, then the base hourly wage shall be one hundred fifty percent (150%) of the federal minimum wage. In addition to the applicable base hourly wage calculated above, the eligible company shall provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage; however, if the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, the eligible company may qualify under this section if it provides the employees hired by the eligible company as a result of the economic development project total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the applicable base hourly wage through increased hourly wages combined with employee benefits.*

For an eligible company, within a regional industrial park which lies within two (2) or more counties, the calculation of the wage and benefit requirement shall be determined by averaging the average county hourly wage for all counties within the regional industrial park.

- (5) No economic development project which will result in the replacement of **agribusiness**, manufacturing, or electric generation facilities existing in the state shall be approved by the authority; however, the authority may approve an economic development project that:
- (a) Rehabilitates **an agribusiness**,~~an~~ manufacturing, or electric generation facility:
 1. Which has not been in operation for a period of ninety (90) or more consecutive days; or
 2. *For which the current occupant of the facility has published a notice of closure so long as the eligible company intending to acquire the facility is not an affiliate of the current occupant; or*
 3. The title to which is vested in other than the eligible company or an affiliate of the eligible company and that is sold or transferred pursuant to a foreclosure ordered by a court of competent jurisdiction or an order of a bankruptcy court of competent jurisdiction;
 - (b) Replaces **an agribusiness**,~~an~~ manufacturing, or electric generation facility existing in the Commonwealth:
 1. The title to which shall have been taken under the exercise of the power of eminent domain, or the title to which shall be the subject of a nonappealable judgment granting the authority to exercise the power of eminent domain, in either event to the extent that normal operations cannot be resumed at the facility within twelve (12) months; or
 2. Which has been damaged or destroyed by fire or other casualty to the extent that normal operations cannot be resumed at the facility within twelve (12) months; or
 - (c) Replaces an existing **agribusiness**, manufacturing, or electric generation facility located in the same qualified county, and the existing **agribusiness**, manufacturing, or electric generation facility to be replaced cannot be expanded due to the unavailability of real estate at or adjacent to the **agribusiness**, manufacturing, **or electric generation** facility to be replaced. Any economic development project satisfying the requirements of this subsection shall only be eligible for inducements to the extent of the expansion, and no inducements shall be available for the equivalent of the **agribusiness** manufacturing, or electric generation facility to be replaced. No economic development project otherwise satisfying the requirements of this subsection shall be approved by the authority which results in a lease abandonment or lease termination by the approved company without the consent of the lessor.

- ~~(6)(4)~~ With respect to each eligible company making an application to the authority for inducements, and with respect to the economic development project described in the application, the authority shall request materials and make inquiries of the applicant as necessary or appropriate. Upon review of the application and completion of initial inquiries, the authority may, by resolution, give its preliminary approval by designating an eligible

company as a preliminarily approved company and authorizing the undertaking of the economic development project. After preliminary approval ~~and completion by the eligible company of its bond, loan, or other financing and review thereof by the authority,~~ the authority may by final approval designate an eligible company to be an approved company.

Section 21. KRS 154.22-050 is amended to read as follows:

The authority may enter into, with any approved company, a ***tax incentive*** ~~financing~~ agreement with respect to its economic development project, upon adoption of a resolution authorizing the ***tax incentive*** ~~financing~~ agreement. Subject to the inclusion of the mandatory provisions set forth below, the terms and provisions of each ***tax incentive*** ~~financing~~ agreement shall be determined by negotiations between the authority and the approved company.

- (1) ***The tax incentive agreement shall set forth the maximum amount of inducements available to the approved company for recovery of the approved costs authorized by the authority and expended by the approved company.***
- (2) ***The approved company shall expend the authorized approved costs for the economic development project within three (3) years of the date of the final approval by the authority.***
- (3) ***The approved company shall provide the authority with documentation as to the expenditures for approved costs in a manner acceptable to the authority.***
- (4) ***The term of the tax incentive agreement shall commence upon the activation date and will terminate upon the earlier of the full receipt of the maximum amount of inducements by the approved company or fifteen (15) years after the activation date.***
- (5) ***The tax incentive agreement shall include the activation date. To implement the activation date, the approved company shall notify the authority, the Revenue Cabinet, and the approved company's employees of the activation date when the implementation of the inducements authorized in the tax incentive agreement shall occur. If the approved company does not satisfy the minimum investment and minimum employment requirements of subsection (3) of Section 20 of this Act by the activation date, the approved company shall not be entitled to receive inducements pursuant to this subchapter until the approved company satisfies the requirements; however, the fifteen (15) year period for the term of the tax incentive agreement shall begin from the activation date. Notwithstanding the previous sentence, if the approved company does not satisfy the minimum investment and minimum employment requirements of subsection (3) of Section 20 of this Act within two (2) years from the date of final approval of the tax incentive agreement, then the approved company shall be ineligible to receive inducements under this subchapter unless an extension is approved by the authority.***
- (6) ***The approved company shall comply with the hourly wage criteria set forth in subsection (4) of Section 20 of this Act and provide documentation in connection with hourly wages paid to its full-time employees hired as a result of the economic development project in a manner acceptable to the authority.***
- (7) ***The approved company may be permitted the following inducements during the term of the tax incentive agreement:***
 - (a) ***A one-hundred percent (100%) credit against the Kentucky income tax that would otherwise be owed in the approved company's fiscal year, as determined under KRS 141.347, to the Commonwealth by the approved company on the income of the approved company generated by or arising from the economic development project; and***
 - (b) ***The aggregate assessments withheld by the approved company in each year.***
- (8) ***The income tax credited to the approved company shall be credited for the fiscal year for which the tax return of the approved company is filed. The total inducements may not exceed authorized cumulative approved costs paid by the approved company in the period commencing with the date of final approval.***
- (9) ***The approved company shall not be required to pay estimated income tax payments as prescribed in KRS 141.042 on the Kentucky taxable income generated by or arising from the economic development project.***
- (10) ***The tax incentive agreement may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to that effect.***
- (11) ***The tax incentive agreement shall provide that if an approved company fails to comply with its obligations under the tax incentive agreement then the authority shall have the right, at its option, to:***

- (a) *Suspend the income tax credits and assessments available to the approved company;*
 - (b) *Pursue any remedy provided under the tax incentive agreement, including termination thereof; and*
 - (c) *Pursue any other remedy at law to which it may be entitled.*
- (12) *All remedies provided in subsection (11) of this section shall be deemed to be cumulative.*~~If an eligible company, at the time of submission of its application to the authority to become an approved company, requests the authority in writing to issue bonds on its behalf, then each financing agreement used in connection with the issuance of bonds by the authority shall include the following provisions:~~
- ~~(a) The term of a financing agreement shall not be less than the last maturity of the bonds issued with respect to the economic development project, except that the financing agreement may terminate upon the earlier redemption of all of the bonds issued with respect to the economic development project and, if the authority owns the economic development project, the authority may grant to the approved company or its affiliate an option to purchase, for the consideration the authority may approve, the economic development project from the authority upon the termination of the financing agreement. Nothing in this subsection shall limit the extension of the term of a financing agreement if there is a refunding of the correlative bonds or otherwise.~~
 - ~~(b) All proceeds of any bonds incurred in connection with the economic development project shall be expended by the approved company within three (3) years from the date of the financing agreement. In the event that all proceeds of bonds incurred in connection with the economic development project are not fully expended within the three (3) year period, the amount of the authorized inducements shall automatically be reduced to and shall not be greater than the amount of proceeds actually expended by the approved company within the three (3) year period.~~
 - ~~(c) The financing agreement shall specify that the annual obligations of the approved company pursuant to KRS 154.22 010 to 154.22 080 shall equal in each year the annual debt service for that year on the bonds issued with respect to the economic development project; and the approved company shall pay such obligation of the financing agreement to the trustee for bonds issued for the benefit of the approved company, at such time and in such amounts sufficient to amortize such bonds.~~
 - ~~(d) 1. In consideration for financing agreement payment, the approved company may be permitted the following during the period of time not to exceed fifteen (15) years from the activation date in which the financing agreement is in effect, which period of time shall commence for purposes of the following upon the date of the financing agreement.~~
 - ~~a. A one hundred percent (100%) credit against the Kentucky income tax that otherwise would be owed in the year, as determined under KRS 141.347, to the Commonwealth by the approved company on the income of the approved company generated by or arising out of the economic development project, the credit not to exceed the total debt service paid under the respective financing agreement; plus~~
 - ~~b. The aggregate assessment withheld by the approved company in each year.~~
 - ~~2. The income tax credited to the approved company referred to herein shall be credited for the fiscal year for which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed in KRS 141.042.~~
 - ~~(e) 1. The financing agreement shall provide that the assessments, when added to the credit for the Kentucky income tax herein granted, shall not exceed the total financing agreement annual payment by the approved company in any year; however, to the extent that financing agreement annual payments exceed credits received and assessments collected in any year, the excess payment may be recouped from excess credits or assessment collections in succeeding years.~~
 - ~~2. If in any fiscal year of the approved company during which the financing agreement is in effect the total of the income tax credit granted to the approved company plus the assessment collected from the wages of the employees equals the annual payment pursuant to the financing agreement, and if all excess payments pursuant to the financing agreement accumulated in prior years have been recouped, the assessment collected from the wages of the employees shall cease for the remainder of that fiscal year of the approved company, and the approved company shall resume~~

~~normal personal income tax and occupational license fee withholdings from the employees' wages for the remainder of that fiscal year.~~

3. ~~If in any fiscal year of the approved company during which the financing agreement is in effect, the total of the income tax credit granted to the approved company plus the assessment collected from the wages of the employees exceeds the annual payment pursuant to the financing agreement, and if all excess payments pursuant to the financing agreement accumulated in prior years have been recouped, the approved company shall pay the excess to the Commonwealth as income tax.~~
4. ~~If in any fiscal year of the approved company during which the financing agreement is in effect the assessment collected from the wages of the employees exceeds the annual payment pursuant to the financing agreement, and if all excess payments pursuant to the financing agreement accumulated in prior years have been recouped, the assessment collected from the wages of the employees shall cease for the remainder of that fiscal year of the approved company, the approved company shall resume normal personal income tax and occupational license fee withholdings from the employees' wages for the remainder of that fiscal year, and the approved company shall remit to the Commonwealth and applicable local jurisdictions their respective shares of the excess assessment collected on the withholding filing date for employees' wages next succeeding the first date when the approved company collected excess assessments.~~

(f) ~~The financing agreement shall provide in substance that:~~

1. ~~It may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to such effect; and~~
2. ~~Upon default by the approved company in any obligations under the financing agreement or other documents evidencing, securing, or related to the approved company's obligations, the authority, or any of its assignees, shall have the right, at its option, to declare the financing agreement or other such documents in default; and~~
 - a. ~~Accelerate and declare the total of all such payments due by the approved company and sell the economic development project at public, private, or judicial sale;~~
 - b. ~~Pursue any remedy provided under the financing agreement or other such documents;~~
 - c. ~~Pursue all other remedies available to it under the Kentucky Uniform Commercial Code;~~
 - d. ~~Be entitled to the appointment of a receiver by the Circuit Court wherein any part of the economic development project is located; and~~
 - e. ~~Pursue any other remedy at law to which it appears entitled.~~
3. ~~All remedies provided in subsection (1)(f)2. of this section shall be deemed cumulative.~~

(2) ~~If an eligible company, at the time of submission of its application to the authority to become an approved company, does not request the authority in writing to issue bonds on its behalf, then each financing agreement used in connection with loans or other financing (other than bonds issued by the authority for which subsection (1) of this section shall be used) shall include the following provisions:~~

- (a) ~~The term of a financing agreement, which shall commence on the date of the financing agreement, shall not be longer than:~~
 1. ~~The maturity of any loan or other financing incurred in connection with the economic development project, except that the financing agreement may terminate upon the earlier prepayment of all loans or other financing incurred in connection with the economic development project; or~~
 2. ~~Fifteen (15) years from the activation date.~~
 3. ~~Nothing in this subsection shall limit the extension of the term of a financing agreement if there is a refinancing of the loans or other financing. The authority shall not own an economic development project that is the subject of this form of financing agreement.~~
- (b) ~~All proceeds of any loan or other financing incurred in connection with the economic development project shall be expended by the approved company within three (3) years from the date of the financing~~

agreement. In the event that all proceeds of any loan or other financing incurred in connection with the economic development project are not fully expended within the three (3) year period, the authorized inducements shall automatically be reduced to and shall not be greater than the amount of proceeds actually expended by the approved company within the three (3) year period.

- (c) 1. The approved company may be permitted the following during the term of the financing agreement:
 - a. A one hundred percent (100%) credit against the Kentucky income tax that otherwise would be owed in the year, as determined under KRS 141.347, to the Commonwealth by the approved company on the income of the approved company generated by or arising out of the economic development project, such credit not to exceed the total debt service paid with respect to the loans or other financing incurred in connection with the economic development project; plus
 - b. The aggregate assessment withheld by the approved company in each year.
- 2. The income tax credited to the approved company shall be credited for the fiscal year for which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed in KRS 141.042.
- (d) 1. The financing agreement shall provide that the assessments, when added to the credit for the Kentucky income tax as provided in KRS 154.22-060, shall not exceed the total annual debt service payments of the approved company with respect to the loans or other financing incurred in connection with the economic development project in any year; however, to the extent that such annual debt service payments exceed credits received and assessments collected in any year, the excess payment may be recouped from excess credits or assessment collections in succeeding years.
- 2. If, in any fiscal year of the approved company during which the financing agreement is in effect, the total of the income tax credit granted to the approved company, plus the assessment collected from the wages of the employees, equals the annual debt service payments with respect to the loans or other financing incurred in connection with the economic development project, and if all excess payments with respect to the loans or other financing incurred in connection with the economic development project accumulated in prior years have been recouped, the assessment collected from the wages of the employees shall cease for the remainder of that fiscal year of the approved company and the approved company shall resume normal personal income tax and occupational license fee withholdings from the employees' wages for the remainder of that fiscal year.
- 3. If in any fiscal year of the approved company during which the financing agreement is in effect the total of the income tax credit granted to the approved company plus the assessment collected from the wages of the employees exceeds the annual payment pursuant to the financing agreement, and if all excess payments pursuant to the financing agreement accumulated in prior years have been recouped, the approved company shall pay the excess to the Commonwealth as income tax.
- 4. If in any fiscal year of the approved company during which the financing agreement is in effect the assessment collected from the wages of the employees exceeds the annual payment pursuant to the financing agreement, and if all excess payments pursuant to the financing agreement accumulated in prior years have been recouped, the assessment collected from the wages of the employees shall cease for the remainder of that fiscal year of the approved company, the approved company shall resume normal personal income tax and occupational license fee withholdings from the employees' wages for the remainder of that fiscal year, and the approved company shall remit to the Commonwealth and applicable local jurisdictions their respective shares of the excess assessment collected on the withholding filing date for employees wages next succeeding the first date when the approved company collected excess assessments.
- (e) The financing agreement shall provide in substance that it may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to that effect.

- (f) ~~The financing agreement shall provide that an approved company shall require of any lender to the approved company funding the loans or other financing incurred in connection with the economic development project written evidence to be provided to the authority of payments of all annual debt service to such lender. Such evidence shall be provided to the authority within forty five (45) days after the end of each fiscal year of the financing agreement.~~
- (g) ~~The financing agreement shall provide that if an approved company fails to comply with its respective obligations under the financing agreement, or that the lender to an approved company fails to comply with its requirements set forth in subsection (2)(f) of this section, or is declared in default under the loans or other financing incurred in connection with the economic development project, then the authority, or any of its assignees, shall have the right, at its option, to:~~
- ~~1. Suspend the availability of the income tax credits and job development assessment fees to the approved company;~~
 - ~~2. Pursue any remedy provided under the financing agreement, including termination thereof; and~~
 - ~~3. Pursue any other remedy at law to which it appears entitled.~~
- (3) ~~All remedies provided in subsection (2)(g) of this section shall be deemed cumulative.~~
- (4) ~~Pursuant to this section, the activation date shall be established by the approved company in the financing agreement at any time in a two (2) year period after the date of final approval of the financing agreement by the authority. To implement the activation date, the approved company shall notify the authority, the Revenue Cabinet, and the approved company's employees of the activation date when the implementation of the inducements authorized in the financing agreement shall occur. If the approved company does not satisfy the minimum investment and minimum employment requirements of KRS 154.22-040(3) by the activation date, the approved company shall not be entitled to receive inducements pursuant to this subchapter until the approved company satisfies the requirements; however, the fifteen (15) year period for the term of the financing agreement shall begin from the activation date. Notwithstanding the previous sentence, if the approved company does not satisfy the minimum investment and minimum employment requirements of KRS 154.22-040(3) within two (2) years from the date of final approval of the financing agreement, then the approved company shall be ineligible to receive inducements under this subchapter unless an extension is approved by the authority.]~~

Section 22. KRS 154.22-060 is amended to read as follows:

- (1) The approved company shall be entitled to a credit against the Kentucky income tax liability mandated by KRS Chapter 141, on any income that may result from the operation of the approved economic development project; the credit shall be equal to the total amount of the tax liability, and together with the aggregate assessments not to exceed the *maximum amount of inducements as set forth in the tax incentive agreement* ~~{total debt service paid}~~:
 - (a) ~~Under the financing agreement in connection with the economic development project financed by bonds as described in KRS 154.22-050(1); or~~
 - (b) ~~On loans or other financing, as described in KRS 154.22-050(2), incurred in connection with the economic development project, as described in KRS 154.22-050(2)}.~~
- (2) By October 1 of each year, the Revenue Cabinet of the Commonwealth shall certify to the authority in the form of an annual report, aggregate income tax credits claimed on tax returns filed during the fiscal year ending June 30 of that year, and assessments taken by approved companies with respect to their economic development projects during the prior calendar year under this subchapter, and shall certify to the authority, within ninety (90) days from the date an approved company has filed its state income tax return, when an approved company has taken income tax credits equal to its total inducements.

Section 23. KRS 154.22-070 is amended to read as follows:

- (1) The approved company *or, with the authority's consent, an affiliate of the approved company* may require that each employee subject to state tax imposed by KRS 141.020, as a condition of employment, agree to pay *an* ~~{a job development}~~ assessment ~~{fee}~~, equal to four percent (4%) of the gross wages of each employee whose job was created as a result of the economic development project, for the purpose of *recovering authorized approved costs as set forth in the tax incentive agreement*. ~~{retiring}~~:
 - (a) ~~The bonds, as described in KRS 154.22-050(1), which fund the economic development project; or~~

~~(b) The loans or other financing as described in KRS 154.22-050(2), incurred in connection with the economic development project.]~~

- (2) Each employee so assessed shall be entitled to credits against Kentucky income tax equal to the ~~job development] assessment[fee]~~ withheld from wages during the calendar year as provided by KRS 141.310 and 141.350.
- (3) If an approved company shall elect to impose the assessment as a condition of employment, it shall be authorized to deduct the assessment from each paycheck of each employee.
- (4) Any approved company collecting an assessment as provided in subsection (1) of this section shall make its payroll books and records available to the authority at such reasonable times as the authority shall request and shall file with the authority documentation respecting the assessment as the authority may require.

~~[(5) Any assessment of the wages of employees of an approved company in connection with their employment at an economic development project pursuant to subsection (1) of this section shall permanently lapse on the date:~~

~~(a) The bonds, as described in KRS 154.22-050(1), are retired; or~~

~~(b) Any loans or other financing, as described in KRS 154.22-050(2), incurred in connection with the economic development project mature or are prepaid in full.]~~

SECTION 24. A NEW SECTION OF SUBCHAPTER 22 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

If the authority adopts a preliminary resolution designating an eligible company as an approved company and preliminarily approving the project of the eligible company as an economic development project prior to July 15, 2002, and the authority adopts a final resolution approving the eligible company as an approved company and the project of the eligible company as an economic development project, and the authority and the eligible company enter into a financing agreement no later than June 30, 2003, then the approved company thereafter shall be subject to KRS 154.22-010 to 154.22-100 as in effect prior to July 15, 2002.

Section 25. KRS 154.23-010 is amended to read as follows:

As used in KRS 154.23-005 to 154.23-079, unless the context clearly indicates otherwise:

- (1) "Approved company" means an eligible company that locates an economic development project in a qualified zone, as provided for in KRS 154.23-030;
- (2) "Approved costs" means:
 - (a) For an approved company that establishes a new manufacturing facility or expands an existing manufacturing facility, the following obligations incurred in its economic development project, including rent under leases subject to subsection (6)(b)4. of this section:
 1. The cost of labor, contractors, subcontractors, builders, and material workers in connection with the acquisition, construction, installation, equipping, and rehabilitation of an economic development project;
 2. The cost of acquiring real estate or rights in land and any cost incidental thereto, including recording fees;
 3. The cost of contract bonds and insurance of all kinds that may be required or necessary during the course of acquisition, construction, installation, equipping, and rehabilitation of an economic development project that is not paid by the contractor or contractors or otherwise provided for;
 4. The cost of architectural and engineering services, including test borings, surveys, estimates, plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all duties required by or consequent to the acquisition, construction, installation, equipping, and rehabilitation of an economic development project;
 5. All costs required to be paid under the terms of any contract for the acquisition, construction, installation, equipping, and rehabilitation of an economic development project; and
 6. All other costs of a nature comparable to those described above; or

- (b) For an approved company that establishes a new service or technology business or expands existing service or technology operations, up to a maximum of fifty percent (50%) of the total start-up costs during the term of the service and technology agreement, plus up to a maximum of fifty percent (50%) of the annual rent for each elapsed year of the service and technology agreement;
- (3) "Assessment" means the job development assessment fee authorized by KRS 154.23-055;
- (4) "Authority" means the Kentucky Economic Development Finance Authority, as created in KRS 154.20-010;
- (5) ***"Average hourly wage" means the most current wage and employment data published by the Department for Employment Services in the Kentucky Cabinet for Workforce Development collectively translated into wages per hour based on a two thousand and eighty (2,080) hour work year for the following sectors:***
 - (a) ***Manufacturing;***
 - (b) ***Transportation, communications and public utilities;***
 - (c) ***Wholesale and retail trade;***
 - (d) ***Finance, insurance and real estate; and***
 - (e) ***Services;***
- (6) "Commonwealth" means the Commonwealth of Kentucky;
- ~~(7)(6)~~ "Economic development project" or "project" means:
 - (a) A service or technology activity conducted by an approved company; or
 - (b) Any of the following activities of an approved company engaged in manufacturing:
 - 1. The acquisition of or present ownership in any real estate in a qualified zone for the purposes described in KRS 154.23-005 to 154.23-079, which ownership shall include only fee simple ownership of real estate and possession of real estate according to a capital lease as determined in accordance with Statement of Financial Accounting Standards No. 13, Accounting for Leases, issued by the Financial Accounting Standards Board, November 1976;
 - 2. The acquisition or present ownership of improvements or facilities on land that is possessed or is to be possessed by the approved company in a ground lease having a term of sixty (60) years or more; provided, however, that this project shall not include lease payments made under a ground lease for purposes of calculating the tax credits offered under KRS 154.23-005 to 154.23-079;
 - 3. The construction, installation, equipping, and rehabilitation of improvements, fixtures, equipment, and facilities necessary or desirable for improvement of the real estate owned, used, or occupied by the approved company for manufacturing purposes. Construction activities include surveys; site tests and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries, and other surface obstructions; filling, grading, and providing drainage and storm water retention; installation of utilities such as water, sewer, sewage treatment, gas, electric, communications, and similar facilities; off-site construction of utility extensions to the boundaries of the real estate; or similar activities as the authority may determine necessary for construction; and
 - 4. The leasing of real estate and the buildings and fixtures thereon acquired, constructed, and installed with funds from grants under KRS 154.23-060;
- ~~(8)(7)~~ "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other legal entity engaged in manufacturing, or service or technology; however, any company whose primary purpose is retail sales shall not be an eligible company;
- (9) ***"Employee benefits" means non-mandated costs paid by an eligible company for its full-time employees for health insurance, life insurance, dental insurance, vision insurance, defined benefits, 401(K) or similar plans;***
- ~~(10)(8)~~ "Final approval" means action taken by the authority that authorizes the eligible company to receive inducements in connection with a project under KRS 154.23-005 to 154.23-079;

- (11) *"Full-time employee" means a person employed by an approved company for a minimum of thirty-five (35) hours per week and subject to the state income tax imposed by KRS 141.020;*
- ~~{(9) "Financing agreement" means any agreement entered into, under KRS 154.23-035, on behalf of the authority or other lenders, or both, and an approved company engaged in manufacturing with respect to an economic development project;}~~
- (12)~~{(10)}~~ "Inducements" means the assessment and the income tax credits allowed to an approved company under KRS 154.23-050 and 154.23-055;
- (13)~~{(11)}~~ "Local government" means a city, county, or urban-county government;
- (14)~~{(12)}~~ "Manufacturing" means to make, assemble, process, produce, or perform any other activity that changes the form or conditions of raw materials and other property, and shall include any ancillary activity to the manufacturing process, such as storage, warehousing, distribution, and related office facilities; however, "manufacturing" shall not include mining, the extraction of minerals or coal, or processing of these resources;
- (15)~~{(13)}~~ "Preliminary approval" means action taken by the authority that conditions final approval of an eligible company and its economic development project upon satisfaction by the eligible company of the applicable requirements under KRS 154.23-005 to 154.23-079;
- (16)~~{(14)}~~ "Qualified employee" means an individual subject to Kentucky income tax who has resided in the qualified zone where the project exists for at least twelve (12) consecutive months preceding full-time employment by an approved company;
- (17)~~{(15)}~~ "Qualified statewide employee" means an individual subject to Kentucky income tax who has resided in any census tract or county in the Commonwealth that meets the criteria in KRS 154.23-015, regardless of whether the tract or county is in a qualified zone, for at least twelve (12) consecutive months preceding full-time employment by an approved company;
- (18)~~{(16)}~~ "Qualified zone" means any census tract or county certified as such by the authority in KRS 154.23-015 and 154.23-020;
- (19)~~{(17)}~~ "Relocation costs" mean identified expenditures by an eligible company for moving costs, separation costs, and any other expenditures substantiated by the eligible company that are directly related to a move from an existing location outside of a qualified zone to a qualified zone location;
- (20)~~{(18)}~~ "Rent" means:
- (a) The actual annual rent or leasing fee paid by an approved company to a bona fide entity negotiated at arms length for the use of a building by the approved company to conduct the approved project for which the inducement has been granted; or
 - (b) The fair rental value on an annual basis in a building owned by the approved company of the space used by the approved company to conduct the approved project for which the inducement has been granted as determined by the authority using criteria that are customary in the real estate industry for the type of building being used. The fair rental value shall include an analysis of the cost of amortizing the cost of land and building over the period of time customary in the real estate industry for the type of building and for the land being utilized; and
 - (c) Rent shall include the customary cost of occupancy that includes, but is not limited to, property taxes, heating and air conditioning, electricity, sewer, and insurance;
- (21)~~{(19)}~~ "Service and technology agreement" means any agreement entered into, under KRS 154.23-040, on behalf of the authority, an approved company engaged in service or technology, and third-party lessors, if applicable, with respect to an economic development project;
- (22)~~{(20)}~~ "Service or technology" means any activity involving the performance of work not otherwise classified by division, including successor divisions of agriculture, forestry and fishing, mining, construction, and manufacturing, in accordance with the "Standard Industrial Classification Manual," as revised by the United States Office of Management and Budget from time to time, or any successor publication;~~{and}~~

- (23)~~(21)~~ "Start-up costs" mean the cost of furnishing and equipping a building for ordinary business functions, including computers, nonrecurring costs of fixed telecommunication equipment, furnishings, office equipment, and relocation costs as verified and approved by the authority in accordance with KRS 154.23-040;~~[-]~~
- (24) *"Tax incentive agreement" means that agreement entered into, pursuant to Section 29 of this Act, between the authority and an approved company with respect to an economic development project; and*
- (25) *"Affiliate" means the following:*
- (a) *Members of a family, including only brothers and sisters of the whole or half blood, spouse, ancestors, and lineal descendants of an individual;*
 - (b) *An individual, and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for that individual;*
 - (c) *An individual, and a limited liability company of which more than fifty percent (50%) of the capital interest or profits are owned or controlled, directly or indirectly, by or for that individual;*
 - (d) *Two (2) corporations which are members of the same controlled group, which includes and is limited to:*
 - 1. *One (1) or more chains of corporations connected through stock ownership with a common parent corporation if:*
 - a. *Stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each of the corporations, except the common parent corporation, is owned by one (1) or more of the other corporations; and*
 - b. *The common parent corporation owns stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of at least one (1) of the other corporations, excluding, in computing the voting power or value, stock owned directly by the other corporations; or*
 - 2. *Two (2) or more corporations if five (5) or fewer persons who are individuals, estates, or trusts own stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each person only to the extent the stock ownership is identical with respect to each corporation;*
 - (e) *A grantor and a fiduciary of any trust;*
 - (f) *A fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts;*
 - (g) *A fiduciary of a trust and a beneficiary of that trust;*
 - (h) *A fiduciary of a trust and a beneficiary of another trust, if the same person is a grantor of both trusts;*
 - (i) *A fiduciary of a trust and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;*
 - (j) *A fiduciary of a trust and a limited liability company, of which more than fifty percent (50%) of the capital interest, or the interest in profits, is owned directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;*
 - (k) *A corporation and a partnership, including a registered limited liability partnership, if the same persons own:*
 - 1. *More than fifty percent (50%) in value of the outstanding stock of the corporation; and*
 - 2. *More than fifty percent (50%) of the capital interest, or the profits interest, in the partnership, including a registered limited liability partnership;*
 - (l) *A corporation and a limited liability company if the same persons own:*
 - 1. *More than fifty percent (50%) in value of the outstanding stock of the corporation; and*

2. *More than fifty percent (50%) of the capital interest or the profits in the limited liability company;*
- (m) *A partnership, including a registered limited liability partnership, and a limited liability company if the same persons own:*
 1. *More than fifty percent (50%) of the capital interest or profits in the partnership, including a registered limited liability partnership; and*
 2. *More than fifty percent (50%) of the capital interest or the profits in the limited liability company;*
- (n) *An S corporation and another S corporation if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation, S corporation designation being the same as that designation under the Internal Revenue Code of 1986, as amended; or*
- (o) *An S corporation and a C corporation, if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation; S and C corporation designations being the same as those designations under the Internal Revenue Code of 1986, as amended.*

Section 26. KRS 154.23-015 is amended to read as follows:

- (1) Upon written application by a county, urban-county government, or city of the first class, the authority shall certify one (1) to five (5) contiguous census tracts or a county certified by the authority in accordance with KRS 154.22-040 as a qualified zone. In the case of certification based on one (1) to five (5) contiguous census tracts, each census tract shall independently meet each of the following criteria, as verified by the Department for Employment Services within the Cabinet for Workforce Development:
 - (a) A minimum total poverty rate of one hundred fifty percent (150%) of the United States poverty rate as determined by the most recent decennial census;
 - (b) An unemployment rate that exceeds the statewide unemployment rate as determined on the basis of the most recent decennial census; and
 - (c) A minimum population density of two hundred percent (200%) of the average Kentucky census tract population density as determined by the most recent decennial census.
- (2) Census tract information shall be based upon United States census data as set forth in the most recent edition of Census of Population and Housing: Population and Housing Characteristics for Census Tracts and Block Numbering Areas published by the United States Bureau of the Census.
- (3) The authority shall certify no more than one (1) qualified zone within each county of the Commonwealth, except in the case of a county certified under KRS 154.22-040, the entire county shall constitute the qualified zone.
- (4) A qualified zone shall commence on the date of certification by the authority and continue thereafter, except that at the time new decennial census data becomes available, the authority shall decertify any census tract that no longer meets the criteria of subsection (1) of this section for qualified zone status. The authority shall not give preliminary approval to any project in a decertified census tract. An approved company whose project is located in a decertified census tract shall not be eligible for the inducements offered by KRS 154.23-005 to 154.23-079, unless the ~~tax incentive-financing~~ agreement or service and technology agreement is entered into by all parties prior to July 1 of the year following the calendar year in which the authority decertified that tract.
- (5) Decertification of a census tract by the authority under subsection (4) of this section shall not be construed to split a qualified zone, change the boundary of the initial qualified zone, or create more than one (1) qualified zone per county.
- (6) A county, urban-county government, or city of the first class shall have no authority to request decertification of a census tract, and any addition of a census tract requested by a county, urban-county government, or city of the first class under KRS 154.23-020 shall be contiguous to a census tract that continues to meet the criteria under this section.
- (7) The authority shall pay its costs of counsel relating to zone certification.

Section 27. KRS 154.23-025 is amended to read as follows:

- (1) Relevant standards for approval of eligible companies and economic development projects shall include, but are not limited to, creditworthiness of the eligible company, the number of new jobs to be provided by a project to Kentucky residents, and the likelihood that the project will be an economic success.
- (2) An eligible company shall certify to the authority by written application that it makes the following commitments in an economic development project:
 - (a) A minimum investment of one hundred thousand dollars (\$100,000) in the project;
 - (b) Creation of a minimum of ten (10) new full-time jobs at the project site for qualified employees;
 - (c) A statement that no significant number of existing jobs in the Commonwealth will be lost or adversely affected due to approval of the eligible company and its economic development project; and
 - (d) A statement that the economic development project could reasonably and efficiently locate outside the qualified zone and, without the inducements offered by the authority, the eligible company would likely locate outside the zone.
- (3) (a) No project that will result in the replacement of an existing manufacturing or service or technology facility existing in the Commonwealth shall be approved by the authority; however, the authority may approve a project if the project *is one*:
 1.
 - a. *That* rehabilitates a manufacturing or service or technology facility that has not been in operation; *or*
 - b. *For which the current occupant of the facility has published a notice of closure so long as the eligible company intending to acquire the facility is not an affiliate of the current occupant;*~~;~~ *or*
 - c. *To which* the title ~~to which~~ is vested in one other than the eligible company and that is sold or transferred under a foreclosure ordered by a court of competent jurisdiction or by order of bankruptcy court;
 2. Replaces a manufacturing or service or technology facility existing in the Commonwealth that been damaged or destroyed by fire, or the title to which shall have been taken under the exercise of the power of eminent domain or is the subject of a nonappealable judgment that grants the power of eminent domain to the authority, in any of these events to the extent that normal operations cannot be resumed at the facility within twelve (12) months; or
 3. Replaces an existing manufacturing or service or technology facility located in the same qualified zone that cannot be expanded due to the lack of available real estate at or adjacent to the manufacturing or service or technology facility to be replaced. Any economic development project satisfying the requirements of this paragraph of this subsection shall only be eligible for inducements to the extent of the expansion, and no inducements shall be available for the equivalent of the manufacturing or service or technology facility to be replaced.
- (b) No economic development project otherwise satisfying the requirements of paragraph (a) of this subsection shall be approved by the authority that results in a lease abandonment or lease termination by the approved company without the consent of the lessor.
- (4) (a) *Within six (6) months after the activation date, the approved company shall compensate a minimum of ninety percent (90%) of its full-time employees whose jobs were created with base hourly wages equal to either:*
 1. *Seventy-five percent (75%) of the average hourly wage for the Commonwealth; or*
 2. *Seventy-five percent (75%) of the average hourly wage for the county in which the project is to be undertaken.*
- (b) *If the base hourly wage calculated in subparagraph (a)1. or (a)2. of this subsection is less than one hundred fifty percent (150%) of the federal minimum wage, then the base hourly wage shall be one hundred fifty percent (150%) of the federal minimum wage. In addition to the applicable base hourly wage calculated above, the eligible company shall provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage; however, if the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, the eligible company may qualify under this section if it provides the employees hired by the eligible*

company as a result of the economic development project total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the applicable base hourly wage through increased hourly wages combined with employee benefits.

Section 28. KRS 154.23-030 is amended to read as follows:

- (1) With respect to each eligible company that applies to the authority for inducements, and with respect to the project described in its application, the authority shall request materials and make all inquiries concerning the application the authority deems necessary. Upon review of the application and requested materials, and completion of initial inquiries, the authority may, by resolution of the board of directors, grant preliminary approval to the eligible company. The authority shall approve a report describing the economic development project, that shall set out as follows:
 - (a) The name, qualified zone location, business, and standard industrial classification of the eligible company;
 - (b) The nature of the economic development project;
 - (c) The use and projected amounts of the inducements to be available to the eligible company by year; and
 - (d) Other information as the authority may require.
- (2) After preliminary approval, ~~completion of its loan, other financing or leasing as permitted by KRS 154.23-010(6)(b)4. by an eligible company engaged in manufacturing activities with respect to its economic development project, and review thereof by the authority,~~ the authority may, by resolution of its board of directors, designate an eligible company to be an approved company, and execute a **tax incentive** ~~financing~~ agreement *between* ~~among~~ the **approved** ~~eligible~~ company *and* ~~the authority, lenders, if applicable, and lessor, if applicable.~~
- (3) Within a one (1) year period following preliminary approval of an eligible company engaged in service or technology activities with respect to its economic development project, the authority may designate the eligible company as an approved company and execute a service and technology agreement among the **approved** ~~eligible~~ company, the authority, and lessors, if applicable. If final approval of an eligible company does not occur within the one (1) year period as provided in this subsection, then the eligible company's request for designation and project authorization shall be considered denied.
- (4) The decision to grant an eligible company the status of an approved company shall be solely that of the authority, which shall base its decision upon consideration of all information provided.

Section 29. KRS 154.23-035 is amended to read as follows:

~~{(4) —}~~ The authority, upon adoption of an authorizing resolution, may enter into a **tax incentive** ~~financing~~ agreement with any approved company engaged in manufacturing activities with respect to its economic development project ~~other lenders, if applicable, and lessor, if applicable.~~ The terms and provisions of each **tax incentive** ~~financing~~ agreement, including the amount of approved costs, shall be determined by negotiations between the authority and the approved company, subject to the inclusion of the following mandatory provisions:

- (1) *The tax incentive agreement shall set forth the maximum amount of inducements available to the approved company for recovery of the approved costs authorized by the authority and expended by the approved company.*
- (2) *The approved company shall expend the authorized approved costs within three (3) years of the date of the final approval by the authority.*
- (3) *The approved company shall provide the authority with documentation as to the expenditures for approved costs in a manner acceptable to the authority.*
- (4) *The term of the tax incentive agreement shall commence upon the activation date and will terminate upon the earlier of the full receipt of the maximum amount of inducements by the approved company or ten (10) years after the activation date.*
- (5) *The tax incentive agreement shall include the activation date, which shall be a date selected by the approved company within two (2) years of the date of final approval by the authority of the tax incentive agreement. If the approved company does not satisfy the minimum investment and minimum employment requirements of Section 27 of this Act by the activation date, the approved company shall not be entitled to receive*

inducements pursuant to this subchapter until the approved company satisfies the requirements; however, the ten (10) year period for the term of the tax incentive agreement shall begin from the activation date. Notwithstanding the previous sentence, if the approved company does not satisfy the minimum investment and minimum employment requirements of Section 27 of this Act within two (2) years from the date of final approval of the tax incentive agreement, then the approved company shall be ineligible to receive inducements under this subchapter unless an extension is approved by the authority.

- (6) The approved company shall comply with the hourly wage criteria set forth in subsection (4) of Section 27 of this Act and provide documentation in connection with hourly wages paid to its full-time employees hired as a result of the economic development project in a manner acceptable to the authority.*
- (7) The approved company may be permitted the following inducements during the term of the tax incentive agreement:*
 - (a) A one-hundred percent (100%) credit against the Kentucky income tax that would otherwise be owed in the approved company's fiscal year, as determined under KRS 141.401, to the Commonwealth by the approved company on the income of the approved company generated by or arising from the economic development project; and*
 - (b) The aggregate assessments withheld by the approved company each year.*
- (8) The total inducements may not exceed authorized cumulative approved costs paid by the approved company in the three (3) year period commencing with and after the date of final approval.*
- (9) The income tax credited to the approved company shall be credited for the fiscal year for which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed in KRS 141.042 on the Kentucky taxable income generated by or arising from the economic development project.*
- (10) The tax incentive agreement may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to that effect.*
- (11) The tax incentive agreement shall provide that if the total number of full-time qualified employees at the site of the economic development project is less than ten (10), the authorized inducements shall be suspended until at least ten (10) full-time qualified employees are employed by the approved company at the project site.*
- (12) The tax incentive agreement shall provide that if an approved company fails to comply with its obligations under the tax incentive agreement then the authority shall have the right, at its option, to:*
 - (a) Suspend the income tax credits and assessments available to the approved company;*
 - (b) Pursue any remedy provided under the tax incentive agreement, including termination thereof; and*
 - (c) Pursue any other remedy at law to which it may be entitled.*
- (13) All remedies provided in subsection (12) of this section shall be deemed to be cumulative.*
- (14) The approved company shall pay all costs of counsel to the authority resulting from approval of its economic development project.*
- ~~*[(a) The term of a financing agreement, that shall commence on the date of the financing agreement, and shall not be longer than the earliest of:*~~
 - ~~*1. The maturity of any loan or other financing incurred in connection with the economic development project, except that the financing agreement may terminate upon the earlier prepayment of all loans or other financing incurred in connection with the economic development project;*~~
 - ~~*2. The termination of any lease under KRS 154.23-010(6)(b)4.; or*~~
 - ~~*3. Ten (10) years from the activation date of the original financing agreement.*~~
 - ~~*4. Nothing in this subsection shall limit the extension of the term of a financing agreement if there is a refinancing of the loans or other financing, or the financing of the balance of the purchase price of an economic development project originally leased in accordance with KRS 154.23-010(6)(b)4.*~~

- (b) ~~All proceeds of any loan or other financing incurred in connection with the economic development project shall be expended by the approved company within three (3) years from the date of the financing agreement. In the event that all proceeds of any loan or other financing incurred in connection with the economic development project are not fully expended within the three (3) year period, the authorized inducements shall automatically be reduced to and shall not be greater than the amount of proceeds actually expended by the approved company within the three (3) year period;~~
- (c) ~~The approved company may be permitted the following inducements during the term of the financing agreement:~~
 - 1. ~~An income tax credit of up to one hundred percent (100%) of the Kentucky income tax liability imposed by KRS 141.020 or 141.040 that would otherwise be due, determined under KRS 141.401, on the income of the approved company generated by or arising out of the economic development project, as limited by the provisions of this section and KRS 154.23-045; and~~
 - 2. ~~The assessment, if applicable, withheld by the approved company in each year;~~
- (d) ~~The income tax credit for the approved company shall be credited for the fiscal year for which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed in KRS 141.042;~~
- (e) ~~The assessments, if applicable, when added to the credit for the Kentucky income tax as provided in KRS 154.23-050, shall not exceed the total annual payment made under the financing agreement in connection with the project in any year; however, to the extent that this annual payment exceeds credits received and assessments collected in any year, this excess payment may be recouped from excess credits or assessment collections in succeeding years;~~
- (f) ~~If, in any fiscal year of the approved company during which the financing agreement is in effect, the total of the income tax credit granted to the approved company plus the assessments collected from the wages of the qualified statewide employees equals the annual payment in the financing agreement, and if all excess payments in the financing agreement accumulated in prior years have been recouped, the assessments collected from the wages of the qualified statewide employees shall cease for the remainder of that fiscal year, and the approved company shall resume normal personal income tax and occupational license fee withholdings from the qualified statewide employees' wages for the remainder of that fiscal year;~~
- (g) ~~If, in any fiscal year of the approved company during which the financing agreement is in effect, the total of the income tax credit granted to the approved company plus the assessment collected from the wages of the qualified statewide employees exceeds the annual payment in the financing agreement, and if all excess payments in the financing agreement accumulated in prior years have been recouped, the approved company shall pay the excess to the Commonwealth as income tax;~~
- (h) ~~If, in any fiscal year of the approved company during which the financing agreement is in effect, the assessment collected from the wages of qualified statewide employees exceeds the annual payment in the financing agreement, and if all excess payments in the financing agreement accumulated in prior years have been recouped, the assessment collected from the wages of the qualified statewide employees shall cease for the remainder of that fiscal year, the approved company shall resume normal personal income tax and occupational license fee withholdings from the qualified statewide employees' wages for the remainder of that fiscal year, and the approved company shall remit to the Commonwealth and applicable local jurisdictions their respective shares of the excess assessment collected on the withholding filing date for qualified statewide employees' wages next succeeding the first date when the approved company collected excess assessments;~~
- (i) ~~The financing agreement may be assigned by the approved company only upon the prior written consent of the authority;~~
- (j) ~~An approved company shall require any lender to the approved company funding loans or other financing incurred in connection with the economic development project to provide written evidence to the authority of payments of all annual debt service to the lender. An approved company shall require any lessor under a lease subject to KRS 154.23-010(6)(b)4. to provide written evidence to the authority of payment of rent to the lessor. This evidence shall be provided to the authority within forty five (45) days after the end of each fiscal year during the term of the financing agreement;~~

- ~~(k) If the total number of qualified employees at the site of the economic development project is less than ten (10), the authorized inducements shall be suspended until at least ten (10) full time qualified employees are employed by the approved company at the project site;~~
- ~~(l) If an approved company fails to comply with its respective obligations under the financing agreement or is declared in default under the loans or other financing incurred in connection with the economic development project or the lease under KRS 154.23-010(6)(b)4., or if the lender to an approved company or the lessor, as applicable, fails to comply with its requirements set forth in subsection (1)(j) of this section, then the authority, or any of its assignees, shall have the right, at its option, to:

 - ~~1. Suspend the availability of the income tax credits and assessments to the approved company;~~
 - ~~2. Pursue any remedy provided under the financing agreement, including termination thereof; and~~
 - ~~3. Pursue any other remedy at law to which it appears entitled; and~~~~
- ~~(m) The approved company shall pay all costs of counsel to the authority resulting from approval of its economic development project.~~
- ~~(2) All remedies provided in subsection (1)(l) of this section shall be deemed cumulative.~~
- ~~(3) Under this section, the activation date shall be established by the approved company in the financing agreement, which shall be at any time within a two (2) year period after the date of final approval of the financing agreement by the authority. To implement the activation date, the approved company shall notify the authority, the Kentucky Revenue Cabinet, the approved company's qualified statewide employees, and the affected local jurisdictions, if any, of the activation date when implementation of the inducements authorized in the financing agreement shall occur. If the approved company does not satisfy the minimum investment and minimum employment requirements of KRS 154.23-025 by the activation date, then the approved company shall not be entitled to receive inducements under KRS 154.23-005 to 154.23-079 until the approved company satisfies the requirements; in any event, the ten (10) year period for the term of the financing agreement shall begin from the activation date. Notwithstanding the previous sentence, if the approved company does not satisfy the minimum investment and minimum employment requirements of KRS 154.23-025 within two (2) years from the date of final approval of the financing agreement, then the approved company shall be ineligible to receive inducements under KRS 154.23-005 to 154.23-079.]~~

Section 30. KRS 154.23-045 is amended to read as follows:

- (1) If an eligible company operates an existing business in a qualified zone, and wishes to expand that business within the zone, the eligible company may submit an application to the authority to become an approved company under KRS 154.23-025.
- (2) If the eligible company under subsection (1) of this section becomes an approved company, the authority shall determine a base level of employment in the Commonwealth, a base level of state income tax liability, and a base level of manufacturing or service or technology activity, as applicable, of the approved company for determining eligible credits for the approved company's project during the term of a *tax incentive*~~[financing]~~ agreement or service and technology agreement. The base level shall be determined by taking into consideration any seasonal fluctuations or aberrations of employment levels during the preceding three (3) years. Notwithstanding the determination of a base level of employment in the Commonwealth, no qualified statewide employee who is an employee of this business prior to the date of the preliminary approval by the authority as prescribed in KRS 154.23-030 shall be subject to assessment.
- (3) The authority shall identify, by name, all of the existing qualified statewide employees employed by the eligible company prior to preliminary approval, and these employees shall be exempt from the assessment. If any of these employees cease working in the activity, then another qualified statewide employee shall be added to the base level of employment, based on the earliest date of entry into the work force, and this employee shall be exempt from the assessment. The authority may negotiate with the approved company a different method of determining the base level of employment that would yield a more equitable result for the approved company, the Commonwealth, local jurisdictions, and the qualified statewide employees.
- (4) To become eligible for inducements, the approved company shall create and maintain above the base level of employment in the Commonwealth, an increase at the site of the project of at least ten (10) new full-time qualified employees.

- (5) The approved company shall continue to pay to the Commonwealth, on an annualized basis during the term of the ~~tax incentive financing~~ agreement or service and technology agreement, as applicable, the base level of income tax, adjusted on an annual basis to reflect changes in the consumer price index. The excess income tax owed may be offset by the income tax credit provided in KRS 154.23-050.
- (6) If any approved company expands in a qualified zone because of an increase in business or because of the commencement of a new line of business, it may be eligible, at the discretion of the authority, to negotiate a separate, additional ~~tax incentive financing~~ agreement or service and technology agreement to cover the expanded business under the same conditions as authorized for an expansion in this section.

Section 31. KRS 154.23-055 is amended to read as follows:

- (1) If the local jurisdiction in which the economic development project is to be located, approves the assessment in accordance with subsection (8) of this section, then an approved company engaged in either manufacturing or service or technology activities may require each qualified statewide employee, as a condition to employment, to agree to pay ~~an~~ ~~a job development~~ assessment ~~fee~~ in an amount determined by the percentage of the local occupational license fee, which shall be one-fifth (1/5) of the total ~~job development~~ assessment ~~fee~~, plus the Commonwealth's contribution of four-fifths (4/5) of the total ~~job development~~ assessment ~~fee~~, but in no event to exceed five percent (5%) of the qualified statewide employee's gross wages exclusive of any noncash benefits; provided that each qualified statewide employee paying the assessment shall be entitled to credits against Kentucky income tax as prescribed in subsection (4) of this section and to credits against the local occupational license fee to the extent of the local occupational license fee collected by the local jurisdiction. This assessment shall be deducted by the approved company from wages it pays to qualified statewide employees.
- (2) Notwithstanding subsection (1) of this section, if no local occupational license fee is assessed by any local government in which the project is located, the assessment shall be four percent (4%), all of which shall be contributed by the Commonwealth.
- (3) Notwithstanding subsection (1) of this section, if a project is located in only one (1) local government and that local government has a local occupational license fee that is less than one percent (1%) and the local government agrees to forgo all of its local occupational license fee or if a project is located in multiple local governments and the local governments have in the aggregate local occupational license fees that are less than one percent (1%) and the local governments agree to forgo all of their local occupational license fees, then the assessment shall be four percent (4%), all of which shall be contributed by the Commonwealth, plus the percentage of the local occupational license fee or fees, as applicable, that the local government or local governments, as applicable, has or have agreed to forgo.
- (4) Each qualified statewide employee required to pay this assessment shall be entitled to certain credits, as follows:
 - (a) Credit against the required Kentucky income tax withheld from gross wages under KRS 141.310 equal to the Commonwealth's contribution, but in no event to exceed four percent (4%) of these wages; and
 - (b) Credit against the local occupational license fee imposed by any local government in which the project is located in the form of a simultaneous adjustment of the local occupational license fee withheld from gross wages excluding noncash benefits not to exceed one percent (1%) of these wages.
- (5) If more than one (1) local government jurisdiction imposes a local occupational license fee and all jurisdictions approve the assessment, then the assessment and employee credit therefor shall be prorated against the local occupational license fees imposed, unless a single local government jurisdiction agrees to forgo receipt of its local occupational license fees in an amount equal to one percent (1%) of the qualified statewide employees' wages excluding noncash benefits, in which case no proration need be made.
- (6) No credit, or portion thereof, shall be allowed against any occupational license fee imposed by or dedicated solely to the board of education in a local jurisdiction.
- (7) An approved company that collects an assessment shall make its payroll, books, and records available to the authority at its request, and shall provide all documentation pertaining to the assessment as the authority may require.
- (8) Before any ~~tax incentive financing~~ agreement or service and technology agreement becomes effective with respect to an assessment, the legislative body of any local government that assesses a local occupational license

fee and shall lose revenue as a result of the assessment described in this section shall, by official action, approve the assessment for the benefit of an approved company. However, if a local government does not approve the assessment, then the approved company shall not be permitted to impose the assessment and the qualified statewide employees shall not be permitted to claim credits.

~~[(9) Any assessment of the wages of qualified statewide employees of an approved company engaged in manufacturing activities in connection with their employment at an economic development project in subsection (1) of this section shall permanently lapse as of the date any loans or other financing, as described in KRS 154.23-035, incurred in connection with the economic development project mature or are prepaid in full for an approved company engaged in manufacturing activities or as of any date any lease under KRS 154.23-010(6)(b)4. terminates.]~~

~~(9)~~~~[(10)]~~ Any assessment of the wages of qualified statewide employees of an approved company engaged in service or technology activities in connection with their employment at an economic development project shall permanently cease at the expiration of the service and technology agreement.

Section 32. KRS 154.24-010 is amended to read as follows:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following respective meanings in KRS 154.24-010 to 154.24-150:

(1) *"Affiliate" means the following:*

- (a) *Members of a family, including only brothers and sisters of the whole or half blood, spouse, ancestors, and lineal descendants of an individual;*
- (b) *An individual, and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for that individual;*
- (c) *An individual, and a limited liability company of which more than fifty percent (50%) of the capital interest or profits are owned or controlled, directly or indirectly, by or for that individual;*
- (d) *Two (2) corporations which are members of the same controlled group, which includes and is limited to:*
 - 1. *One (1) or more chains of corporations connected through stock ownership with a common parent corporation if:*
 - a. *Stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each of the corporations, except the common parent corporation, is owned by one (1) or more of the other corporations; and*
 - b. *The common parent corporation owns stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of at least one (1) of the other corporations, excluding, in computing the voting power or value, stock owned directly by the other corporations; or*
 - 2. *Two (2) or more corporations if five (5) or fewer persons who are individuals, estates, or trusts own stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each person only to the extent the stock ownership is identical with respect to each corporation;*
- (e) *A grantor and a fiduciary of any trust;*
- (f) *A fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts;*
- (g) *A fiduciary of a trust and a beneficiary of that trust;*
- (h) *A fiduciary of a trust and a beneficiary of another trust, if the same person is a grantor of both trusts;*
- (i) *A fiduciary of a trust and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;*

- (j) *A fiduciary of a trust and a limited liability company, of which more than fifty percent (50%) of the capital interest, or the interest in profits, is owned directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;*
- (k) *A corporation and a partnership, including a registered limited liability partnership, if the same persons own:*
 - 1. *More than fifty percent (50%) in value of the outstanding stock of the corporation; and*
 - 2. *More than fifty percent (50%) of the capital interest, or the profits interest, in the partnership, including a registered limited liability partnership;*
- (l) *A corporation and a limited liability company if the same persons own:*
 - 1. *More than fifty percent (50%) in value of the outstanding stock of the corporation; and*
 - 2. *More than fifty percent (50%) of the capital interest or the profits in the limited liability company;*
- (m) *A partnership, including a registered limited liability partnership, and a limited liability company if the same persons own:*
 - 1. *More than fifty percent (50%) of the capital interest or profits in the partnership, including a registered limited liability partnership; and*
 - 2. *More than fifty percent (50%) of the capital interest or the profits in the limited liability company;*
- (n) *An S corporation and another S corporation if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation, S corporation designation being the same as that designation under the Internal Revenue Code of 1986, as amended; or*
- (o) *An S corporation and a C corporation, if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation; S and C corporation designations being the same as those designations under the Internal Revenue Code of 1986, as amended;*
- (2) "Agreement" means ~~the service and technology~~ any agreement made pursuant to KRS 154.24-120, between the authority and an approved company with respect to an economic development project;
- (3)~~(2)~~ "Approved company" means any eligible company seeking to locate an economic development project from outside the Commonwealth into the Commonwealth, or undertaking an economic development project in the Commonwealth for which it is approved pursuant to KRS 154.24-100;
- (4)~~(3)~~ "Approved costs" means fifty percent (50%) of the total of the start-up costs up to a maximum of ten thousand dollars (\$10,000) per new full-time job created and to be held by a Kentucky resident subject to the personal income tax of the Commonwealth, plus fifty percent (50%) of the annual rent for each elapsed year of the service and technology agreement;
- (5)~~(4)~~ "Assessment" means the "service and technology job creation assessment fee" authorized by KRS 154.24-110;
- (6)~~(5)~~ "Authority" means the Kentucky Economic Development Finance Authority, *as* created in KRS 154.20-010;
- (7) *"Average hourly wage" means the most current wage and employment data published by the Department for Employment Services in the Kentucky Cabinet for Workforce Development collectively translated into wages per hour based on a two thousand and eighty (2,080) hour work year for the following sectors:*
 - (a) *Manufacturing;*
 - (b) *Transportation, communications, and public utilities;*
 - (c) *Wholesale and retail trade;*
 - (d) *Finance, insurance, and real estate; and*
 - (e) *Services;*

- (8)~~(6)~~ "Commonwealth" means the Commonwealth of Kentucky;
- (9)~~(7)~~ "Economic development project" or "project" means a service or technology activity conducted by an approved company;
- (10)~~(8)~~ "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other entity engaged in service or technology and meeting the standards promulgated by the authority in accordance with KRS Chapter 13A;
- (11) ***"Employee benefits" means nonmandated costs paid by an approved company for its full-time employees for health insurance, life insurance, dental insurance, vision insurance, defined benefits, 401(k) or similar plans;***
- (12)~~(9)~~ "Final approval" means the action taken by the authority authorizing the eligible company to receive inducements under this subchapter;
- (13) ***"Full-time employee" means a person employed by an approved company for a minimum of thirty-five (35) hours per week and subject to the state tax imposed by KRS 141.020;***
- (14)~~(10)~~ "In lieu of credits" means a local government appropriation to the extent permitted by law, or other form of local government grant or service benefit, directly related to the economic development project and in an amount equal to one percent (1%) of employees' gross wages, exclusive of any noncash benefits provided to an employee, or the provision by a local government of an in-kind contribution directly related to the economic development project and in an amount equal to one half (1/2) of the rent for the duration of the agreement;
- (15)~~(11)~~ "Inducements" means the income tax credits allowed and the assessment authorized by KRS 154.24-110, which are intended to induce companies engaged in service and technology industries to locate or expand in the Commonwealth;
- (16)~~(12)~~ "Person" means an individual, sole proprietorship, partnership, registered limited liability partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity or government, whether federal, state, county, city, or otherwise, including without limitation, any instrumentality, division, political subdivision, district, court, agency, or department thereof;
- (17)~~(13)~~ "Preliminary approval" means the action taken by the authority conditioning final approval by the authority upon satisfaction by the eligible company of the requirements under this subchapter;
- (18)~~(14)~~ "Relocation costs" means the identified expenditures by the company for moving costs, separation costs, and any other expenditures substantiated by the company which directly related to the move from an existing location outside of Kentucky to locations approved by the authority;
- (19)~~(15)~~ "Rent" means:
- (a) The actual annual rent or leasing fee paid by an approved company to a bona fide entity negotiated at arms length for the use of a building by the approved company to conduct the approved activity for which the inducement has been granted; or
 - (b) The fair rental value on an annual basis in a building owned by the approved company of the space used by the approved company to conduct the approved activity for which the inducement has been granted as determined by the authority using criteria which is customary in the real estate industry for the type of building being used. The fair rental value shall include an analysis of the cost of amortizing the cost of land and building over the period of time customary in the real estate industry for the type of building and for the land being utilized;
 - (c) Rent shall include the customary cost of occupancy including, but not limited to, property taxes, heating and air-conditioning, electricity, water, sewer, and insurance;
- (20)~~(16)~~ "Service or technology" means any activity involving the performance of work not otherwise classified by division, including successor divisions of agriculture, forestry and fishing, mining, construction, and manufacturing, in accordance with the "Standard Industrial Classification Manual," as revised by the United States Office of Management and Budget from time to time, or any successor publication. A company otherwise engaged in an ineligible activity may operate a service and technology activity in a separate division and, with the approval of the authority and subject to the record keeping requirements established by the authority, the service and technology activity may be deemed an eligible activity; and

~~(21)(17)~~ "Start-up costs" means the **acquisition** cost of furnishing and equipping the building for ordinary business functions, including computers, ~~nonrecurring costs of fixed telecommunication equipment,~~ furnishings, office equipment, ~~and~~ relocation costs, **and nonrecurring costs of fixed telecommunication equipment** as verified and approved by the authority in accordance with KRS 154.24-130.

Section 33. KRS 154.24-090 is amended to read as follows:

The authority shall promulgate administrative regulations in accordance with KRS Chapter 13A, regarding the approval of eligible companies and economic development projects conducted by those companies. The criteria for approval of eligible companies and economic development projects shall include, but not be limited to, the following criteria:

- (1) A determination by the authority that more than seventy-five percent (75%) of services provided by the eligible company from the proposed project shall be provided for persons located outside the Commonwealth during each year of the period during which it receives inducements as authorized in KRS 154.24-110;
- (2) The economic development project shall result in the creation by the eligible company of a minimum of **fifteen** ~~(15)(twenty five (25))~~ new full-time jobs for Kentucky residents to be employed by the eligible company and to be held by persons subject to the personal income tax of the Commonwealth **at the activation date which shall occur** within one (1) year of the date of the final resolution authorizing the economic development project. The authority may extend this one (1) year period upon the written application of an eligible company requesting an extension;
- (3) (a) ***Within six (6) months after the activation date, the approved company shall compensate a minimum of ninety percent (90%) of its full-time employees whose jobs were created with base hourly wages equal to either:***
 1. ***Seventy-five percent (75%) of the average hourly wage for the Commonwealth; or***
 2. ***Seventy-five percent (75%) of the average hourly wage for the county in which the project is to be undertaken.***
- (b) ***If the base hourly wage calculated in subparagraph (a)1. or (a)2. of this subsection is less than one hundred fifty percent (150%) of the federal minimum wage, then the base hourly wage shall be one hundred fifty percent (150%) of the federal minimum wage. In addition to the base hourly wages, the eligible company shall provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wages; however, if the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wages, the eligible company may qualify under this section if it provides the employees hired by the eligible company as a result of the economic development project total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the applicable base hourly wages through increased hourly wages combined with employee benefits;***
- ~~(4)(3)~~ Written evidence that:
 - (a) Approval of the economic development project and the resulting inducements to be offered are essential to the creation of new jobs in the Commonwealth by an eligible company in connection with its economic development project; and
 - (b) No significant number of existing jobs in the Commonwealth will be lost, or adversely affected, due to the designation of an eligible company as an approved company, and to the approval of the eligible company's economic development project; and
- ~~(5)(4)~~ That the economic development project could reasonably and efficiently locate outside of the Commonwealth and, without the inducements offered by the authority, the eligible company would likely locate outside the state.

Section 34. KRS 154.24-110 is amended to read as follows:

- (1) The approved company shall be entitled to an income tax credit equal to one hundred percent (100%) of the income tax that would otherwise be due to the Commonwealth by the approved company attributable to the economic development project, as limited by the provisions of this section and KRS 154.24-130. The amount of the approved company's income that is attributable to the economic development project shall be determined under KRS 141.407.

- (a) The income tax credit allowed to the approved company shall be subtracted from the approved cost balance in the fiscal year of the approved company for which the tax return of the approved company is filed; and
 - (b) By October 1 of each year, the Revenue Cabinet of the Commonwealth shall certify to the authority, in the form of an annual report, aggregate income tax credits claimed on tax returns filed during the fiscal year ending June 30 of that year, and assessments taken by approved companies with respect to their economic development projects during the prior calendar year under this subchapter, and shall certify to the authority, within ninety (90) days from the date an approved company has filed its state income tax return, when an approved company has taken income tax credits and assessments equal to its total inducements.
- (2) The approved company *or, with the authority's consent, an affiliate of the approved company* may require each employee, subject to state tax imposed by KRS 141.020, as a condition of employment, to agree to pay a service and technology job creation assessment fee up to five percent (5%) of the gross wages exclusive of any noncash benefits provided to an employee for each employee whose job has been deemed by the authority to be created as a result of the economic development project, provided that the service and technology job creation assessment fee shall not exceed the amount determined in accordance with KRS 154.24-150(5) if the circumstances in that subsection apply. Where a person is already employed by the approved company at a site other than the site of the economic development project and where that employee is subject to state tax imposed by KRS 141.020, the employee's job shall be deemed to have been created when the employee is transferred to the site of the economic development project, provided that the employee's existing job is filled with a new employee.
- (a) Each employee paying the assessment shall be entitled to a credit against his Kentucky income tax required to be withheld under KRS 141.310 equal to four-fifths (4/5) of the assessment;
 - (b) If the assessment has been approved by the local jurisdiction as provided in KRS 154.24-150, each employee paying the assessment also shall be entitled, in the local jurisdiction in which the economic development project is located, to a credit against his local occupational license fee in the form of a simultaneous adjustment of his local occupational license fee withholding equal to one-fifth (1/5) of the assessment. If more than one (1) local tax is incurred, the one-fifth (1/5) assessment shall be prorated proportionately among the taxes unless one (1) local jurisdiction agrees to forgo the receipt of these taxes in an amount equal to the one-fifth (1/5) assessment, in which case no proration need be made;
 - (c) If an approved company elects to impose the assessment as a condition of employment, it shall be authorized to deduct the assessment from each payment of wages to the employee;
 - (d) No credit, or portion thereof, shall be allowed against any occupational license fee imposed by or dedicated solely to the board of education in a local jurisdiction;
 - (e) The approved company collecting an assessment shall make its payroll, books, and records available to the authority when the authority shall request, and shall file with the authority documentation pertaining to the assessment as the authority may require; and
 - (f) Any assessment of the wages of employees of an approved company in connection with their employment at an economic development project shall permanently cease at the expiration of the agreement.
- (3) Notwithstanding subsection (2) of this section, if a local government in which the project is located has a local occupational license fee that is less than one percent (1%) and agrees to forgo all of its local occupational license fee, then the assessment shall be four percent (4%), all of which shall be contributed by the Commonwealth, plus the percentage of the local occupational license fee that the local government has agreed to forgo. Each employee paying the assessment under this subsection shall be entitled to a credit against Kentucky income tax, under KRS 141.350, equal to four percent (4%) and a credit against the local occupational license fee equal to the local occupational license fee that the local jurisdiction has agreed to forgo.

Section 35. KRS 154.24-120 is amended to read as follows:

Before any approved company is granted inducements as prescribed in KRS 154.24-010 to 154.24-150, a service and technology agreement with respect to the company's economic development project shall be entered into between the authority and the approved company. The terms and provisions of the agreement, including the amount of approved

costs, shall be determined by negotiations between the authority and the approved company, except that each agreement shall include the following provisions:

- (1) The term of an agreement shall not be longer than ten (10) years from the activation date established by the approved company. The activation date shall be any time within a one (1) year period after the date of final approval of the agreement by the authority. In order to implement the activation date, the approved company shall notify the authority, the Kentucky Revenue Cabinet, the employees, and the affected local ~~jurisdictions~~~~jurisdiction~~, if any, of the activation date on which implementation of the inducements authorized in the agreement shall occur.
- (2) The agreement shall include:
 - (a) A description of the authorized inducements to be used by the approved company;
 - (b) A provision that, if the total number of full-time employees at the site of the economic development project who are residents of the Commonwealth and ~~who are~~ subject to the Kentucky income tax is less than **fifteen (15)**~~twenty-five (25)~~, or in the case of an existing Kentucky business the approved company fails to maintain the increase of at least **fifteen (15)**~~twenty-five (25)~~ full-time employees who are residents of the Commonwealth and ~~who are~~ subject to the Kentucky income tax, the authorized inducements shall be suspended until the number of full-time employees at the site of the economic development project who are residents of the Commonwealth and ~~who are~~ subject to the Kentucky income tax equals or exceeds **fifteen (15)**~~twenty-five (25)~~; or in the case of an existing Kentucky business until the maintenance requirement of subsection (4) of KRS 154.24-140 is satisfied;
 - (c) A provision that, if seventy-five percent (75%) or less of services provided by the approved company from the economic development project should be provided to persons located outside of the Commonwealth during any fiscal year of the approved company as prescribed in KRS 154.24-090, the authorized inducements shall be suspended until the percentage of these services again exceeds seventy-five percent (75%) for a full fiscal year of the approved company; and
 - (d) A provision that neither income tax credits nor assessments are assignable without written consent by the authority.

Section 36. KRS 154.24-140 is amended to read as follows:

- (1) If an eligible company operates an existing service and technology business in Kentucky, and wishes to expand that business within the Commonwealth, the eligible company may submit an application to the authority to become an approved company and eligible for the inducements offered in KRS 154.24-010 to 154.24-150.
- (2) If an existing business becomes an approved company, the authority shall determine a base level of employment, a base level of state income tax liability, and a base level of services of the approved company for determining eligible credits in remaining years of the approved company's project period. The base level shall be determined by taking into consideration any seasonal fluctuations or aberrations of employment levels over a preceding three (3) year period. Notwithstanding the determination of a base level of employment, no employee of the existing business who is an employee of such business prior to the date of the preliminary resolution of the authority as prescribed in KRS 154.24-100 shall be subject to assessment.
- (3) The authority shall identify, by name, all of the existing employees engaged in the service and technology activity, and these employees shall be exempt from the assessment. If any of these employees cease working in the activity, another employee shall be added to the base level of employment, based on the earliest date of entry into the work force, and he shall be exempt from the assessment. The authority may negotiate with the approved company a different method of determining the base level of employment which would yield a more equitable result for the approved company, the Commonwealth, local jurisdictions, and the employees.
- (4) To become eligible for inducements, the approved company shall create and maintain above the base level of employment an increase at the site of the economic development project of at least **fifteen (15)**~~twenty-five (25)~~ full-time employees who are residents of the Commonwealth, ~~and who are~~ subject to the Kentucky income tax.
- (5) The approved company shall continue to pay to the Commonwealth, on an annualized basis during the term of the agreement, the base level of income tax, adjusted on an annual basis to reflect changes in the consumers price index. Any excess income tax owed may be taken as a credit.

- (6) If any approved company expands because of an increase in business or because of the commencement of a new line of business, it shall be eligible, at the discretion of the authority, to negotiate a separate and additional agreement to cover the expanded business under the same conditions as authorized for expansion in this section.

Section 37. KRS 154.28-010 is amended to read as follows:

As used in KRS 154.28-010 to 154.28-100, unless the context clearly indicates otherwise:

- (1) ***"Activation date" means a date selected by an approved company in the agreement at any time within the two (2) year period after the date of final approval of the agreement by the authority;***
- (2) "Affiliate" means the following:
 - (a) Members of a family, including only brothers and sisters of the whole or half blood, spouse, ancestors, and lineal descendants of an individual;
 - (b) An individual and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for that individual;
 - (c) An individual, and a limited liability company of which more than fifty percent (50%) of the capital interest or the profits interest of which is owned, directly or indirectly, by or for that individual;
 - (d) Two (2) corporations which are members of the same controlled group, which includes and is limited to:
 1. One (1) or more ~~chains~~^{claims} of corporations connected through stock ownership with a common parent corporation if:
 - a. Stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each of the corporations, except the common parent corporation, is owned by one (1) or more of the other corporations; and
 - b. The common parent corporation owns stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of at least one (1) of the other corporations, excluding, in computing such voting power or value, stock owned directly by the other corporations; or
 2. Two (2) or more corporations if five (5) or fewer persons who are individuals, estates, or trusts own stock possessing more than fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote or more than fifty percent (50%) of the total value of shares of all classes of stock of each corporation, taking into account the stock ownership of each person only to the extent the stock ownership is identical with respect to each corporation;
 - (e) A grantor and a fiduciary of any trust;
 - (f) A fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts;
 - (g) A fiduciary of a trust and a beneficiary of that trust;
 - (h) A fiduciary of a trust and a beneficiary of another trust, if the same person is a grantor of both trusts;
 - (i) A fiduciary of a trust and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;
 - (j) A fiduciary of a trust and a limited liability company of which more than fifty percent (50%) of the capital interest or the profits interest of which is owned, directly or indirectly, by or for the trust or by or for a person who is a grantor of the trust;
 - (k) A corporation and a partnership, including a registered limited liability partnership, if the same persons own:
 1. More than fifty percent (50%) in value of the outstanding stock of the corporation; and
 2. More than fifty percent (50%) of the capital interest, or the profits interest, in the partnership, including a registered limited liability partnership;

- (l) A corporation and a limited liability company if the same persons own:
 - 1. More than fifty percent (50%) in value of the outstanding stock of the corporation; and
 - 2. More than fifty percent (50%) of the capital interest or the profits in the limited liability company;
 - (m) A partnership, including a registered limited liability partnership, and a limited liability company if the same persons own:
 - 1. More than fifty percent (50%) of the capital interest or profits in the partnership, including a registered limited liability partnership; and
 - 2. More than fifty percent (50%) of the capital interest or profits in the limited liability company;
 - (n) An S corporation and another S corporation if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation, S corporation designation being the same as that designation under the Internal Revenue Code of 1986, as amended; or
 - (o) An S corporation and a C corporation, if the same persons own more than fifty percent (50%) in value of the outstanding stock of each corporation: S and C corporation designations being the same as those designations under the Internal Revenue Code of 1986, as amended.
- (3)(2) "Agreement" means ***the tax incentive***~~an~~ agreement entered into, pursuant to KRS 154.28-090, ~~between~~~~on behalf of~~ the authority and an approved company with respect to an economic development project;
- (4)(3) "Agribusiness" means any activity involving the processing of raw agricultural products, including timber, or the providing of value-added functions with regard to raw agricultural products;
- ~~((4) "Electric generation" means the generation of electricity for resale by means of combusting at least fifty percent (50%) of the total fuel used to generate electricity from coal or from gas derived from coal;)~~
- (5) "Approved company" means any eligible company, approved by the authority pursuant to KRS 154.28-080, requiring an economic development project;
- (6) "Approved costs" means:
- (a) Obligations incurred for labor and to vendors, contractors, subcontractors, builders, suppliers, deliverymen, and materialmen in connection with the acquisition, construction, rehabilitation, and installation of an economic development project;
 - (b) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, rehabilitation, and installation of an economic project which is not paid by the vendor, supplier, deliverymen, contractors, or otherwise else provided;
 - (c) All costs of architectural and engineering services, including estimates, plans and specifications, preliminary investigations, and supervision of construction, rehabilitation, and installation, as well as for the performance of all the duties required by or consequent upon the acquisition, construction, rehabilitation, and installation of an economic development project;
 - (d) All costs which shall be required to be paid under the terms of any contract for the acquisition, construction, rehabilitation, and installation of an economic development project;
 - (e) All costs which shall be required for the installation of utilities such as water, sewer, sewer treatment, gas, electricity, communications, railroads, and similar facilities, and including offsite construction of the facilities paid for by the approved company; and
 - (f) All other costs comparable to those described above;
- (7) "Assessment" means the job development assessment fee authorized by this section to KRS 154.28-100;
- (8) "Authority" means the Kentucky Economic Development Finance Authority created by KRS 154.20-010;
- (9) ***"Average hourly wage" means the most current wage and employment data published by the Department for Employment Services in the Kentucky Cabinet for Workforce Development collectively translated into wages per hour based on a two thousand and eighty (2,080) hour work year for the following sectors:***

- (a) *Manufacturing;*
- (b) *Transportation, communications, and public utilities;*
- (c) *Wholesale and retail trade;*
- (d) *Finance, insurance, and real estate; and*
- (e) *Services;*

(10) "Commonwealth" means the Commonwealth of Kentucky;

(11)~~(10)~~ (a) "Economic development project" or "project" means and includes:

1. The acquisition of ownership in any real estate by the approved manufacturing~~[- electric generation,]~~ or agribusiness company or its affiliate;
2. The present ownership of real estate by the approved manufacturing~~[- electric generation,]~~ or agribusiness company or its affiliate; **or**
3. The acquisition or present ownership of improvements or facilities, as described in paragraph (b) of this subsection, on land which is possessed or is to be possessed by the approved company pursuant to a ground lease having a term of sixty (60) years or more~~[- or~~
4. ~~The new construction of an electric generation facility in a coal producing county. A coal producing county shall mean a county in the Commonwealth of Kentucky that has produced coal upon which the tax imposed under KRS 143.020 was paid at any time].~~

(b) For purposes of subparagraphs 1. and 2. of paragraph (a) of this subsection, ownership of real estate shall only include fee ownership of real estate and possession of real estate pursuant to a capital lease as determined in accordance with Statement of Financial Accounting Standards No. 13, Accounting for Leases, issued by the Financial Accounting Standards Board, November 1976. With respect to subparagraphs 1., 2., and 3. of paragraph (a) of this subsection, the construction, installation, equipping, and rehabilitating of improvements, including fixtures and equipment directly involved in the manufacturing process, and facilities necessary or desirable for improvement of the real estate shall include: surveys, site tests, and inspections; subsurface site work and excavation; removal of structures, roadways, cemeteries, and other site obstructions; filling, grading, provision of drainage, and storm water retention; installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications, and similar facilities; offsite construction of utility extensions to the boundaries of the real estate; and the acquisition, installation, equipping, and rehabilitation of manufacturing facilities or agribusiness operations on the real estate for the use of the approved company or its affiliates for manufacturing or agribusiness operational purposes. Pursuant to paragraphs (a)3. and (b) of this subsection, an economic development project shall not include lease payments made pursuant to a ground lease for purposes of the tax credits provided under the provisions of KRS 154.28-010 to 154.28-100. An economic development project shall include the equipping of a facility with equipment but, for purposes of the tax credits provided under the provisions of KRS 154.28-010 to 154.28-090, only to the extent of ten thousand dollars (\$10,000) per job created by and maintained at the economic development project;

(12)~~(11)~~ "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, trust, or any other entity engaged in manufacturing~~[- electric generation,]~~ or agribusiness operations;

(13) *"Employee benefits" means nonmandated costs paid by an eligible company for its full-time employees for health insurance, life insurance, dental insurance, vision insurance, defined benefits, 401(K) or similar plans;*

(14) *"Full-time employee" means a person employed by an approved company for a minimum of thirty-five (35) hours per week and subject to the state income tax imposed by KRS 141.020;*

(15)~~(12)~~ "Inducement" means the assessment ~~or~~~~and~~ the Kentucky income tax credit as set forth in KRS 154.28-090;

(16)~~(13)~~ "Manufacturing" means any activity involving the manufacturing, processing, assembling, or production of any property, including the processing resulting in a change in the conditions of the property, and any

activity functionally related to it, together with storage, warehousing, distribution, and related office facilities; however, "manufacturing" shall not include mining, coal or mineral processing, or extraction of minerals; and

~~(17)(14)~~ "State agency" shall have the meaning assigned to the term in KRS 56.440(8).

Section 38. KRS 154.28-080 is amended to read as follows:

- (1) The authority shall promulgate standards for the determination and approval of eligible companies and their economic development projects in accordance with KRS Chapter 13A.
- (2) The standards for approval of eligible companies and economic development projects shall include, but not be limited to: the creditworthiness of eligible companies; the number of new jobs to be provided by an economic development project to the residents of the Commonwealth; and the likelihood of the economic success of the economic development project.
- (3) The economic development project shall involve a minimum investment of one hundred thousand dollars (\$100,000) by the eligible company and shall result in the creation by the eligible company, within two (2) years from the date of the final resolution authorizing the economic development project, of a minimum of fifteen (15) new full-time jobs at the site of the economic development projects for Kentucky residents to be employed by the eligible company and to be held by persons subject to the personal income tax of the Commonwealth. The authority may extend this two (2) year period upon the written application of an eligible company requesting an extension.
- (4)
 - (a) ***Within six (6) months after the activation date, the approved company shall compensate a minimum of ninety percent (90%) of its full-time employees whose jobs were created with base hourly wages equal to either:***
 1. ***Seventy-five percent (75%) of the average hourly wage for the Commonwealth; or***
 2. ***Seventy-five percent (75%) of the average hourly wage for the county in which the project is to be undertaken;***
 - (b) ***If the base hourly wage calculated in subparagraph (a)1. or (a)2. of this subsection is less than one hundred fifty percent (150%) of the federal minimum wage, then the base hourly wage shall be one hundred fifty percent (150%) of the federal minimum wage. In addition to the applicable base hourly wage calculated above, the eligible company shall provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage; however, if the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the applicable base hourly wage, the eligible company may qualify under this section if it provides the employees hired by the eligible company as a result of the economic development project total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the applicable base hourly wage through increased hourly wages combined with employee benefits;***
- (5) No economic development project which will result in the replacement of a manufacturing~~[-electric generation,]~~ or agribusiness facility existing within the Commonwealth shall be approved by the authority; however, the authority may approve an economic development project that:
 - (a) Rehabilitates a manufacturing~~[-electric generation,]~~ or agribusiness facility:
 1. Which has not been in operation for a period of ninety (90) or more consecutive days; or
 2. ***For which the current occupant of the facility has published a notice of closure so long as the eligible company intending to acquire the facility is not an affiliate of the current occupant; or***
 3. ***To which*** the title~~[-to which]~~ is vested in other than the eligible company or an affiliate of the eligible company and that is sold or transferred pursuant to a foreclosure ordered by a court of competent jurisdiction or an order of a bankruptcy court of competent jurisdiction;
 - (b) Replaces a manufacturing or ***agribusiness***~~[-electric generation]~~ facility existing in the Commonwealth:
 1. ***To which*** the title~~[-to which]~~ shall have been taken under the exercise of the power of eminent domain, or ***to which*** the title~~[-to which]~~ shall be the subject of a nonappealable judgment granting the authority to exercise the power of eminent domain, in either event to the extent that normal operations cannot be resumed at the facility within twelve (12) months; or

2. Which has been damaged or destroyed by fire or other casualty to the extent that normal operations cannot be resumed at the facility within twelve (12) months; or
- (c) Replaces an existing manufacturing or **agribusiness**~~electric generation~~ facility located in the same~~qualified~~ county that cannot be expanded due to the unavailability of real estate at or adjacent to the manufacturing or **agribusiness**~~electric generation~~ facility to be replaced. Any economic development project satisfying the requirements of this subsection shall be eligible only for inducements to the extent of the expansion, and no inducements shall be available for the equivalent of the manufacturing or **agribusiness**~~electric generation~~ facility to be replaced. No economic development project otherwise satisfying the requirements of this subsection shall be approved by the authority that results in a lease abandonment or lease termination by the eligible company without the consent of the lessor.
- ~~(6)(5)~~ With respect to each eligible company making an application to the authority for inducements, and with respect to these economic development projects described in the application which do not involve an expansion, the authority shall make inquiries and request materials of the applicant, including, but not limited to, written evidence that except for the receipt of inducements authorized by KRS 154.28-015 to 154.28-090 and KRS 141.400, the eligible company will not locate its economic development project within the Commonwealth. Upon the review of the application and completion of initial inquiries, the authority may, by resolution, give its preliminary approval by designating an eligible company as a preliminarily approved company and authorizing the undertaking of the economic development project.
- ~~(7)(6)~~ After a diligent review of the relevant materials and completion of its inquiries, the authority, by resolution of its board of directors, may designate an eligible company to be an approved company.
- ~~(8)(7)~~ All meetings of the board of directors of the authority shall be held in accordance with KRS 61.805 to 61.850. The board of directors of 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 39. KRS 154.28-090 is amended to read as follows:

~~{(1)—}~~The authority, upon adoption of an authorizing resolution, may enter into, with any approved company, ~~an~~~~a financing~~ agreement with respect to its economic development project. The terms and provisions of each agreement, including the amount of approved costs, shall be determined by negotiations between the authority and the approved company, except that each agreement shall include the following provisions:

- (1) *The agreement shall set forth the maximum amount of inducements available to the approved company for recovery of the approved costs authorized by the authority and expended by the approved company.*
- (2) *The approved company shall expend the authorized approved costs within three (3) years of the date of the final approval by the authority.*
- (3) *The approved company shall provide the authority with documentation as to the expenditures for approved costs in a manner acceptable to the authority.*
- (4) *The agreement shall include the activation date and will terminate upon the earlier of the full receipt of the maximum amount of inducements by the approved company or ten (10) years from the activation date. To implement the activation date, the approved company shall notify the authority, the Kentucky Revenue Cabinet, and the approved company's employees of the activation date on which implementation of the inducements authorized in the agreement shall occur. The activation date shall be the time when the maximum dollar value of equipment that constitutes a portion of the economic development project under subsection (11) of Section 37 of this Act shall be determined. If the approved company does not satisfy the minimum investment and minimum employment requirements of subsection (3) of Section 38 of this Act by the activation date, the approved company shall not be entitled to receive inducements pursuant to this subchapter until the approved company satisfies the requirements; however, the ten (10) year period for the term of the agreement shall begin from the activation date. Notwithstanding the previous sentence, if the approved company does not satisfy the minimum investment and minimum employment requirements of subsection (3) of Section 38 of this Act within two (2) years from the date of final approval of the agreement, then the approved company shall be ineligible to receive inducements under this subchapter unless an extension is approved by the authority.*
- (5) *The approved company shall comply with the wage criteria set forth in subsection (4) of Section 38 of this Act and provide documentation in connection with wages paid to its full-time employees hired as a result of the economic development project in a manner acceptable to the authority.*

- (6) *The approved company may be permitted one of the following inducements during the term of the agreement and shall select the applicable inducement at the time of final approval by the authority:*
- (a) *A one hundred percent (100%) credit against the Kentucky income tax that would otherwise be owed in the approved company's fiscal year, as determined under KRS 141.400, to the Commonwealth by the approved company on the income of the approved company generated by or arising from the economic development project; or*
 - (b) *The aggregate assessments pursuant to Section 40 of this Act withheld by the approved company each year.*
- (7) *Either the total income tax credit or assessments may not exceed authorized cumulative approved costs paid by the approved company in the three (3) year period commencing with the date of final approval.*
- (8) *If the approved company elects to use the income tax credit, the income tax credited to the approved company shall be credited for the fiscal year for which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed in KRS 141.042 on the Kentucky taxable income generated by or arising from the economic development project.*
- (9) *The agreement may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to that effect.*
- (10) *The agreement shall provide that if an approved company fails to comply with its obligations under the agreement then the authority shall have the right, at its option, to:*
- (a) *Suspend either the income tax credits or assessments available to the approved company;*
 - (b) *Pursue any remedy provided under the agreement, including termination thereof; and*
 - (c) *Pursue any other remedy at law to which it may be entitled.*
- (11) *All remedies provided in subsection (10) of this section shall be deemed to be cumulative.*
- ~~{(a) The term of an agreement, which shall commence on the date of the agreement, shall not be longer than the earlier of the following:~~
- ~~1. The maturity of loans or other financing incurred in connection with the economic development project, except that the agreement may be terminated upon the earlier prepayment of loans or other financing incurred in connection with the economic development project; or~~
 - ~~2. Ten (10) years from the activation date of the original agreement.~~
- ~~(b) All proceeds of any loan or other financing incurred in connection with the economic development project shall be expended by the approved company within three (3) years from the date of the financing agreement. In the event that all proceeds of any loan or other financing incurred in connection with the economic development project are not fully expended within the three (3) year period, the authorized inducements shall automatically be reduced to and shall not be greater than the amount of proceeds actually expended by the approved company within the three (3) year period.~~
- ~~(c) In consideration for the execution and during the term of the agreement, the approved company shall be permitted either of the following during the term of the agreement:~~
- ~~1. A credit against Kentucky income tax imposed by KRS 141.020 or 141.040 on the income of the approved company generated by or arising out of the economic development project as determined by KRS 141.400; or~~
 - ~~2. The aggregate assessment withheld by the approved company in each year.~~
- ~~(2) The agreement shall provide that:~~
- ~~(a) 1. The assessments, if applicable, shall not exceed the annual payments of the total financing agreement by the approved company in any year; however, to the extent that the financing agreement annual payments exceed assessments collected in any year, the excess payment may be recouped from assessment collections in succeeding years.~~
 - ~~2. If in any fiscal year of the approved company during which the financing agreement is in effect the total assessments collected from the wages of the employees equals the annual payment~~

~~pursuant to the financing agreement, and if all excess payments pursuant to the financing agreement accumulated in prior years have been recouped, the assessments collected from the wages of the employees shall cease for the remainder of that fiscal year of the approved company, and the approved company shall resume normal personal income tax withholdings from employees' wages for the remainder of that fiscal year.~~

- ~~(b) The Kentucky income tax credit, in any fiscal year of the approved company, shall not exceed the total debt service paid during the same fiscal year with respect to the loans or other financing incurred in connection with the economic development project; however, to the extent that annual debt service payments exceed the annual income tax credits in any year, the excess debt service payments may be recouped from excess tax credits in succeeding years.~~
- ~~(c) The income tax credited to the approved company shall be credited for the fiscal year for which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed under KRS 141.042.~~
- ~~(d) The agreement may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to that effect.~~
- ~~(e) An approved company shall require of any lender to an approved company funding the loans or other financing incurred in connection with the economic development project, written evidence of all annual debt service to the lender, which evidence shall be provided in writing to the authority within forty five (45) days following the close of each fiscal year of the financing agreement.~~
- ~~(f) If an approved company fails to comply with its respective obligations under the financing agreement, the lender to an approved company fails to comply with the provisions of subsection (2)(e) of this section, or an approved company is declared in default under the loans or other financing incurred in connection with the economic development project, the authority, or any of its assignees, may, at its option:

 - ~~1. Suspend the availability of the income tax credits or job development assessment fees, as applicable;~~
 - ~~2. Pursue any remedy provided under the financing agreement, including termination of the agreement; and~~
 - ~~3. Pursue any other remedy at law to which it may appear entitled.~~~~
- ~~(3) All remedies provided in subsection (2)(f) of this section shall be deemed cumulative.~~
- ~~(4) Pursuant to this section, the activation date shall be established by the approved company in the financing agreement which shall be at any time in a two (2) year period after the date of final approval of the financing agreement by the authority. To implement the activation date, the approved company shall notify the authority, the Kentucky Revenue Cabinet, and the approved company's employees of the activation date on which implementation of the inducements authorized in the financing agreement shall occur. The activation date shall be the time when the maximum dollar value of equipment that constitutes a portion of an economic development project under KRS 154.28-010(10) shall be determined. If the approved company does not satisfy the minimum investment and minimum employment requirements of KRS 154.28-080(3) by the activation date, the approved company will not be entitled to receive inducements pursuant to this subchapter until the approved company satisfies these requirements; however, the ten (10) year period for the term of the financing agreement shall begin from the activation date. Notwithstanding the previous sentence, if the approved company does not satisfy the minimum investment and minimum employment requirements of KRS 154.28-080(3) within two (2) years from the date of final approval of the financing agreement, then the approved company shall be ineligible to receive inducements under this subchapter unless an extension is approved by the authority.]~~
- ~~(12) (5)~~ By October 1 of each year, the Revenue Cabinet shall certify to the authority, in the form of an annual report, aggregate income tax credits claimed on tax returns filed during the fiscal year ending June 30 of that year and assessments taken during the prior calendar year by approved companies with respect to their economic *development*~~[revitalization]~~ projects under this subchapter, and shall certify to the authority, within ninety (90) days from the date an approved company has filed its state income tax return, when an approved company has taken income tax credits *or*~~[and]~~ assessments equal to its total inducements.

Section 40. KRS 154.28-110 is amended to read as follows:

- (1) The approved company ***or, with the authority's consent, an affiliate of the approved company*** may require, in lieu of receiving the income tax credits described in KRS 154.28-090, that each employee subject to state tax imposed by KRS 141.020, as a condition of employment, agree to pay ~~an~~***a job development*** assessment ~~fee~~, equal to three percent (3%) of the gross wages of each employee whose job was created as a result of the economic development project, for the purpose of ***recovering authorized approved costs as set forth in the agreement***~~retiring the loans or other financing, as described in KRS 154.28-090, incurred in connection with the economic development project~~.
- (2) Each employee so assessed shall be entitled to a credit against Kentucky income tax withheld as provided by KRS 141.310 and 141.350 equal to the ~~job development~~ assessment ~~fee~~ withheld from his or her wages during the calendar year.
- (3) If an approved company shall elect to impose the assessment as a condition of employment, it shall be authorized to deduct the assessment from each paycheck of each employee.
- (4) Any approved company collecting an assessment as provided in subsection (1) of this section shall make its payroll books and records available to the authority at such reasonable times as the authority shall request and shall file with the authority documentation respecting the assessment as the authority may require.
- ~~{(5) Any assessment of the wages of employees of an approved company in connection with their employment at an economic development project pursuant to subsection (1) of this section shall permanently lapse on the date any loans or other financing, as described in KRS 154.28-090, incurred in connection with the economic development project mature or are prepaid in full.}~~

SECTION 41. A NEW SECTION OF SUBCHAPTER 28 OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

If the authority adopts a preliminary resolution designating an eligible company as an approved company and preliminarily approving the project of the eligible company as an economic development project prior to July 15, 2002, and the authority adopts a final resolution approving the eligible company as an approved company and the project of the eligible company as an economic development project, and the authority and the eligible company enter into an agreement no later than June 30, 2003, then the approved company thereafter shall be subject to subchapter 28 of KRS Chapter 154 effective prior to July 15, 2002.

Section 42. KRS 141.310 is amended to read as follows:

- (1) Every employer making payment of wages on or after January 1, 1971, shall deduct and withhold upon the wages a tax determined under KRS 141.315 or by the tables authorized by KRS 141.370.
- (2) If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which the wages are paid.
- (3) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of wages by the employer during the calendar year, or the date of commencement of employment with the employer during the year, or January 1 of the year, whichever is the later.
- (4) In determining the amount to be deducted and withheld under this section, the wages may, at the election of the employer, be computed to the nearest dollar.
- (5) The tables mentioned in subsection (1) of this section take into consideration the deductible federal income tax. If Congress changes substantially the federal income tax, the cabinet shall make the change in these tables necessary to compensate for any increase or decrease in the deductible federal income tax.
- (6) The cabinet may permit the use of accounting machines to calculate the proper amount to be deducted from wages when the calculation so permitted produces substantially the same result set forth in the tables authorized by KRS 141.370. Prior approval of the calculation shall be secured from the cabinet at least thirty (30) days before the first payroll period for which it is to be used.
- (7) The cabinet may, by regulations, authorize employers:

- (a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;
 - (b) To determine the amount to be deducted and withheld upon each payment of wages to the employee during the quarter as if the appropriate average of the wages estimated constituted the actual wages paid; and
 - (c) To deduct and withhold upon any payment of wages to the employee during the quarter the amount necessary to adjust the amount actually deducted and withheld upon the wages of the employee during the quarter to the amount that would be required to be deducted and withheld during the quarter if the payroll period of the employee was quarterly.
- (8) The cabinet may provide by regulation, under the conditions and to the extent it deems proper, for withholding in addition to that otherwise required under this section and KRS 141.315 in cases in which the employer and the employee agree to the additional withholding. The additional withholding shall for all purposes be considered tax required to be deducted and withheld under this chapter.
 - (9) Effective January 1, 1992, any employer required by this section to withhold Kentucky income tax who assesses and withholds from employees the job assessment fee provided in KRS 154.24-110 may offset a portion of the fee against the Kentucky income tax required to be withheld from the employee under this section. The amount of the offset shall be four-fifths (4/5) of the amount of the assessment fee withheld from the employee or the Commonwealth's contribution of KRS 154.24-110(3) applies. If the provisions in KRS 154.24-150(3) or (4) apply, the offset, the offset shall be one hundred percent (100%) of the assessment.
 - (10) Any employer required by this section to withhold Kentucky income tax who assesses and withholds from employees ~~an~~~~the job development~~ assessment~~fee~~ provided in KRS 154.22-070 ~~or~~ ~~KRS 154.28-110~~~~, or KRS 65.6851~~ may offset the fee against the Kentucky income tax required to be withheld from the employee under this section.
 - (11) Effective January 1, 1992, any employer required by this section to withhold Kentucky income tax who assesses and withholds from employees the job assessment fee provided in KRS 154.26-100 may offset a portion of the fee against the Kentucky income tax required to be withheld from the employee under this section. The amount of the offset shall be two-thirds (2/3) of the amount of the assessment fee withheld from the employee, or if the agreement under KRS 154.26-090(1)(d)2.b. is consummated, the offset shall be four-fifths (4/5) of the assessment fee.
 - (12) Any employer required by this section to withhold Kentucky income tax who assesses and withholds from employees the job development assessment fee provided in KRS 154.23-055 may offset a portion of the fee against the Kentucky income tax required to be withheld from the employee under this section. The amount of the offset shall be equal to the Commonwealth's contribution as determined by KRS 154.23-055(1) to (3).
 - (13) Any employer required by this section to withhold Kentucky income tax may be required to post a bond with the cabinet. The bond shall be a corporate surety bond or cash. The amount of the bond shall be determined by the cabinet, but shall not exceed fifty thousand dollars (\$50,000).
 - (14) The Commonwealth may bring an action for a restraining order or a temporary or permanent injunction to restrain or enjoin the operation of an employer's business until the bond is posted or the tax required to be withheld is paid or both. The action may be brought in the Franklin Circuit Court or in the Circuit Court having jurisdiction of the defendant.

Section 43. KRS 148.851 is amended to read as follows:

As used in KRS 139.536 and KRS 148.851 to 148.860, unless the context clearly indicates otherwise:

- (1) "Agreement" means a tourism attraction agreement entered into, pursuant to KRS 148.859, 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 KRS 148.859 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 Development Finance Authority as set forth in KRS 148.850;
 - (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 KRS 148.855. 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 KRS 148.851 to 148.860;
 - (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 KRS 148.851 to 148.860;
 - (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; ~~for~~

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; *or*
 3. *The facilities involve the reconstruction, restoration, rehabilitation, or upgrade of a full-service lodging facility having not less than five hundred (500) guest rooms, with reconstruction, restoration, rehabilitation, or upgrade costs exceeding ten million dollars (\$10,000,000).*
- (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 44. KRS 154.22-080 is amended to read as follows:

~~{(1)—If the authority adopts a preliminary resolution designating an eligible company as an approved company and preliminarily approving the project of the eligible company as an economic development project prior to July 15, 1994, and the authority adopts a final resolution approving the eligible company as an approved company and the project of the eligible company as an economic development project, and the authority and the eligible company enter into a financing agreement no later than June 30, 1995, then the approved company thereafter shall be subject to KRS 154.22-010 to 154.22-070 as in effect prior to July 15, 1994.~~

~~{(2)—Notwithstanding subsection (1) of this section, an approved company shall be subject to KRS 154.22-050(1)(e) and (2)(d) commencing with the fiscal year of an approved company that begins after December 31, 1994.}~~

Section 45. KRS 42.4595 is amended to read as follows:

The Department for Local Government may promulgate administrative regulations to implement the provisions of KRS 42.4582, 42.4585, or 42.4592. ~~The Department for Coal County Development in the~~ Cabinet for Economic Development or the Kentucky Economic Development Finance Authority may promulgate administrative regulations to implement the provisions of KRS 42.4588.

Section 46. KRS 42.460 is amended to read as follows:

Except as provided in subsection (4)(b) of KRS 91A.040, any assistance granted under KRS 42.450 to 42.495 shall include an agreement that an independent annual audit shall be conducted and that the audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to the Department for Local Government, in the case of assistance granted from the local government economic assistance fund, or to the ~~Department for Coal County Development,~~ Cabinet for Economic Development and the Kentucky Economic Development Finance Authority, in the case of assistance granted from the local government economic development fund, within eighteen (18) months after the end of the fiscal year.

Section 47. KRS 42.480 is amended to read as follows:

- (1) On or before July 1, 1992, and each year thereafter, the commissioner of the Department for Local Government shall provide the ~~Department for Coal County Development in the~~ Cabinet for Economic Development, the Kentucky Economic Development Finance Authority, and the legislative body of each local

government eligible for funds under the provisions of KRS 42.450 to 42.495, an estimate of the funds that will be allocated to the local government for fiscal year 1992-93, and each year thereafter.

- (2) On or before the fifteenth of the first month of a quarter, the commissioner of the Department for Local Government shall cause to be remitted to the legislative bodies of the local governments eligible for funds from the local government economic assistance fund, the funds allocated to the respective local governments for the prior quarter; except that the remittance for the last quarter of a fiscal year shall be made after the close of the fiscal year accounting records, and shall be adjusted to provide the balance of the annual allocation due the local government.

Section 48. 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. 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.
 - (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.
 - (m) Office of Technology.
 - (n) Office of Quality.
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) Department for Coal County Development.~~
 - ~~(f) Tobacco Research Board.~~
 - ~~(f)(g) 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.
 - (o) Mine Safety Review Commission.
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 Tobacco Settlement Trust Corporation.
 - (w) Eastern Kentucky Exposition Center 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 Information Technology.
 - (m) Office of Labor-Management Relations and Mediation.
 - (n) Office of General Counsel.
 - (o) Workers' Compensation Funding Commission.
 - (p) 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) Department for 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.
 - (l) Office of Public Employee Health Insurance.
- 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.
10. Education Professional Standards Board.

Section 49. The following KRS section is repealed:

65.700 Definitions for KRS 65.700 and 65.703.

65.703 Authorization for grant contracts with certain agencies for release of portion of tax increment -- Procedures -- Evaluation.

154.12-260 Department for Coal County Development -- Purpose -- Appointment of commissioner.

154.22-090 Exemption of approved company from application of certain statutes.

154.28-120 Application to approved companies of KRS 154.28-010, 154.28-080, 154.28-090, and 154.28-110.

Section 50. Whereas costs associated with large-scale construction and rehabilitation projects may be reasonably expected to increase with the ending of the current economic downturn, an emergency is declared to exist, and Sections 43 and 44 of this Act effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 11, 2002

CHAPTER 339

(HB 852)

AN ACT relating to police merit boards in a consolidated local government.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 14 of this Act, unless the context otherwise requires:

- (1) *"Board" means the consolidated local government police force merit board or boards hereinafter created.*
- (2) *"Chief" means a chief of a consolidated local government police force affected by Sections 1 to 14 of this Act.*
- (3) *"Assistant chief" means the next in command to the chiefs of the consolidated local government police force or forces affected by Sections 1 to 14 of this Act.*
- (4) *"Secretary" means the executive secretary and examiner employed by the consolidated local government police force merit board or boards created as provided by Sections 1 to 14 of this Act.*
- (5) *"Officer" means any member of the consolidated local government police forces affected by Sections 1 to 14 of this Act, including chiefs, assistant chiefs, and patrol officers, corporals, sergeants, lieutenants, and captains unless specifically excluded.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *A consolidated local government shall, by ordinance, create a consolidated local government police force merit system and in the same ordinance shall establish a consolidated local government police force merit board. A board shall classify and examine applicants seeking employment as officers of the police force of the consolidated local government, excluding applicants for the positions of chief, assistant chief, and officers above the rank of captain. The board, except when prohibited, shall promulgate rules and regulations not inconsistent with Sections 1 to 14 of this Act governing the classification, qualification, examination, appointment, probation, promotion, demotion, suspension, and other disciplinary action*

within the consolidated local government police force of all officers affected and covered by the provisions of Sections 1 to 14 of this Act, and shall hold hearings and impose, if necessary, penalties upon the personnel affected by Sections 1 to 14 of this Act.

- (2) *The legislative council of the consolidated local government shall annually appropriate funds for the reasonable and necessary expenses of the board.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *The mayor, subject to the approval of the legislative council of the consolidated local government, shall appoint four (4) persons, who shall constitute the consolidated local government police force merit board of the consolidated local government. The members of the board shall serve without compensation. Each board appointee shall be at least thirty (30) years of age, a resident of the consolidated local government, and not related by either blood or marriage to either the mayor or any member of the legislative council of the consolidated local government. The first members of the board shall be appointed within thirty (30) days of the effective date of the ordinance creating a consolidated local government police force merit system and merit board. One (1) member of the board shall be appointed for a term of one (1) year, one (1) for a term of two (2) years, one (1) for a term of three (3) years, and one (1) for a term of four (4) years. Thereafter, all appointments shall be for four (4) years except that an appointment to fill a vacancy on the board shall be made only for the unexpired term of the vacated position. Any board member may be removed by resolution of the legislative council of the consolidated local government for neglect, incapacity, misfeasance, or malfeasance on the part of a board member. No appointed board member shall hold any other public office, elective or appointive, during his or her term as a member of the board, and shall not receive any money, gift, or consideration of any type from any person, directly or indirectly, for or on account of any recommendation, proposal, or suggestion bearing upon the business of the board or the consolidated local government police force. Not more than two (2) members shall be members of the same political party.*
- (2) *Each appointee, before entering upon the discharge of his or her duties, shall qualify by subscribing, taking, and filling an oath of office as required by law.*
- (3) *The members of the consolidated local government police forces shall elect for a two (2) year term, two (2) patrol officers of the consolidated police forces with a minimum of five (5) or more years service who shall serve as members of the board for the purpose of deciding discipline cases only, and who may vote in these cases. In case of a vacancy in a position held by a patrol officer, a new election shall be held within sixty (60) days of the date the vacancy occurs and the person elected shall fill the remainder of the original unexpired term.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall meet within thirty (30) days of the creation of the board and the members shall select from among themselves a chairman and vice chairman and adopt such rules, regulations, and by-laws not inconsistent with Sections 1 to 14 of this Act for the necessary operation of the board. In all matters requiring a vote, a majority of the board members present and voting shall determine any questions, provided that at least three (3) board members are present to constitute a quorum.*
- (2) *In cases of discipline, four (4) members of the board shall be present to constitute a quorum, one (1) of which shall be a police officer as defined in subsection (3) of Section 3 of this Act.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *The board shall meet at least once every two (2) calendar months and minutes of each meeting shall be kept.*
- (2) *The board shall employ a secretary who shall also conduct all examinations, prepare eligible lists, keep all records of the board's business, keep and maintain all minutes of all board meetings, and perform such other duties in connection with the business of the board as may be required. The secretary may be employed on either a part-time or full-time basis, and the secretary shall receive compensation as may be recommended by the board and approved by the legislative council. All orders and minutes of the board shall be signed by the chairman who shall be elected by the board members, and the minutes shall be countersigned by the secretary.*
- (3) *All records and meetings of the board shall comply with KRS 61.805 to 61.884.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

Within thirty (30) days after the creation of a merit board under Sections 1 to 14 of this Act, the mayor shall certify to the board the names, rank, rate of pay, and the seniority of every officer on the police force as of the effective date of the ordinance creating the board.

SECTION 7. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) All police officers of whatever rank and title of a consolidated local government police force shall be covered by the provisions of this section, except probationary officers. All officers of a consolidated local government police force on active duty or service as of the effective date of an ordinance creating a consolidated local government police merit system and board, shall be deemed fit and qualified to continue their respective duties of employment on or for the consolidated local government police force without examination or further qualification, except and unless the chief of police shall, within sixty (60) days after the establishment of the board, certify to the board that any officer is physically unfit to continue his or her duties.*
- (2) All personnel covered by the provisions of this section, except probationary officers, shall be deemed to be permanent employees subject to their ability to satisfactorily perform their respective duties and subject to their good behavior.*
- (3) A probationary officer shall not be included in the merit system until that officer has satisfactorily completed his or her initial probationary period which shall be one (1) year from his or her sworn date. The one (1) year probationary period may be extended for up to six (6) months upon showing of just cause by the chief and approved by the board.*
- (4) Officers covered by the provisions of Section 2 of this Act and serving promotional probationary periods shall not be deemed excluded from the merit system during the promotional probationary periods.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) The provisions of Sections 2, 3, 4, 5, and 10 of this Act shall not apply to the chief of police, assistant chief, and any officers above the rank of captain of the consolidated local government police forces. These officers shall be appointed by the mayor and shall not be considered covered under the employment protections of the merit board, except as provided in subsection (2) of this section.*
- (2) Any officer originally covered by the provisions of Sections 2, 3, 4, and 5 of this Act who shall accept an appointment and qualify as chief of police, assistant chief of police, or officer above the rank of captain shall be deemed to have received a leave of absence from the classified service for and during his or her service in either of these respective positions. Should any chief of police, assistant chief of police, or officer above the rank of captain cease to serve in that capacity, he or she shall be restored to the same classification and rank which he or she held prior to the appointment. Any person not covered by the provisions of Sections 2, 3, 4, and 5 of this Act when appointed to the position of chief of police, assistant chief of police, or officer above the rank of captain shall not be deemed to be part of the classified service and shall not be placed in any classification or rank in the classified service when he or she ceases to serve in that position unless he or she goes through the normal qualification and classification procedures required by the board.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) No officer covered by the provisions of Sections 1 to 14 of this Act shall directly or indirectly solicit or receive or be in any manner concerned in receiving, soliciting, or publicizing any assessment, gift, subscription, or contribution to or for any political party or candidate for public office.*
- (2) No person shall use or promise to use his or her personal influence or official authority to secure any appointment or promotion to any position of employment covered by the provisions of Sections 1 to 14 of this Act, as a reward or return for personal or partisan political service. No candidate applying for original appointment or promotion to any position of employment covered by Sections 1 to 14 of this Act shall sign or execute or promise to sign or execute a resignation dated or undated in advance of his or her appointment or promotion. No officer covered by the provisions of Sections 1 to 14 of this Act shall be suspended, laid off, demoted, promoted, fined, disciplined, or threatened, or in any way changed in rank, duty, or compensation for withholding or neglecting to pay or make any contribution of any sort, either in money, goods, services, or anything of value for any political purpose whatsoever.*

- (3) *No examination question on any examination given by the board shall relate to any political or religious opinion, belief, affiliation, or service and no appointment, promotion, demotion, suspension, fine, or removal shall be brought about, effected, affected, or influenced by these opinions, beliefs, affiliations, or services.*
- (4) *No officer covered by the provisions of Sections 1 to 14 of this Act shall foster, promote, or be concerned with any actions involving political or religious controversies or prejudices while in uniform.*
- (5) *Nothing contained in Sections 1 to 14 of this Act shall be so construed as to abridge the rights of any officer with respect to his or her personal opinions, beliefs, and right to vote.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *Every consolidated local government police force merit system board created shall make, promulgate, and when necessary, amend rules for the qualifications, original appointment, probation, promotion, demotion, transfer, lay-off, reinstatement, suspension, and removal of the officers covered by Sections 2, 3, 4, and 5 of this Act. No rule or regulation made, promulgated, or amended by any consolidated local government police force merit system board shall be inconsistent with the express provisions of this chapter. The board shall publish its rules and any amendments and shall supply certified copies to the mayor, legislative council, and the police chief, and shall post a copy conspicuously in the office or place where the headquarters of the consolidated local government police is maintained. The copies of the rules and amendments shall be distributed and posted in the manner prescribed within three (3) days after adoption.*
- (2) *The rules in addition to other matters shall specifically provide for and cover the following:*
 - (a) *Physical, mental, educational, citizenship, and age requirements for new officers;*
 - (b) *Physical, mental, educational, citizenship, age, and length of service requirements for promotion from lower to higher rank or classification;*
 - (c) *A requirement that patrol officers have five (5) years of service as patrol officers before being eligible for promotion to the rank of sergeant;*
 - (d) *Provision for open, competitive, written, oral, and physical examinations to determine the relative fitness of all candidates for original appointment and for promotion;*
 - (e) *A requirement of public notice of all examinations to be given by the merit board;*
 - (f) *Organization and meetings of the board; and*
 - (g) *Procedure and conduct of public hearings.*
- (3) *The board shall employ a chief examiner who shall be professionally qualified and experienced in the field of testing and who shall formulate, give, grade, and administer all written tests as required by the board. The chief examiner shall report to the board the results of all tests given by him or her and the examiners shall be solely responsible to the board. The chief examiner shall compile the grades of all applicants in strict compliance with procedures and percentages as set out in this section and shall deliver the scores of all applicants for promotion to the chairman of the board, in a sealed envelope. The chief examiner shall not reveal to anyone the results of test scores for promotions other than in this manner.*
- (4) *Physical fitness for promotion shall be presumed unless certified to the contrary by the chief of police who shall supply the board with medical records of the disability.*
- (5) *At least ninety (90) days notice shall be given before a promotional examination is conducted.*
- (6) *Promotional tests shall be graded, as determined by the board, to include both written and oral examination scores. In addition, seniority in grade, not to exceed ten percent (10%), shall be awarded for each year of service after five (5) full years of service. The results of the written and oral examinations shall be combined to determine the applicant's final evaluated rating.*
- (7) *Promotional eligibility lists shall contain the names of successful candidates in the order of their standing through examination.*
- (8) *An applicant may file with the board a written challenge to the applicant's score on the written or oral examination within ten (10) days of notification of examination scores. The board shall make examination questions and answers available for inspection by the applicant upon the filing of a written challenge.*

- (9) *In filling promotional vacancies, the chief of police shall select from not more than five (5) candidates graded highest on the appropriate eligibility list. The board shall determine the justification for not promoting a candidate who has been certified for promotion four (4) times. If the board determines that the candidate's nonpromotion is unjustified or unsupported by the evidence, the candidate shall be promoted. The certified rank list for promotions shall be valid for two (2) years and shall not be extended. All promotional vacancies shall be filled within sixty (60) days of the vacancy.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *Any officer may be removed, suspended for a period not to exceed sixty (60) days, laid off, or reduced in grade by the chief for any cause which promotes the efficiency of the services, but before any such action is taken by the chief against any officer, the chief shall furnish the officer concerned with a written statement of the reasons why the described action is being taken. The officer may be reduced, removed, suspended for a period not to exceed sixty (60) days, or laid off from the date the written statement of reasons is served upon her or him. Each officer removed, suspended for a period not to exceed sixty (60) days, laid off, or reduced in grade shall be allowed a period of ten (10) days within which the officer may file a written answer to the charges and the reasons which caused her or his suspension, removal, or reduction. This answer shall be made a part of the official records of the police department. No trial or examination of witnesses shall be required in any such case except at the discretion of the chief. The chief shall likewise furnish a copy of the written charges and reasons for her or his action to the board.*
- (2) *Any citizen who makes written, sworn charges of misconduct concerning the actions of any police officer shall present the charges to the chief of police who shall investigate the charges. The chief of police shall determine what action, if any, shall be taken against the officer, subject to the limitations set out in this chapter. The citizen may appeal the determination of the chief of police to the board.*

SECTION 12. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

In all cases provided for in Section 11 of this Act, the action of the chief shall be final except in the following cases:

- (1) *Every action in the nature of a dismissal, suspension, or reduction made by the chief, shall be subject to review by the board at the request of any officer affected by Sections 1 to 14 of this Act, and the board shall give notice and hold a public hearing. After the public hearing, the board shall retire in executive session to discuss the evidence introduced at the hearing and to make its determination and conclusion. While in executive session, the board shall not receive any further evidence or communication from any source prior to reaching its determination and conclusion. The board, while in executive session, may request and receive legal advice from board counsel on specific legal issues which may arise during deliberations. If a majority of the members of the board are of the opinion that the action of the chief is unjustified or unsupported by proper evidence, the order of the chief may be set aside and revoked by the board and the board may impose the penalty or punishment it deems necessary and appropriate, if any, provided however, the board shall not impose a penalty or punishment in excess of the action of the chief. No officer shall be removed or dismissed except as provided for in this section.*
- (2) (a) *Every action of a dismissal, suspension, or reduction made by the board shall be final, except that any person aggrieved may, within thirty (30) days after the action, appeal to the Circuit Court of the county in which the board meets. The board shall be named respondent as the consolidated local government police force merit board, and service shall be had on the chairman of the board. The appeal taken to the Circuit Court shall be docketed by the clerk as a civil action and shall be tried anew, as if no action had been rendered by the board.*
- (b) *The judgment of the Circuit Court shall be subject to appeal to the Court of Appeals. The procedure as to the appeal to the Court of Appeals shall be the same as in any civil action.*

SECTION 13. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

Procedural due process shall be afforded to any police officer brought before the board. The officer shall be given a prompt hearing by the board, have an opportunity to confront his or her accusers, and have the privilege of presenting the board with evidence. The board shall have the power to issue subpoenas attested in the name of its chairman, to compel the attendance of witnesses, to compel the production of documents and other documentary evidence, and so far as practicable, conduct the hearing within the Kentucky Rules of Civil Procedure. Upon a showing of proper need, the board shall issue subpoenas to compel the attendance of witnesses, or to compel the

production of documents and other documentary evidence for the benefits of the officer or the chief at the request of the officer or the chief. Any officer not given a hearing within sixty (60) days of being charged shall be reinstated in full.

SECTION 14. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

Upon the establishment of a consolidated local government, the existing promotional lists of the merit and civil service boards of the previously existing county and city of the first class governments shall remain in effect until their normal expiration date.

Approved April 12, 2002

CHAPTER 340

(HB 348)

AN ACT relating to worker's compensation.

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

Section 1. KRS 342.315 is amended to read as follows:

- (1) The commissioner shall contract with the University of Kentucky and the University of Louisville medical schools to evaluate workers who have had injuries or become affected by occupational diseases covered by this chapter. Referral for evaluation may be made to one (1) of the medical schools whenever a medical question is at issue.
- (2) The physicians and institutions performing evaluations pursuant to this section shall render reports encompassing their findings and opinions in the form prescribed by the commissioner. ***Except as otherwise provided in Section 2 of this Act,*** the clinical findings and opinions of the designated evaluator shall be afforded presumptive weight by administrative law judges and the burden to overcome such findings and opinions shall fall on the opponent of that evidence. When administrative law judges reject the clinical findings and opinions of the designated evaluator, they shall specifically state in the order the reasons for rejecting that evidence.
- (3) The commissioner or an administrative law judge may, upon the application of any party or upon his own motion, direct appointment by the commissioner, pursuant to subsection (1) of this section, of a medical evaluator to make any necessary medical examination of the employee. Such medical evaluator shall file with the commissioner within fifteen (15) days after such examination a written report. The medical evaluator appointed may charge a reasonable fee not exceeding fees established by the commissioner for those services.
- (4) Within thirty (30) days of the receipt of a statement for the evaluation, the employer or carrier shall pay the cost of the examination. Upon notice from the commissioner that an evaluation has been scheduled, the insurance carrier shall forward within seven (7) days to the employee the expenses of travel necessary to attend the evaluation at a rate equal to that paid to state employees for travel by private automobile while conducting state business.
- (5) Upon claims in which it is finally determined that the injured worker was not the employee at the time of injury of an employer covered by this chapter, the special fund shall reimburse the carrier for any evaluation performed pursuant to this section for which the carrier has been erroneously compelled to make payment.
- (6) Not less often than annually the designee of the secretary of the Cabinet for Health Services shall assess the performance of the medical schools and render findings as to whether evaluations conducted under this section are being rendered in a timely manner, whether examinations are conducted in accordance with medically recognized techniques, whether impairment ratings are in conformity with standards prescribed by the latest edition available of the "Guides to the Evaluation of Permanent Impairment" published by the American Medical Association, and whether coal workers' pneumoconiosis examinations are conducted in accordance with the standards prescribed in this chapter.
- (7) The General Assembly finds that good public policy mandates the realization of the potential advantages, both economic and effectual, of the use of telemedicine and telehealth. The commissioner may, to the extent that he finds it feasible and appropriate, require the use of telemedicine and telehealth practices, as authorized under KRS 11.550, in the independent medical evaluation process required by this chapter.

Section 2. KRS 342.316 is amended to read as follows:

- (1) (a) The employer liable for compensation for occupational disease shall be the employer in whose employment the employee was last exposed to the hazard of the occupational disease. During any period in which this section is applicable to a coal mine, an operator who acquired it or substantially all of its assets from a person who was its operator on and after January 1, 1973, shall be liable for, and secure the payment of, the benefits which would have been payable by the prior operator under this section with respect to miners previously employed in the mine if it had not been acquired by such later operator. At the same time, however, this subsection does not relieve the prior operator of any liability under this section. Also, it does not affect whatever rights the later operator might have against the prior operator; and
- (b) The time of the beginning of compensation payments shall be the date of the employee's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later.
- (2) The procedure with respect to the giving of notice and determination of claims in occupational disease cases and the compensation and medical benefits payable for disability or death due to the disease shall be the same as in cases of accidental injury or death under the general provisions of this chapter, except that notice of claim shall be given to the employer as soon as practicable after the employee first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, or a diagnosis of the disease is first communicated to him, whichever shall first occur.
- (3) The procedure for filing occupational disease claims shall be as follows:
 - (a) The application for resolution of claim shall set forth the complete work history of the employee with a concise description of injurious exposure to a specific occupational disease, together with the name and addresses of the employer or employers with the approximate dates of employment. The application shall also include at least one (1) written medical report supporting his claim. This medical report shall be made on the basis of clinical or X-ray examination performed in accordance with accepted medical standards and shall contain full and complete statements of all examinations performed and the results thereof. The report shall be made by a duly-licensed physician. The commissioner shall promulgate administrative regulations which prescribe the format of the medical report required by this section and the manner in which the report shall be completed.
 1. For coal-related occupational pneumoconiosis claims, each clinical examination shall include a chest X-ray *interpretation by a National Institute of Occupational Safety and Health (NIOSH) certified "B" reader. The chest X-ray upon which the report is made shall be filed with the application*~~examination~~ as well as spirometric tests when pulmonary dysfunction is alleged.
 2. For other compensable occupational pneumoconiosis claims, each clinical examination shall include a chest X-ray examination and appropriate pulmonary function tests.
 - (b) To be admissible, medical evidence offered in any proceeding under this chapter for determining a claim for occupational pneumoconiosis resulting from exposure to coal dust shall comply with accepted medical standards as follows:
 1. Chest X-rays shall be of acceptable quality with respect to exposure and development and shall be indelibly labeled with the date of the X-ray and the name and Social Security number of the claimant. Physicians' reports of X-ray interpretations shall: identify the claimant by name and Social Security number; include the date of the X-ray and the date of the report; classify the X-ray interpretation using the latest ILO Classification and be accompanied by a completed copy of the latest ILO Classification report. *Only interpretations by National Institute of Occupational Safety and Health (NIOSH) certified "B" readers shall be admissible.*
 2. Spirometric testing shall be conducted in accordance with the standards recommended in the latest edition available of the "Guides to the Evaluation of Permanent Impairment" published by the American Medical Association and the 1978 ATS epidemiology standardization project with the exception that the predicted normal values for lung function shall not be adjusted based upon the race of the subject. The FVC or the FEV1 values shall represent the largest of such values obtained from three (3) acceptable forced expiratory volume maneuvers as corrected to BTPS (body temperature, ambient pressure and saturated with water vapor at these conditions) and the

variance between the two (2) largest acceptable FVC values shall be either less than five percent (5%) of the largest FVC value or less than one hundred (100) milliliters, whichever is greater. The variance between the two (2) largest acceptable FEV1 values shall be either less than five percent (5%) of the largest FEV1 value or less than one hundred (100) milliliters, whichever is greater. Reports of spirometric testing shall include a description by the physician of the procedures utilized in conducting such spirometric testing and a copy of the spirometric chart and tracings from which spirometric values submitted as evidence were taken.

3. The commissioner shall promulgate administrative regulations pursuant to KRS Chapter 13A as necessary to effectuate the purposes of this section. The commissioner shall periodically review the applicability of the spirometric test values contained in the latest edition available of the "Guides to the Evaluation of Permanent Impairment" published by the American Medical Association and may by administrative regulation substitute other spirometric test values which are found to be more closely representative of the normal pulmonary function of the coal mining population.
4. The procedure for determination of occupational disease claims shall be as follows:
 - a. Immediately upon receipt of an application for resolution of claim, the commissioner shall notify the responsible employer and all other interested parties and shall furnish them with a full and complete copy of the application.
 - b. The commissioner shall assign the claim to an administrative law judge and, *except for coal workers' pneumoconiosis claims*, shall promptly refer the employee to such physician or medical facility as the commissioner may select for examination. The report from this examination shall be provided to all parties of record. The employee shall not be referred by the commissioner for examination within two (2) years following any prior referral for examination for the same disease.
 - c. *Except for coal workers' pneumoconiosis claims*, within forty-five (45) days following the notice of filing an application for resolution of claim, the employer or carrier shall notify the commissioner and all parties of record of its acceptance or denial of the claim. A denial shall be in writing and shall state the specific basis for the denial. *In coal workers' pneumoconiosis claims, the employer's notice of claim denial or acceptance shall be filed within thirty (30) days of the issuance by the commissioner of the notice of the consensus reading unless the consensus is that the miner has not developed coal workers' pneumoconiosis category 1/0 or greater. In the event the consensus procedure is exhausted without consensus being established, the employer's notice of claim denial or acceptance shall be filed within thirty (30) days of the commissioner's notification to the administrative law judge that consensus has not been reached.*
 - d. *Within forty-five (45) days of assignment of a coal workers' pneumoconiosis claim to an administrative law judge, the employer shall cause the employee to be examined by a physician of the employer's choice and shall provide to all other parties and file with the commissioner the X-ray interpretation by a "B" reader. The examination of the employee shall include spirometric testing if pulmonary dysfunction is alleged by the employee in the application for resolution of a claim. The commissioner shall determine whether the X-ray interpretations filed by the parties are in consensus.*
 - e. *If the readings are not in consensus, the commissioner shall forward both films, masking information identifying the facility where the X-ray was obtained and the referring physician, consecutively to three (3) "B" readers selected randomly from a list maintained by the commissioner for interpretation. Each "B" reader shall select the highest quality film and report only the interpretation of that film. The commissioner shall determine if two (2) of the X-ray interpretations filed by the three (3) "B" readers selected randomly are in consensus. If consensus is reached, the commissioner shall forward copies of the report to all parties as well as notice of the consensus reading which shall be considered as evidence. If consensus is not reached, the administrative law judge shall decide the claim on the evidence submitted.*
 - f. *"Consensus" is reached between two (2) chest X-ray interpreters when their classifications meet one (1) of the following criteria: each finds either category A, B, or*

C Progressive Massive Fibrosis; or findings with regard to simple pneumoconiosis are both in the same major category and within one (1) minor category (ILO category twelve (12) point scale) of each other.

~~g. [d.]~~ The administrative law judge shall conduct such proceedings as are necessary to resolve the claim and shall have authority to grant or deny any relief, including interlocutory relief, to order additional proof, to conduct a benefit review conference, or to take such other action as may be appropriate to resolve the claim.

~~h. [e.]~~ Unless a voluntary settlement is reached by the parties, *or the parties agree otherwise*, the administrative law judge shall issue a written determination within ~~sixty (60)~~ *ninety (90)* days following ~~a hearing [assignment of the claim]~~. The written determination shall address all contested issues and shall be enforceable under KRS 342.305.

5. The procedure for appeal from a determination of an administrative law judge shall be as set forth in KRS ~~342.285~~ *[342.275]*.

- (4) (a) The right to compensation under this chapter resulting from an occupational disease shall be forever barred unless a claim is filed with the commissioner within three (3) years after the last injurious exposure to the occupational hazard or after the employee first experiences a distinct manifestation of an occupational disease in the form of symptoms reasonably sufficient to apprise him that he has contracted the disease, whichever shall last occur; and if death results from the occupational disease within that period, unless a claim therefor be filed with the commissioner within three (3) years after the death; but that notice of claim shall be deemed waived in case of disability or death where the employer, or his insurance carrier, voluntarily makes payment therefor, or if the incurrence of the disease or the death of the employee and its cause was known to the employer. However, the right to compensation for any occupational disease shall be forever barred, unless a claim is filed with the commissioner within five (5) years from the last injurious exposure to the occupational hazard, except that, in cases of radiation disease or asbestos-related disease, a claim must be filed within twenty (20) years from the last injurious exposure to the occupational hazard.
- (b) Income benefits for the disease of pneumoconiosis resulting from exposure to coal dust or death therefrom shall not be payable unless the employee has been exposed to the hazards of such pneumoconiosis in the Commonwealth of Kentucky over a continuous period of not less than two (2) years during the ten (10) years immediately preceding the date of his last exposure to such hazard, or for any five (5) of the fifteen (15) years immediately preceding the date of such last exposure.
- (5) The amount of compensation payable for disability due to occupational disease or for death from the disease, and the time and manner of its payment, shall be as provided for under the general provisions of the Workers' Compensation Act, but:
 - (a) In no event shall the payment exceed the amounts that were in effect at the time of the last injurious exposure;
 - (b) The time of the beginning of compensation payments shall be the date of the employee's last injurious exposure to the cause of the disease, or the date of actual disability, whichever is later; and
 - (c) In case of death where the employee has been awarded compensation or made timely claim within the period provided for in this section, and an employee has suffered continuous disability to the date of his death occurring at any time within twenty (20) years from the date of disability, his dependents, if any, shall be awarded compensation for his death as provided for under the general provisions of the Workers' Compensation Act and in this section, except as provided in KRS 342.750(6).
- (6) If an autopsy has been performed, no testimony relative thereto shall be admitted unless the employer or his representative has available findings and reports of the pathologist or doctor who performed the autopsy examination.
- (7) No compensation shall be payable for occupational disease if the employee at the time of entering the employment of the employer by whom compensation would otherwise be payable, falsely represented himself, in writing, as not having been previously disabled, laid off, or compensated in damages or otherwise, because of the occupational disease, or failed or omitted truthfully to state to the best of his knowledge, in answer to

written inquiry made by the employer, the place, duration, and nature of previous employment, or, to the best of his knowledge, the previous state of his health.

- (8) No compensation for death from occupational disease shall be payable to any person whose relationship to the deceased, which under the provisions of this chapter would give right to compensation, arose subsequent to the beginning of the first compensable disability, except only for after-born children of a marriage existing at the beginning of such disability.
- (9) Whenever any claimant misconceives his remedy and files an application for adjustment of claim under the general provisions of this chapter and it is subsequently discovered, at any time before the final disposition of the cause, that the claim for injury, disability, or death which was the basis for his application should properly have been made under the provisions of this section, then the application so filed may be amended in form or substance, or both, to assert a claim for injury, disability, or death under the provisions of this section, and it shall be deemed to have been so filed as amended on the date of the original filing thereof, and compensation may be awarded that is warranted by the whole evidence pursuant to the provisions of this chapter. When amendment of this type is submitted, further or additional evidence may be heard when deemed necessary. Nothing this section contains shall be construed to be or permit a waiver of any of the provisions of this chapter with reference to notice of time for filing of a claim, but notice of filing a claim, if given or done, shall be deemed to be a notice of filing of a claim under provisions of this chapter, if given or done within the time required by this subsection.
- (10) When an employee has an occupational disease that is covered by this chapter, the employer in whose employment he was last injuriously exposed to the hazard of the disease, and the employer's insurance carrier, if any, at the time of the exposure, shall alone be liable therefor, without right to contribution from any prior employer or insurance carrier, except as otherwise provided in this chapter.
- (11) (a) Income benefits for coal-related occupational pneumoconiosis shall be paid fifty percent (50%) by the Kentucky coal workers' pneumoconiosis fund as established in KRS 342.1242 and fifty percent (50%) by the employer in whose employment the employee was last exposed to the hazard of that occupational disease.
- (b) Compensation for all other occupational disease shall be paid by the employer in whose employment the employee was last exposed to the hazards of the occupational disease.
- (12) A concluded claim for benefits by reason of contraction of coal workers' pneumoconiosis in the severance or processing of coal shall bar any subsequent claim for benefits by reason of contraction of coal workers' pneumoconiosis, unless there has occurred in the interim between the conclusion of the first claim and the filing of the second claim at least two (2) years of employment wherein the employee was continuously exposed to the hazards of the disease in the Commonwealth.
- (13) ***For coal-related occupational pneumoconiosis claims, the consensus procedure shall apply to all claims which have not been assigned to an administrative law judge prior to the effective date of this Act. The consensus classification shall be presumed to be the correct classification of the employee's condition unless overcome by clear and convincing evidence. If an administrative law judge finds that the presumption of correctness of the consensus reading has been overcome, the reasons shall be specially stated in the administrative law judge's order.***

Section 3. KRS 342.732 is amended to read as follows:

- (1) Notwithstanding any other provision of this chapter, income benefits and retraining incentive benefits for occupational pneumoconiosis resulting from exposure to coal dust in the severance or processing of coal shall be paid as follows:
 - (a) ***1.*** If an employee has a radiographic classification of category ***1/0, 1/1 or 1/2***~~, based on the latest ILO International Classification of Radiographics, resulting from exposure to coal dust, which is validated by report of X ray which conforms to the standards for X rays contained in subsection (3) of KRS 342.316, and respiratory impairment resulting from exposure to coal mine dust as evidenced by spirometric test values of fifty five percent (55%) or more but less than eighty percent (80%) of the predicted normal values contained in the chapter on the respiratory system of the latest edition available of the "Guides to the Evaluation of Permanent Impairment" of the American Medical Association~~, ***coal workers' pneumoconiosis and spirometric test values of eighty percent (80%) or more***, the employee shall be awarded a one (1) time only retraining incentive benefit which shall be an amount equal to sixty-six and two-thirds percent (66-2/3%) of

the employee's average weekly wage as determined by KRS 342.740 but not more than seventy-five percent (75%) of the state average weekly wage, payable semimonthly for a period not to exceed one hundred four (104) weeks, *except as provided in subparagraph 3. of this paragraph.*

2. *Except as provided in subparagraph 3. of this paragraph,* these benefits shall be paid only while the employee is enrolled and actively and successfully participating as a full-time student taking *the equivalent of twelve (12) or more credit*~~[twenty-four (24) or more instruction]~~ hours per week in a bona fide training or education program *that if successfully completed will qualify the person completing the course for a trade, occupation, or profession and which program can be completed within the period benefits are payable under this subsection. The program must be* approved under administrative regulations to be promulgated by the commissioner. *These benefits shall also be paid to an employee who is a part-time student taking not less than the equivalent of six (6) nor more than eleven (11) credit hours per week, except that benefits shall be an amount equal to thirty-three and one-third percent (33-1/3%) of the employee's average weekly wage as determined by KRS 342.740, but not more than thirty-seven and one-half percent (37-1/2%) of the state average weekly wage, payable biweekly for a period not to exceed two hundred eight (208) weeks.*
3. *These benefits shall also be paid biweekly while an employee is actively and successfully pursuing a General Equivalency Diploma (GED) in accordance with administrative regulations promulgated by the commissioner. These benefits shall be paid in the amount of sixty-six and two-thirds percent (66-2/3%) of the employee's average weekly wage not to exceed seventy-five percent (75%) of the state average weekly wage for a maximum period not to exceed seventeen (17) weeks. These income benefits shall be in addition to the maximum amount of retraining incentive benefits payable under this paragraph.*
4. The employer shall also pay, directly to the institution conducting the training or education program, instruction, tuition, and material costs not to exceed five thousand dollars (\$5,000).~~{ The benefit shall not be paid for a period in which the employee ceases to participate in the program. In no event shall the benefit be paid to the employee while the employee is working in the mining industry in the severance and processing of coal as defined in KRS 342.0011(23)(a). }~~
5. The period off~~[one hundred four (104)]~~ weeks during which this benefit is payable shall begin no later than the *thirtieth*~~[one hundred eightieth]~~ day after the *administrative law judge's* order awarding the benefit becomes final *except that an employee may elect to defer the beginning of such benefits up to the three hundred sixty-fifth day following the thirtieth day the order becomes final. Unless the employee has requested deferral of income benefits, those income benefits payable under subparagraphs 1. and 2. of this paragraph shall begin no later than thirty (30) days following conclusion of income benefits paid under subparagraph 3. if such benefits were paid.*
6. *If an employee who is awarded retraining incentive benefits under this paragraph successfully completes a bona fide training or education program approved by the commissioner, upon completion of the training or education program, the employer shall pay to that employee the sum of five thousand dollars (\$5,000) for successful completion of a program that requires a course of study of not less than twelve (12) months nor more than eighteen (18) months, or the sum of ten thousand dollars (\$10,000) for successful completion of a program that requires a course of study of more than eighteen (18) months. This amount shall be in addition to retraining incentive benefits awarded under this paragraph, and tuition expenses paid by the employer*~~{ If an employee completes an approved program of training in less than one hundred four (104) weeks and that employee has accepted a bona fide offer of employment at a location more than fifty (50) miles from the employee's usual residence in the field for which the employee has been trained, the employee shall be paid in a lump sum for relocation the lesser of the sum of three thousand dollars (\$3,000) or the amount remaining in unpaid weekly training benefits as provided by this section. }~~
7. *An employee who is age fifty-seven (57) years or older on the date of last exposure and who is awarded retraining incentive benefits under subparagraph 1. to 4. of this paragraph, may elect to receive in lieu of retraining incentive benefits, an amount equal to sixty-six and two-thirds percent (66-2/3%) of the employee's average weekly wage, not to exceed seventy-five percent*

(75%) of the state average weekly wage as determined by KRS 342.740 multiplied by the disability rating of twenty-five percent (25%) for a period not to exceed four hundred twenty-five (425) weeks, or until the employee reaches sixty-five (65) years of age, whichever occurs first, KRS 342.730(4) notwithstanding.

8. *A claim for retraining incentive benefits provided under this section may be filed, but benefits shall not be payable, while an employee is employed in the severance or processing of coal as defined in KRS 342.0011(23).*
 9. *If an employer appeals an award of retraining incentive benefits, upon an employee's motion, an administrative law judge may grant retraining incentive benefits pending appeal as interlocutory relief.*
 10. *If an employee elects to defer payment of retraining incentive benefits for a period of retraining longer than three hundred sixty-five (365) days, benefits otherwise payable shall be reduced week-for-week for each week retraining benefits are further deferred.*
- (b) 1. *If an employee has a radiographic classification of category 1/0, 1/1, or 1/2 coal workers' pneumoconiosis and respiratory impairment evidenced by spirometric test values of fifty-five percent (55%) or more but less than eighty percent (80%) of the predicted normal values, or category 2/1, 2/2, or 2/3 coal workers' pneumoconiosis and spirometric test values of eighty percent (80%) or more of the predicted normal values, there shall be an irrebuttable presumption that the employee has a disability rating of twenty-five percent (25%) resulting from exposure to coal dust, and the employee shall be awarded an income benefit which shall be an amount equal to sixty-six and two-thirds percent (66-2/3%) of the employee's average weekly wage, but not to exceed seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740 multiplied by the disability rating of twenty-five percent (25%). The award shall be payable for a period not to exceed four hundred twenty-five (425) weeks.*
2. *An employee who is awarded benefits under this paragraph may, at the time of the award or before benefit payments begin, elect to receive retraining incentive benefits provided under subparagraphs 1. to 6. of paragraph (a) of this subsection, in lieu of income benefits awarded under this paragraph, provided that such option is available one (1) time only and is not revokable, and provided that in no event shall income benefits payable under this paragraph be stacked or added to retraining incentive income benefits paid or payable under subparagraphs 1. to 6. of paragraph (a) of this subsection to extend the period of disability.*
- (c)~~(b)~~ If it is determined that an employee has a radiographic classification of category 1/0, 1/1, or 1/2,~~{ based on the latest ILO International Classification of Radiographics }~~ and respiratory impairment resulting from exposure to coal dust as evidenced by spirometric test values of less than fifty-five percent (55%) of the predicted normal values~~{ contained in the chapter on the respiratory system of the latest edition available of the "Guides to the Evaluation of Permanent Impairment" published by the American Medical Association }~~, or category 2/1, 2/2, or 2/3 coal workers' pneumoconiosis and respiratory impairment evidenced by spirometric test values of fifty-five percent (55%) or more but less than eighty percent (80%) of the predicted normal values, *or category 3/2 or 3/3 coal workers' pneumoconiosis and spirometric test values of eighty percent (80%) or more*, there shall be an irrebuttable presumption that the employee has ~~a[n occupational]~~ disability rating of fifty percent (50%) resulting from exposure to coal dust, and the employee shall be awarded an income benefit which shall be an amount equal to sixty-six and two-thirds percent (66-2/3%) of the employee's average weekly wage *but not to exceed seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740* multiplied by the disability rating of fifty percent (50%)~~{ but not to exceed seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740 }~~. The award shall be payable for a period not to exceed four hundred twenty-five (425) weeks~~{, but in no event shall benefits be paid under this subsection while the employee continues to work in the mining industry in the severance and processing of coal as defined in KRS 342.0011(23)(a) }~~.
- (d)~~(c)~~ If it is determined that an employee has a radiographic classification of category 2/1, 2/2, or 2/3 coal workers' pneumoconiosis, based on the latest ILO International Classification of Radiographics, and respiratory impairment as evidenced by spirometric test values of less than fifty-five percent (55%) of the predicted normal values~~{ contained in the chapter on the respiratory system of the latest edition available of the "Guides to the Evaluation of Permanent Impairment" published by the American Medical Association }~~ or category 3/2 or 3/3 pneumoconiosis and respiratory impairment evidenced by

spirometric test values of fifty-five percent (55%) or more but less than eighty percent (80%) of the predicted normal values, there shall be an irrebuttable presumption that the employee ~~has a~~^{is} seventy-five percent (75%) **disability rating**~~[disabled]~~ resulting from exposure to coal dust and the employee shall be awarded income benefits which shall be equal to sixty-six and two-thirds percent (66-2/3%) of the employee's average weekly wage **but not to exceed seventy-five percent (75%) of the state average weekly wage as determined by KRS 342.740** multiplied by the disability rating of seventy-five percent (75%)~~[but not to exceed seventy-five percent (75%) of the state average weekly wage and not less than twenty percent (20%) of the state average weekly wage as determined by KRS 342.740]~~. The award shall be payable for a period not to exceed five hundred twenty (520) weeks. Income benefits awarded under this paragraph shall be payable to the employee during the disability~~[, but in no event shall benefits be paid under this subsection while the employee continues to work in the mining industry in the severance and processing of coal as defined in KRS 342.0011(23)(a)]~~.

~~(e)~~^(d) If it is determined that an employee has radiographic classification of 3/2 or 3/3 occupational pneumoconiosis~~[based on the latest ILO International Classification of Radiographs]~~ and respiratory impairment evidenced by spirometric test values of less than fifty-five percent (55%) of the predicted normal values~~[contained in the latest edition of the "Guides to the Evaluation of Permanent Impairment" of the American Medical Association]~~, or **complicated pneumoconiosis (large opacities category A, B, or C progressive massive fibrosis)**~~[, based on the latest ILO International Classification of Radiographies]~~, there shall be an irrebuttable presumption that the employee is totally disabled resulting from exposure to coal dust, and the employee shall be awarded income benefits equal to sixty-six and two-thirds percent (66-2/3%) of the employee's average weekly wage but not more than one hundred percent (100%) of the state average weekly wage and not less than twenty percent (20%) of the average weekly wage of the state as determined by KRS 342.740. Income benefits awarded under this paragraph shall be payable to the employee during such disability~~[, but in no event shall benefits be paid under this subsection while the employee continues to work in the mining industry in the severance and processing of coal as defined in KRS 342.0011(23)(a)]~~.

- (2) The presence of respiratory impairment resulting from exposure to coal dust shall be established by using the largest forced vital capacity (FVC) value or the largest forced expiratory volume in one second (FEV1) value determined from the totality of all such spirometric testing performed in compliance with accepted medical standards.
- (3) When valid spirometric tests are not provided and a physician certifies to the administrative law judge that spirometric testing is not medically indicated because of the permanent physical condition of the employee, the administrative law judge shall make his decision on the basis of evidence admitted which establishes the existence of a diagnosis of occupational pneumoconiosis and respiratory impairment due to the occupational pneumoconiosis. The evidence submitted by the employee shall include one (1) or more arterial blood gas studies performed in accordance with accepted medical standards. Income benefits shall not be awarded in the absence of valid spirometric tests if the claimant's PO2 arterial blood gas value is equal to or higher than one (1) standard deviation from the normal value obtained by the formula $(103.5 - 0.42X)$, where X equals the claimant's age at the time of the arterial blood gas study.
- (4) *Upon request, the commissioner shall refer an employee who has been awarded retraining incentive benefits under subsection (1)(a) of this section to the Department of Vocational Rehabilitation for evaluation and assessment of the training, education, or other services necessary to prepare the employee for a trade, occupation, or profession that will return the employee to remunerative employment, or services necessary and appropriate to prepare and enable the employee to successfully complete a bona fide training or education program approved by the commissioner. The commissioner shall contract with the Department of Vocational Rehabilitation to provide vocational rehabilitation or education services commensurate with the skill levels and abilities of the employee. Services provided under this subsection shall be funded by the coal workers' pneumoconiosis fund, KRS 342. 1242 notwithstanding.*
- (5) *The commissioner shall promulgate administrative regulations sufficient to effectuate the provisions relating to retraining incentive benefits provided under subsection (1)(a) of this section. The administrative regulations shall:*
 - (a) *Define a "bona fide training or education program" to mean a postsecondary education or training program, including but not limited to the postsecondary programs registered with the Higher Education Assistance Authority, and successful completion of which will qualify the person*

completing the course for a trade, occupation, or profession, and which program can be completed within the period benefits are payable under subsection (1)(a) of this section;

- (b) Establish requirements for approval and certification of a bona fide training or education program;*
 - (c) Provide that funds paid to the training or education program by the employer as required under subsection (1)(a)4. of this section shall be applied only to instruction, tuition, material costs, and any fees necessary for the completion of the program;*
 - (d) Establish requirements for successful participation in and completion of an approved and certified bona fide training or education program, and eligibility standards that must be satisfied to receive sums to be paid by the employer pursuant to subsection (1)(a)6. of this section; and*
 - (e) Establish attendance, performance and progress standards, and reporting requirements in consultation with the Department of Adult Education and Literacy as conditions that must be satisfied to receive retraining incentive income benefits pursuant to subsection (1)(a)3. of this section.*
- (6) In no event shall income benefits awarded under this section be stacked or added to income benefits awarded under KRS 342.730 to extend the period of disability and in no event shall income or retraining incentive benefits be paid to the employee while the employee is working in the mining industry in the severance or processing of coal as defined in KRS 342.0011(23)(a).*

SECTION 4. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

- (1) The claim of any miner last exposed to the occupational hazards of coal workers' pneumoconiosis between December 12, 1996, and the effective date of this Act shall nonetheless be governed by the provisions of Section 3 of this Act and notwithstanding the provisions of KRS 342.125 all claims for benefits which were filed for last injurious occupational exposure to coal dust occurring between December 12, 1996, and the effective date of this Act shall be considered pursuant to the provisions of Section 3 of this Act and administrative regulations promulgated by the commissioner, and closed claims, except claims dismissed for reasons other than failure to meet medical eligibility standards, may be reopened by the claimant. Income or retraining incentive benefits shall be awarded thereon as if the entitlement standards established by the amendments to Section 3 of this Act were effective at the time of last exposure. Any benefits previously granted by an award or settlement shall be credited against any subsequent award or settlement and no interest shall be payable on additional benefits. A previous grant of retraining incentive benefits shall be credited only to the extent that the benefits were actually paid. All income or retraining incentive benefits greater than those which would have been awarded were not these new provisions applicable shall be paid without interest from the Kentucky coal workers' pneumoconiosis fund, the provisions of KRS 342.1242 notwithstanding.*
- (2) The original claim of any miner last exposed to the occupational hazards of coal workers' pneumoconiosis prior to December 12, 1996, which was subject to a university evaluation pursuant to Section 1 of this Act and was dismissed upon a finding that the miner did not prove the presence of coal workers' pneumoconiosis radiographically may be reopened by the claimant notwithstanding the provisions of KRS 342.125, pursuant to administrative regulations adopted by the commissioner. Income benefits may be awarded thereon pursuant to entitlement standards effective as of the date of last exposure, except the income or retraining benefits shall be paid without interest from the Kentucky coal workers' pneumoconiosis fund, the provisions of KRS 342.1242 notwithstanding.*
- (3) Notwithstanding the provisions of subsection (4)(a) of Section 2 of this Act, the coal workers' pneumoconiosis claim of any miner last exposed between December 12, 1996, and the effective date of this Act, may be filed with the commissioner on or before December 12, 2003, or within the time frame prescribed by subsection (4)(a) of Section 2 of this Act, whichever is longer. All income or retraining incentive benefits greater than those which would have been awarded were not these new provisions applicable shall be paid by the Kentucky coal workers' pneumoconiosis fund without interest, the provisions of KRS 342.1242 notwithstanding.*
- (4) Administrative regulations promulgated by the commissioner pursuant to subsections (1) and (2) of this section shall provide that chest X-rays previously taken at university medical schools pursuant to Section 1 of this Act shall be obtained by the commissioner and forwarded to three (3) randomly selected "B" readers for determination of consensus pursuant to subsection (3)(b)4.e. of Section 2 of this Act. The claim shall be*

assigned to an administrative law judge for determination of whether the claim should be reopened and the award of additional benefits, if any.

SECTION 5. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

- (1) *The commissioner shall maintain a list of duly qualified "B" reader physicians who are licensed in the Commonwealth. The list shall include "B" reader physicians at the university medical schools and other "B" reader physicians certified by the National Institute of Occupational Safety and Health (NIOSH) who have agreed to interpret chest X-rays pursuant to Section 2 of this Act for a fee to be fixed by the commissioner and paid by the Kentucky coal workers' pneumoconiosis fund, the provisions of KRS 342.1242 notwithstanding.*
- (2) *Physicians from the "B" reader list shall be utilized as necessary to obtain consensus classifications of chest films in coal workers' pneumoconiosis claims. The consensus classification shall be presumed to be the correct classification of the employee's condition unless overcome by clear and convincing evidence. If an administrative law judge finds that the presumption of correctness of the consensus reading has been overcome, the reasons shall be specially stated in the administrative law judge's order.*
- (3) *"B" reader" means a physician who has demonstrated proficiency in evaluating chest roentgenograms for roentgenographic quality and in the use of the ILO classification for interpreting chest roentgenograms for pneumoconiosis and other diseases by taking and passing a specially designed proficiency examination given on behalf of the National Institute of Occupational Safety and Health (NIOSH) or by the Appalachian Laboratory for Occupational Safety and Health (ALOSH), or successors.*
- (4) *The university medical schools in consultation with the commissioner shall jointly develop a procedure to annually report the performance of physicians on the "B" reader list who have participated in the consensus procedure established in Section 2 of this Act. The physicians shall be evaluated with respect to the timeliness and completeness of their reports, as well as the frequency at which the physician's classification of X-rays differs from the consensus reading. The commissioner shall remove a physician from the "B" reader list if the physician consistently renders incomplete or untimely reports, or if the physician's interpretations of X-rays are not in conformity with the consensus reading fifty percent (50%) of the time. The report required under this subsection shall be provided to the Interim Joint Committee on Labor and Industry beginning in July 1, 2003 and by July 1 of each year thereafter.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 342 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding any provisions of the KRS to the contrary, every employer engaged in the severance or processing of coal, as defined in KRS 342.0011, at its principal office and such other locations where employees customarily report for payroll and personnel matters, shall conspicuously post a notice advising employees of the education and training opportunities available under this chapter. The notice shall include:*
 - (a) *Toll-free telephone numbers for the:*
 1. *Department of Workers' Claims;*
 2. *Kentucky Community and Technical College System; and*
 3. *Kentucky Higher Education Assistance Authority;*
 - (b) *Telephone numbers for the local board of education and centers for adult education and literacy; and*
 - (c) *A list of approved education and training programs available to employees engaged in the severance or processing of coal.*
- (2) *The notice shall be made available to all employers at no cost and upon request of the employer. The notice shall also be posted on the Web sites maintained by the Department of Workers' Claims and the Kentucky Community and Technical College System.*

Approved April 13, 2002

CHAPTER 341**(SB 120)**

AN ACT proposing an amendment to Sections 190, 191, 192, 193, 194, 198, 200, 202, 203, 207, and 208 of the Constitution of Kentucky relating to corporations.

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

Section 1. It is proposed that Section 190 of the Constitution of Kentucky be amended to read as follows:

Except as otherwise provided by the Constitution of Kentucky, the General Assembly shall, by general laws only, provide for the formation, organization, and regulation of corporations. Except as otherwise provided by the Constitution of Kentucky, the General Assembly shall also, by general laws only, prescribe the powers, rights, duties, and liabilities of corporations and the powers, rights, duties, and liabilities of their officers and stockholders or members.~~[No corporation in existence at the time of the adoption of this Constitution shall have the benefit of future legislation without first filing in the office of the Secretary of State an acceptance of the provisions of this Constitution].~~

Section 2. It is proposed that the present Constitution of Kentucky be amended by repealing the following sections:

- 191 Unexercised charters granted prior to constitution revoked.
- 192 Corporations restricted to charter authority--Holding of real estate limited.
- 193 Stock or bonds to be issued only for money or for property or labor at market value--Watered stock void.
- 194 Corporations to have place of business and process agent in state.
- 198 Trusts and combinations in restraint of trade to be prevented.
- 200 Domestic corporation consolidating with foreign does not become foreign.
- 202 Foreign corporations not to be given privileges over domestic.
- 203 Liabilities under corporate franchise not released by lease or alienation.
- 207 Cumulative voting for directors of corporations--Proxies.
- 208 "Corporation" includes joint stock company or association.

Section 3. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415. The question submitted to the voters shall read as follows: "Are you in favor of permitting the General Assembly to provide by general law for the formation, organization, and regulation of corporations by repealing certain sections of the Constitution of Kentucky relating to corporations?"

Governor's signature not required

CHAPTER 342**(HB 174)**

AN ACT relating to environmental protection.

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

Section 1. KRS 224.43-010 is amended to read as follows:

- (1) It is hereby declared to be the policy of this Commonwealth and the purpose of this chapter to provide for the management of solid waste, including reduction, collection, transportation, and disposal in a manner that will protect the public health and welfare, prevent the spread of disease and creation of nuisances, conserve our natural resources, and enhance the beauty and quality of our environment.
- (2) It is the policy of the Commonwealth to limit and reduce the amount of solid waste disposed in municipal solid waste disposal facilities in the Commonwealth ***through reduction in the amount of waste generated, reuse of***

solid waste, waste recycling or yard waste composting, and resource recovery, and to encourage a regional approach to solid waste management.

- (3) *It is the policy of the Commonwealth that municipal solid waste disposal facilities that ceased accepting waste before July 12, 1992, undergo proper closure, characterization, and corrective action.*
- (4) It is the policy of the Commonwealth that a comprehensive and integrated waste management system to handle solid waste is to be fostered. State policies and funding assistance shall reflect a preference for *projects and practices consistent with the policies and goals established by this section and the following*~~[solid waste management practices according to the following priority]~~:
 - (a) *Education of the citizens of the Commonwealth regarding proper disposal of waste;*
 - (b) *Collection and proper disposal of all of solid waste for proper management;*
 - (c) *Elimination of illegal dumps throughout the Commonwealth; and*
 - (d) *Abatement of litter on state and county rights-of-way*~~[Reduction in the amount of waste generated;~~
 - ~~(b) — Reuse of solid waste;~~
 - ~~(c) — Waste recycling or yard waste composting;~~
 - ~~(d) — Resource recovery through mixed municipal solid waste composting or incineration;~~
 - ~~(e) — Land disposal in publicly owned landfills or incineration of solid waste without energy recovery; and~~
 - ~~(f) — Land disposal in landfills other than publicly owned landfills].~~
- (5)~~[(4)]~~ It is *the policy of the Commonwealth that existing illegal open dumps be eliminated and that new open dumps be prevented*~~[further the goal of this Commonwealth that the amount by weight of municipal solid waste disposed at municipal solid waste disposal facilities shall be reduced by a minimum of twenty five percent (25%) by July 1, 1997, as compared to fiscal year 1993 on a statewide per capita basis. However, credit shall be given for reductions achieved prior to 1993 when accurate measurements are available. The reduction goal shall not apply to special wastes as designated by KRS 224.50-760 or industrial solid waste].~~
- (6) *The General Assembly finds that counties and waste management districts, when enabled by complete and accurate information relating to the municipal solid waste collection and management practices within the solid waste management area, are in the best position to make plans for municipal solid waste collection services for its citizens. The General Assembly also finds that assistance from the cabinet, combined with state financial incentives, can aid counties and waste management districts with implementing solid waste management plans.*
- (7) *The General Assembly finds that the goal of reducing the amount of solid waste disposed of in municipal solid waste disposal facilities cannot be achieved without first identifying the amount of municipal solid waste generated statewide per capita, including the waste now disposed of in open dumps, and providing incentives for the elimination of existing open dumps and the prevention of new open dumps.*

SECTION 2. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section:*
 - (a) *"Environmental remediation fee" means a one dollar and seventy-five cents (\$1.75) fee paid per ton of waste by generators of waste and collected at transfer stations and waste disposal facilities that is in addition to all other applicable fees and taxes assessed prior to January 1, 2003;*
 - (b) *"Transfer station" means a facility permitted by the cabinet where waste is transferred from one (1) vehicle to another for transportation to a municipal solid waste disposal facility; and*
 - (c) *"Public road" means any city, county, state, federal, or limited access street, highway, or turnpike, including bridges and bridge approaches.*
- (2) *The environmental remediation fee levied under this section is in addition to all other applicable fees and taxes assessed prior to January 1, 2003. Notwithstanding any law, franchise, or contract to the contrary, the owner or operator of a transfer station or municipal solid waste disposal facility, or the person who collects*

waste and delivers such waste to a transfer station or municipal solid waste disposal facility may pass through and obtain from the generator any environmental remediation fee required under this section.

- (3) Beginning January 1, 2003, an environmental remediation fee of one dollar and seventy-five cents (\$1.75) per ton of waste shall be paid by generators of waste to be disposed of at a municipal solid waste disposal facility and collected by waste transfer stations or municipal solid waste disposal facilities in the Commonwealth. No environmental remediation fee shall be collected at a municipal solid waste disposal facility on waste for which the fee has been paid at a transfer station to the disposal facility. The cabinet shall, by administrative regulation, adopt a conversion formula to allow assessment of the fee by transfer stations that do not have scales. For loads of waste weighing less than one (1) ton, the environmental remediation fee shall be one dollar and seventy-five cents (\$1.75).*
- (4) Not later than thirty (30) days following the last day of each calendar quarter, every owner or operator of a transfer station or municipal solid waste disposal facility shall remit to the cabinet the environmental remediation fee collected during the prior quarter, with a report stating the number of tons of waste for which the environmental remediation fee was collected.*

SECTION 3. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

- (1) A trust fund known as the Kentucky Pride Fund is hereby established in the State Treasury to receive money collected from environmental remediation fees established in Section 2 of this Act. The fund shall be used to accomplish the purposes established in this section. Any money accruing to the fund in any fiscal year shall not lapse but shall be carried forward to the next fiscal year. The fund may also receive state appropriations, gifts, grants, and federal funds. All interest earned on money in the fund shall be credited to the fund.*
- (2) The cabinet shall administer the Kentucky Pride Fund as provided by this section and any administrative regulations promulgated pursuant thereto. Money from the fund received by the cabinet shall be distributed as follows:*
 - (a) Five million dollars (\$5,000,000) of the money deposited into the fund each year shall be retained by the cabinet, subject to the following conditions:*
 - 1. The cabinet may use up to two and one-half million dollars (\$2,500,000) of the money deposited into the fund as necessary for direct costs associated with site identification, characterization, and corrective action assessments of solid waste disposal sites and facilities that have ceased accepting waste before July 1, 1992, including former permitted municipal solid waste disposal facilities or abandoned solid waste disposal sites or facilities. The cabinet shall prioritize the sites and facilities based on risks to human health, safety, and the environment, and develop an implementation plan for closure and remediation of those sites and facilities. The cabinet shall present the implementation plan to the Interim Joint Committee on Appropriations and Revenue no later than July 1, 2003. Funds may be utilized to begin design and implementation of proper closure and corrective action for those sites and facilities with unabated pending violations.*
 - 2. The cabinet shall suspend until July 2006 enforcement activity regarding landfill closure and remediation obligations against formerly permitted municipal solid waste disposal facilities owned by a city or county that ceased accepting waste prior to July 1, 1992, except as necessary to abate an environmental emergency.*
 - 3. The cabinet shall develop for presentation to the Interim Joint Committee on Appropriations and Revenue no later than December 31, 2003, a plan for state assumption of responsibility for closure and remedial obligations of formerly permitted city and county municipal solid waste landfills that ceased accepting waste prior to July 1, 1992, including recommendations on funding such obligations.*
 - 4. The cabinet shall develop for presentation to the Interim Joint Committee on Appropriations and Revenue no later than December 31, 2004, a plan for closure and remediation of all identified abandoned solid waste sites and facilities, including recommendations on funding such obligations.*
 - 5. Two and one-half million dollars (\$2,500,000) per year shall be used to pay debt service on bonds to be sold by the Kentucky Infrastructure Authority in the amount of at least twenty-five*

million dollars (\$25,000,000), with all proceeds from the issuance and sale of these bonds to be deposited in the Kentucky Pride Fund established in Section 3 of this Act and utilized for undertaking closure and corrective action at formerly permitted solid waste disposal facilities or abandoned solid waste sites or facilities that ceased accepting waste prior to July 1, 1992, which pose the most significant environmental or human health risk. Moneys not appropriated for the identification and characterization of orphaned or abandoned landfills, or debt service, may be used for the elimination of illegal open dumps, direct costs associated with the closure of orphaned landfills, or additional debt service.

- (b) The interest on all moneys deposited into the fund including unused debt services shall be distributed annually in an amount not to exceed one million dollars (\$1,000,000) to the Kentucky Environmental Education Council for implementation of the environmental education center component of the Environmental Education Master Plan;*
- (c) The remaining balance of the funds from the environmental remediation fee established in Section 2 of this Act shall be utilized by the cabinet for the elimination of illegal open dumps in the counties of the Commonwealth, subject to the following provisions:*
 - 1. The cabinet shall prioritize expenditures from this fund among those counties with approved solid waste management plans in order to address those illegal open dumps posing the most significant public health and environmental risks;*
 - 2. During the first funding year, the cabinet shall use the balance of funds from the environmental remediation fee to reimburse counties semiannually for seventy-five percent (75%) of the costs relating to the cleanup of illegal open dumps it has identified as presenting the most significant public health and environmental risks;*
 - 3. After the first funding year, the cabinet shall reimburse counties semiannually for seventy-five percent (75%) of the direct expense of eliminating illegal open dumps providing they:*
 - a. Establish an effective universal municipal solid waste collection service that is available to all county residences and businesses;*
 - b. Employ a solid waste coordinator with enforcement powers;*
 - c. Remain in compliance with an approved solid waste management plan under this chapter;*
 - d. Enter into agreement with the cabinet to eliminate all identified illegal open dumps containing solid waste;*
 - e. Agree to use all legal methods at their disposal to collect delinquent solid waste collection fees; and*
 - f. Establish a committee to be designated as the clean county committee, composed of representatives from business, schools, agriculture, homemakers, and other concerned citizens, to increase awareness and develop education and enforcement strategies to keep the county free of litter and illegal open dumps.*
 - 4. Counties that meet the requirements set out above in subparagraph 3. of this paragraph shall be provided the following incentives and rewards by the cabinet:*
 - a. Extra points when applying for Land and Water Conservation Fund grants, National Recreation Trails Funds grants, and funding from the state-funded Community Rivers and Streams Program; and*
 - b. Priority consideration for funds from the Division of Conservation State Cost Share Program for dumps on farmland and the Waste Tire Trust Fund for tire dumps; and*
 - 5. The cabinet may waive the matching requirement of subsection (3) of this section for illegal dump cleanup within a county during any year in which the county demonstrates that it has enacted and enforced an ordinance mandating collection by all households and businesses in a universal collection program.*

- (d) *Two and one-half million dollars (\$2,500,000) shall be transferred in each of the fiscal years 2002-03 and 2003-04 and annually thereafter from the Road Fund established in KRS 48.010(13)(g) and two and one-half million dollars (\$2,500,000) shall be transferred in each of the fiscal years 2002-03 and 2003-04 and annually thereafter from the Highway Construction Contingency Fund to the Kentucky Pride Fund established in Section 3 of this Act, to be reserved and distributed semiannually for anti-litter control programs with distributions to be made as follows:*
1. *Thirty-three and one-third percent (33-1/3%) of the money shall be distributed semiannually based on each county's miles of public roads as a percentage of the total miles of public roads in the Commonwealth at the time of distribution;*
 2. *Thirty-three and one-third percent (33-1/3%) of the money shall be distributed semiannually based on the county's rural population as a percentage of the total rural population of the Commonwealth at the time of distribution. "Rural population" means the population residing outside a city, town, or urban area with a population of two thousand five hundred (2,500) persons or more;*
 3. *Thirty-three and one-third percent (33-1/3%) of the money shall be distributed semiannually based on the county's population as a percentage of the total population of the Commonwealth at the time of distribution;*
 4. *Of the moneys apportioned to counties on the basis of miles of public roads and population as provided for in subparagraphs 1. and 3. of this paragraph, the cabinet shall provide to the participating incorporated cities within the jurisdiction of each respective county which, by ordinance or other means, provides municipal solid waste collection service, an amount of funds equal to the ratio of that city's total miles of public roads in the county and the ratio of that city's population to the population of the county, to be used for the purpose of litter cleanup on public roads within city boundaries; and*
 5. *Moneys received by counties and cities pursuant to this subsection shall be used to meet obligations with respect to the litter cleanup of public roads required by the provisions of Section 6 of this Act.*
- (3) *Prior to providing the financial assistance provided under paragraphs (c) and (d) of subsection (2) of this section, the cabinet shall require a county to provide a match of twenty-five percent (25%) of the total amount of the financial assistance to be provided by the cabinet. The match provided by the county may be in-kind.*
- (4) *The cabinet shall be reimbursed for reasonable costs related to the implementation of the provisions of this section, not to exceed seven hundred fifty thousand dollars (\$750,000) annually. The cabinet shall report to the General Assembly at its regular session in 2003 regarding costs and expenditures relating to the provisions of this section.*

Section 4. KRS 224.43-310 is amended to read as follows:

- (1) The Natural Resources and Environmental Protection Cabinet of the Commonwealth of Kentucky is designated as the official planning and management agency of the Commonwealth of Kentucky in the field of solid waste. The cabinet shall have primary responsibility for coordinating the solid waste planning and management activities of waste management districts, counties, cities, area development districts, and any combination thereof and for the approval of solid waste management facilities. In doing so it shall be the goal of the cabinet to reduce the amount of solid waste disposed in municipal solid waste disposal facilities within the Commonwealth and to encourage regional management of solid waste.
- (2) The cabinet shall have the primary responsibility to develop, review, report on, and triennially update a statewide solid waste reduction and management plan. A draft plan shall be prepared and made available for public inspection by December 1, 1991; a proposed final plan shall be submitted to the General Assembly by February 1, 1992; and a final plan shall be submitted to the General Assembly by March 1, 1992. The plan shall be designed to address the following:
 - (a) Coordination of area plans and provision of support for area planning efforts;
 - (b) *Elimination of existing open dumps and prevention of new open dumps;*
 - (c) *Proper closure, characterization, and corrective action for municipal solid waste disposal facilities that ceased accepting waste before July 1, 1992;*

- (d) Reductions in solid waste disposed in municipal solid waste disposal facilities within the Commonwealth by actively promoting reuse and reduction consistent with the *policies and* goals established by KRS 224.43-010;
 - (e)~~(e)~~ Adequate capacity exists for recycling or disposal of solid waste generated within the Commonwealth for~~a~~ five (5), ten (10), and twenty (20) year *planning periods*~~period~~;
 - (f)~~(d)~~ *Maintenance of* disposal capacity for solid waste generated in the Commonwealth~~is maintained~~ if the cabinet acts to close a solid waste management facility;
 - (g)~~(e)~~ *Encouragement of* regional alternatives for waste reduction and management~~are encouraged~~ in the planning process;
 - (h)~~(f)~~ Priority in grants and loans~~is afforded~~ for *projects and practices consistent with the policies and goals established by Section 1 of this Act*~~regional waste reduction and management alternatives~~;
 - (i)~~(g)~~ *Minimum standards and procedures for* solid waste management plans *as*~~meet minimum standards and procedures~~ established by the cabinet in administrative regulations;
 - (j)~~(h)~~ A description of the status of solid waste reduction and management efforts in Kentucky;
 - (k)~~(i)~~ Identification of state actions and responsibilities necessary to implement this chapter; and
 - (l)~~(j)~~ Identification of problems impeding the attainment of the policies and goals of this chapter.
- (3) The *statewide solid waste reduction and management* plan shall not establish maximum disposal capacity limitations for the Commonwealth.
- (4) The cabinet, beginning July 1, 1992, shall report annually to the Governor and to the General Assembly on the status of solid waste management in the Commonwealth. The report filed July 1, 1992, shall present the current status of solid waste planning and management in the Commonwealth. Subsequent annual reports shall include, but not be limited to:
- (a) The status of solid waste planning and management;
 - (b) The number and types of recycling and solid waste management facilities in the Commonwealth;
 - (c) *The status of actions taken to:*
 - 1. *Eliminate existing open dumps and prevent new open dumps; and*
 - 2. *Undertake proper closure, characterization, and corrective action for municipal solid waste disposal facilities that ceased accepting waste before July 1, 1992;*
 - (d) The remaining permitted capacity of each permitted solid waste management facility;
 - (e)~~(d)~~ The number and types of solid waste grants or loans made to cities, counties, waste management districts, and area development districts;
 - (f)~~(e)~~ A compilation and analysis of solid waste reduction and management data provided to the cabinet;
 - (g)~~(f)~~ A statement of progress achieved in meeting the *policies and* goals established by KRS 224.43-010;
 - (h)~~(g)~~ A statement of progress achieved in solid waste management education;
 - (i)~~(h)~~ A statement of progress achieved in establishing regional solid waste management approaches;
 - (j)~~(i)~~ Any revisions in the statewide solid waste reduction and management plan; and
 - (k)~~(j)~~ Recommendations for improving the reduction and management of solid waste in the Commonwealth.
- (5) *On March 1 of each year*~~Beginning January 1, 1993~~, each governing body shall report annually to the cabinet on the status of solid waste management in its area. The annual report shall include, but not be limited to:

- (a) The amount of in-area and out-of-area municipal solid waste disposed in municipal solid waste disposal facilities in the area;
 - (b) The ~~progress on the reduction in municipal solid waste disposal in the area since the previous reporting period and~~ total cumulative progress made toward meeting the *policies and goals established by* ~~state reduction goal described in~~ KRS 224.43-010;
 - (c) The remaining permitted capacity of disposal facilities;
 - (d) Recycling and composting activities in existence;
 - (e) Public information and education activities during the reporting period *including public campaigns urging participation in a municipal solid waste collection system and public campaigns promoting anti-litter and anti-dumping behavior with an accounting by the governing body of funds spent, labor expended, volunteer time and money expended, and an estimation of the campaign's effect*;
 - (f) *The number of households within the area served by the governing body and the methods of public or private municipal solid waste collection available to them, the cost to the households using the collection system, the percentage of households using each method of municipal solid waste collection available to them, the cost to the governing body of providing a municipal solid waste collection system, how the cost is paid for by the governing body, and the percentage of the cost that is recovered through service fees, including a complete accounting for collected fees, uncollected fees, and success in recovering uncollected fees*;
 - (g) *Progress made since the last report on cleaning up illegal open dumps, including the number of open dumps eliminated since the last report or the last solid waste management plan revision, the total and average cost per open dump elimination, and identification of new open dumps or cleaned up open dumps that have been used again for illegal dumping*;
 - (h) Fees for solid waste management assessed and collected; ~~and~~
 - (i) *Costs of any projects undertaken pursuant to the solid waste management plan; and*
 - (j) ~~(g)~~ Any other pertinent information as may be required by the cabinet.
- ~~[(6) There is created a Solid Waste Reduction and Management Plan Advisory Committee to advise and review a draft and final solid waste reduction and management plan and any amendments of the plan prepared by the cabinet under subsection (2) of this section.~~
- ~~(7) The Solid Waste Reduction and Management Plan Advisory Committee shall consist of the secretary of the Natural Resources and Environmental Protection Cabinet or his designee who shall serve as chairman, one (1) member of the Senate to be appointed by the President, one (1) member of the House of Representatives to be appointed by the Speaker of the House of Representatives, and nine (9) members to be appointed by the Governor as follows:~~
- ~~(a) Two (2) members shall represent the interest of counties;~~
 - ~~(b) Two (2) members shall represent the interests of cities, one (1) from a first or second class city or urban-county government and one (1) from either a third, fourth, fifth, or sixth class city;~~
 - ~~(c) One (1) member shall represent the interests of industrial generators of solid wastes;~~
 - ~~(d) One (1) member shall represent the private recycling industry;~~
 - ~~(e) One (1) member shall represent the private solid waste disposal industry;~~
 - ~~(f) One (1) member shall be from a statewide environmental advocacy organization; and~~
 - ~~(g) One (1) member shall represent the public at large.~~
- ~~(8) Vacancies on the committee shall be filled in the same manner as the original appointment occurred.~~
- ~~(9) Nonlegislative members of the committee shall serve without pay and shall receive their reasonable and necessary expenses in connection with the performance of their duties.~~
- ~~(10) The committee shall meet at the call of the chairman. The committee may hold public hearings or make site visits as necessary. A quorum of its members is necessary to take action on any matter. A majority vote of the total members present must approve any action.~~

- ~~(11) Following adoption of the statewide solid waste reduction and management plan, the committee shall remain in service to provide guidance and advice to the cabinet in the implementation of the plan. The committee shall no longer remain in service after the 1994 General Assembly unless the 1994 General Assembly takes action to continue the committee.~~

Section 5. KRS 224.43-315 is amended to read as follows:

- (1) Each county shall provide a universal collection program by **October 1, 2003**~~July 1, 1994~~, for all municipal solid waste generated within the county. Collection programs may include ***one (1) or more of the following options:***
 - (a) Door-to-door household collection: Collection service may be provided by the county, by contract, or franchise;~~When door to door collection is provided by contract, or franchise, or under local permit, the county shall require reports from the entity providing collection to document the rate of collection.~~
 - (b) Direct haul to staffed convenience centers or staffed transfer facilities within the county: The county may allow residents to haul their waste directly to cabinet-approved staffed convenience centers or staffed transfer facilities within the county. The number of convenience centers and transfer facilities shall be adequate to assure reasonable convenience; ***and***~~When the collection program is provided by another entity through contract or franchise, the county shall require reports from the entity providing collection to document the rate of collection; or~~
 - (c) Other alternatives proposed by counties: Counties may propose other alternatives ***including subscription service and unstaffed convenience centers***, and the cabinet shall approve same as long as the county can demonstrate that all of its citizens are being given access to the solid waste collection system which is proposed.
- (2) ***Beginning October 1, 2003, all persons providing collection service, including collection for the purpose of recycling, shall register annually with the counties in which they provide the service.***
- (3) ***Beginning March 1, 2004, all persons providing collection service, including collection for the purpose of recycling, shall report annually to the counties in which they provide the service. The reports shall include:***
 - (a) ***The number of households, businesses, and industries from which municipal solid waste was being collected on October 1 of the previous year;***
 - (b) ***The amount of municipal solid waste collected for disposal during the previous calendar year;***
 - (c) ***The amount of municipal solid waste collected for recycling, by volume, weight, or number of items during the previous calendar year; and***
 - (d) ***The types of items collected for recycling.***
- (4) The county shall submit an annual report to the cabinet and to any waste management district of which it is a member detailing its solid waste collection activities in accordance with ***this section and any*** requirements established by the cabinet by administrative regulation.
- ~~(5)(3)~~ The county may enter into agreements with any person for the performance of the responsibilities described in this section, including cities within its geographic boundaries, but the county shall be responsible for providing the universal collection program described in this section, except any city of the first or second class having sole responsibility for developing its portion of the solid waste plan shall be responsible for providing the universal collection within its jurisdiction, and except any city contracting for the collection of its solid waste on February 26, 1991, may continue to contract for the collection of its solid waste if the contract provides for disposal in accordance with the area solid waste management plan.
- ~~(6)(4)~~ If a county or city fails to comply with the provisions of this section, the Commonwealth shall not endorse projects that generate solid waste under the Kentucky intergovernmental review process for the county or city.
- ~~(7)(5)~~ A commercial or industrial entity which transports or contracts for the transport of the municipal solid waste it generates or which operates an industrial solid waste management facility for its exclusive use may be excluded from participation in the universal collection program, ***if the commercial or industrial entity demonstrates to the county that the solid waste generated is disposed of in accordance with applicable statutes and administrative regulations.***

Section 6. KRS 224.43-345 is amended to read as follows:

- (1) Each area solid waste management plan shall be prepared in accordance with **any** administrative regulations ~~of to be adopted by~~ the cabinet and shall be required to include the following:
 - (a) Identification of the area that will be included in the plan;
 - (b) A demographic study of the planning area of current and projected populations five (5), ten (10) and twenty (20) years in the future. A projection of the amount and source of solid waste generated, **collected**, and requiring disposal at municipal solid waste disposal facilities for each of these time periods shall be provided;
 - (c) An inventory and description of all existing solid waste management facilities and activities. The description shall include their identity, location, life expectancies, ownership, cost to the users, and level of compliance with state and federal laws. The description is not required to include any solid waste management facility which is operated exclusively by a solid waste generator on property owned by the solid waste generator for the purpose of accepting solid waste from the solid waste generator or waste generated at another facility owned and operated by the generator or wholly-owned subsidiary. After commencement of operation by a solid waste generator of a solid waste disposal facility which is permitted but not included in a solid waste management plan, an amendment to a solid waste management plan shall be required for any solid waste which is to be no longer disposed by the solid waste generator in its own solid waste disposal facility;
 - (d) An estimate of the area's long-range needs for solid waste management and facilities for five (5), ten (10), and twenty (20) years into the future;
 - (e) Identification and assessment of current and future solid waste management problems faced by the area. List any deficiencies with existing solid waste management facilities in meeting current and future area needs, and identify opportunities for improvement;
 - (f) Outline short-term, mid-term, and long-term goals and objectives of the solid waste management area. The goals and objectives shall be consistent with ~~the state~~ policies **and goals set out in Section 1 of this Act**;
 - (g) Based on the problems, needs, goals, and objectives previously identified, identify alternative approaches to solid waste management and select the optimal alternatives. Solid waste management activities and facilities to be addressed include:
 1. Identification of those regulations and ordinances which provide for proper, safe, and sanitary management of solid waste;
 2. A description of proposed improvements to existing solid waste collection and transportation systems **necessary to achieve universal collection**;
 3. Establishment of a siting procedure and development program to assure the orderly location, development, and financing of new or expanded municipal solid waste management facilities. The plan shall demonstrate how all persons in the planning area will within the near future have reasonable opportunity to dispose of their waste in a manner that complies with state and federal laws;
 4. Identification of planned programs for the control and cleanup of litter and open dumps. The programs shall include: **identification of an approved**~~a~~ schedule for the cleanup of ~~illegal~~ open **dumps in existence as of October 1, 2002**~~dump sites which will result in the cleanup of those sites within one (1) year of cabinet approval of the plan~~; an annual survey of the **planning area**~~county~~ to discover new **open dumps**~~sites~~ which shall then be scheduled for cleanup within one (1) year **unless the cabinet approves a longer schedule**~~and~~ measures to prevent the recurrence of dumping at sites which are cleaned up; **cleanup of litter along public roads three (3) times per year; and cleanup of litter along city streets two (2) times per year. In these public road cleanups and also open dump cleanups, nonviolent misdemeanor and Class D felon inmate laborers may be used. A county that does not receive in any year an allocation from the Kentucky Pride Fund sufficient to complete the number of road cleanups provided for in this section shall not be deemed out of compliance**;

5. An assessment of opportunities to reduce the need for land disposal by banning grass clippings, leaves, and other yard wastes from municipal solid waste disposal facilities and the institution of composting operations for grass clippings, leaves, and other yard wastes;
 6. Establishment of a plan to reduce the need for land disposal through waste reduction and recycling, materials recovery, and energy recovery and the provision of opportunities for recycling that may include, but are not limited to, drop-off centers or door-to-door collection. Where recycling or material recovery is not deemed feasible, specific factual analysis shall be provided to support the conclusion; and
 7. A description of any proposed recycling, materials recovery, or energy recovery plan or facility;
- (h) A five (5) year schedule and description of activities to be undertaken to implement the proposed plan;
 - (i) A description of short-term costs of the plan including capital and operational costs ~~on a per-ton and per-capita basis~~ for each element of the plan, and the identification of the means of financing plan implementation;
 - (j) Designation of the governing body for implementation of the solid waste management plan or components of the plan. A description of its responsibilities and authority shall be provided;
 - (k) A description of proposed surveillance and enforcement procedures to assure that solid waste in the planning area is properly managed. Identification of modifications to local laws and regulations necessary to implement the area plan;
 - (l) Specific provisions to assure that adequate capacity for a ten (10) year period shall be available for municipal solid waste generated in the solid waste management area, and identification of any additional capacity authorized for disposal of out-of-area municipal solid waste;
 - (m) Contractual agreements for use of waste disposal capacity at any municipal solid waste disposal facility inside or outside the waste management area identified and relied upon in the plan;
 - (n) Provisions to assure achievement of ~~reductions in municipal solid waste requiring disposal, consistent with~~ the **policies and** goals of KRS 224.43-010;
 - (o) Establishment of a public information and participation process including the following components;
 1. Formation of an advisory committee comprised of local residents, and business and industry representatives;
 2. Preparation of a draft plan for public notice and comment;
 3. Convening of a public hearing upon request; and
 4. Publication of a response to public comments.
- (2) ~~A~~**The** solid waste management plan **complying with subsection (1) of this section** ~~shall consist of two (2) parts. The first part shall contain the information described in subsection (1)(a) through (1)(d) and (1)(l) of this section and~~ shall be submitted to the cabinet by October 1, **2002, and updated every five (5) years thereafter** ~~[1991. The second part shall contain the information described in subsection (1)(a) through (1)(o) of this section and shall be submitted to the cabinet by January 1, 1993. The cabinet shall approve or disapprove the first part of the plan within thirty (30) days of receipt, and the second part of the plan within one hundred twenty (120) days of receipt]. The cabinet shall make its determination approving or disapproving a plan within one hundred twenty (120) days of receipt. A plan on which the cabinet has not yet made a determination shall remain in effect until the determination is made.~~

Section 7. KRS 30A.190 is amended to read as follows:

All fees, fines, forfeitures, and costs in any District Court or Circuit Court case shall be collected and accounted for by the Circuit Court clerk and paid into the State Treasury, except that sixty percent (60%) of any fines imposed for the violation of KRS Chapter 150 or KRS Chapter 235 shall when collected be paid into the fish and game fund, **sixty percent (60%) of any fines imposed for the violation of Section 8, 9, or 10 of this Act shall when collected be paid to the county in which the violation occurred, and forty percent (40%) of any fines imposed for the violation of Section 8, 9, or 10 of this Act shall, when collected, be paid to the agency issuing the citation.**

Section 8. KRS 433.753 is amended to read as follows:

- (1) When any paper, waste material, litter or other refuse is thrown or dropped from a motor vehicle, the operator thereof shall be deemed prima facie to be guilty of criminal littering.
- (2) It shall be the duty of the Kentucky State Police, county sheriffs and police officers, ***solid waste coordinators appointed by a county or waste management district***, city police officers, and all other law enforcement and peace officers within their respective jurisdictions, to enforce the criminal littering laws ***and the provisions of KRS 224.40-100***.
- (3) Any city or county may offer and pay rewards for the giving of information leading to the arrest and conviction of any person, firm or corporation for commission of the offense of criminal littering.
- (4) ***Violators may prepay to the Circuit Court clerk if prepayment is so noted on the citation and if the littering offense is not combined with an offense that is not prepayable.***

Section 9. KRS 433.757 is amended to read as follows:

- (1) When any litter as defined in KRS 512.010 is thrown or dropped from a motorboat or vessel as defined in KRS 235.010, the operator thereof shall be deemed prima facie to have violated KRS 512.070.
- (2) It shall be the duty of officers of the Department of Fish and Wildlife Resources as provided in KRS 235.010 and KRS Chapter 150 and all other law enforcement and peace officers of the Commonwealth and its political subdivisions ***and solid waste coordinators*** to enforce the provisions of KRS 512.070.
- (3) Any city or county may offer and pay rewards for the giving of information leading to the arrest and conviction of any person, firm, or corporation for a violation of KRS 512.070.
- (4) ***Violators may prepay to the Circuit Court clerk if prepayment is so noted on the citation and if the littering offense is not combined with an offense that is not prepayable.***

Section 10. KRS 512.070 is amended to read as follows:

- (1) A person is guilty of criminal littering when he:
 - (a) Drops or permits to drop on a highway any destructive or injurious material and does not immediately remove it; or
 - (b) Knowingly places or throws litter on any public or private property or in any public or private water without permission; or
 - (c) Negligently places or throws glass or other dangerous pointed or edged substances on or adjacent to water to which the public has access for swimming or wading or on or within fifty (50) feet of a public highway; or
 - (d) Discharges sewage, minerals, oil products or litter into any public waters or lakes within the state.
- (2) Criminal littering is a Class A misdemeanor.
- (3) ***Violators may prepay to the Circuit Court clerk if prepayment is so noted on the citation and if the littering offense is not combined with an offense that is not prepayable.***

Section 11. KRS 109.0415 is amended to read as follows:

- (1) As to any county for which an initial county or area solid waste management plan was not approved by the cabinet as of March 15, 1992, a county solid waste management plan submitted to the cabinet shall not become effective if fifty-one (51) percent of the registered voters eligible to vote in the last Presidential election sign and file a petition with the county clerk and the cabinet requesting submission of the plan to voter approval. The petition shall be filed within one hundred fifty (150) days of the fiscal court vote approving the plan.
- (2) If the county clerk determines that the petition is in proper order, the clerk shall certify the petition to the fiscal court. The fiscal court shall direct that the question be placed before the voters at a special election held less than sixty (60) days from the certification of the petition. The fiscal court shall bear the costs of advertising and placing the question before the voters.
- (3) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall instruct the voters to vote "yes" or "no" on acceptance of the solid waste management plan. The results of the vote shall be certified

to the fiscal court of the county and the cabinet. The cabinet shall not approve a county solid waste management plan if at least sixty (60) percent of those voting vote "no."

- (4) The provisions of this section shall not apply to any subsequent plan submitted by any county.

~~[(5) For the purposes of subsection (1) of this section, "initial" means the first part of the solid waste management plan described in KRS 224.43-345(2). For the purposes of subsection (4) of this section, "subsequent" means the second part of the plan described in KRS 224.43-345(2), or any amendments to the first part of the plan.]~~

Section 12. KRS 431.100 is amended to read as follows:

- (1) Except as provided in this section, all fines and forfeitures imposed by law or ordinance shall inure to and vest in the Commonwealth.
- (2) Fines and forfeitures imposed by law for violation of KRS 222.202 or ordinances relating to similar subject matter shall inure to and vest in the Commonwealth and shall be placed in a special fund in the State Treasury, which shall not lapse, and which, effective July 1, 1987, shall be used solely by the Cabinet for Health Services for the provision of treatment and counseling programs for alcoholics.
- (3) ***Sixty percent (60%) of*** fines for violation of KRS 512.070 shall, ***when collected***, be transferred by the circuit clerk to the county treasurer for inclusion in the general fund of the county in which the offense occurs ***and forty percent (40%) shall be transferred to the agency that issued the citation.***
- (4) Court costs assessed pursuant to KRS 610.360 shall be placed in a trust and agency account in the State Treasury which shall be subject to appropriation by the General Assembly for the purposes of providing services and programs and for matching funds for grants for providing services and programs to juvenile public offenders.
- (5) The court shall not order a fine, forfeiture, service fee, cost, or any other money due the state or any other public officer paid to any person or organization other than one specifically required by statute nor shall a court suspend payment of a fine, forfeiture, service fee, cost, or any other money due the state if the defendant makes a payment to another person or organization.

Section 13. KRS 109.011 is amended to read as follows:

The General Assembly of the Commonwealth of Kentucky hereby finds, determines, and declares, as follows:

- (1) That an ever-increasing volume of solid waste both within and outside the Commonwealth is being generated as a result of increasing economic and commercial activity, continuing technological progress, and changes in methods of manufacturing, packaging, and marketing of consumer products, which results in additional solid wastes discarded by the users of these products;
- (2) That the continued economic and population growth of the Commonwealth has required increased industrial and commercial expansion and has made necessary the demolition of obsolete structures, the construction of new structures, the provision of highways and other avenues of transportation, and the construction and installation of public works which, together with pre-existing commercial, industrial, and agricultural operations, have resulted in the generation of further volumes of solid waste;
- (3) That the handling of solid wastes has been primarily carried out through the dumping of wastes on open soil and in landfills, which in some cases are inimical to the public health, safety, and welfare;
- (4) That by the enactment by the Congress of the United States of the Resource Conservation and Recovery Act of 1976 (Public Law 94-580), as amended, the collection, sanitary disposal, and recovery of solid waste has been determined to be a matter of nationwide importance, recognizing that the management of solid waste should continue to be primarily the function of state, regional, and local agencies; and that pursuant to this federal law, the Commonwealth has taken and will take certain actions in respect to the planning and implementation of solid waste plans within the guidelines of time requirements set forth in this federal law;
- (5) That as a result of the conditions described in the foregoing findings, problems of solid waste collection, management, and treatment, and resource recovery activities in connection therewith have become a matter of statewide concern necessitating action by the General Assembly to:

- (a) Enable responsible planning and management agencies to be created to define solid waste management requirements, with all of the foregoing subject to regulation by the Natural Resources and Environmental Protection Cabinet;
 - (b) Assist those units of government primarily responsible for the management of solid waste and the acquisition, financing and operation of facilities to dispose of solid waste to fulfill their functions in a responsible and proper manner with primary emphasis on the regionalization of these functions; and
 - (c) Reduce the amount of solid waste generated and disposed in Kentucky;
- (6) That it is the intent of the General Assembly of the Commonwealth of Kentucky that the primary responsibility for adequate solid waste collection, management, treatment, disposal, and resource recovery shall rest with combinations of counties and waste management districts, subject to standards set by administrative regulations adopted by the Natural Resources and Environmental Protection Cabinet. In those cities currently operating solid waste management systems, the city and county may assume joint responsibility of preparing a solid waste management plan. If it is in the best public interest to do so and with the mutual agreement of both the county and city, a county may delegate responsibility for adequate collection, management, treatment, disposal, or materials recovery to a city. This delegation of responsibility is contingent upon the approval of a solid waste management plan by the cabinet. The purpose of delegating responsibilities shall be to effectuate the safe and sanitary management, use, and handling of solid waste, the protection of the health, welfare, and safety of the citizens and inhabitants of the Commonwealth, and for making the most efficient use of all resources for the benefit of the citizens and inhabitants of the Commonwealth;
- (7) That the General Assembly recognizes the generation of solid waste is inevitable, but much of it is unnecessary and should be discouraged. However, where solid waste does exist, it should be considered to the extent possible as a valuable resource, and be made use of wherever and whenever desirable and economically justifiable. Therefore, it shall be the policy of the Commonwealth to, above all things, encourage resource conservation and preservation of our natural resources before waste contributes in a needless fashion to the volumes of solid waste and litter produced by our society; but in dealing with existing solid waste, materials recovery from the solid waste stream is deemed to be the most environmentally sound alternative for handling waste;
- (8) It is not the intent of this chapter to prohibit or discourage the participation of the private sector in any aspect of solid waste management. Moreover, it is preferable for solid waste management functions to be performed by the private sector when it is in the best interests of the public and conforms with the policies and provisions in this chapter;
- (9) It is the intent of the General Assembly that counties and waste management districts cooperate to develop and implement the solid waste management plans mandated by KRS Chapter 224 and the administrative regulations adopted by the cabinet with the goal of regionalizing the management of solid waste;
- (10) It is the intent of the General Assembly that waste requiring disposal in municipal solid waste disposal facilities be reduced and that solid waste be managed in an environmentally protective manner;
- (11) Notwithstanding any provision of KRS Chapters 82, 83, and 94, it is the intent of the General Assembly that this chapter and KRS 67.083(3)(o) provide counties with authority to develop a solid waste management system for solid waste generated within the geographical boundaries of the county, consistent with the provisions of this chapter and KRS Chapter 224. It is further the intent of the General Assembly that cities be authorized to finance, own, and operate solid waste management systems with the consent of the county or by contract with the county, except that in the event a county fails to submit a solid waste management plan pursuant to KRS Chapter 224 cities may proceed to develop solid waste management systems consistent with administrative regulations adopted by the cabinet pursuant to KRS Chapter 224. Cities that develop solid waste management facilities pursuant to this section shall have all the powers and restrictions set forth for counties in KRS 109.041, 109.056, **and** 109.059~~, and 109.062~~; and
- (12) It is the intent of the General Assembly that waste management districts which are formed and operated under this chapter shall comply with the standards set by administrative regulations adopted by the cabinet pursuant to KRS Chapter 224.

Section 14. KRS 109.041 is amended to read as follows:

- (1) In addition to all other powers enumerated in Chapter 67 and other sections of the Kentucky Revised Statutes, counties, acting by and through their fiscal courts, may own and hold the permit for, plan, initiate, acquire,

construct, and maintain solid waste management facilities, enter into contracts or leases with private parties for the design, construction, or operation of a publicly-owned solid waste management facility, and adopt administrative regulations with respect thereto in accordance with this chapter. It is hereby determined and declared that in the implementation, acquisition, financing, and maintenance of solid waste management facilities, and in the enforcement of their use, counties will be performing state functions duly delegated to them for the public welfare. In such regard, the right of counties to condemn land necessary for the acquisition of solid waste management facilities pursuant to the Eminent Domain Act of Kentucky and to exercise the police power in respect thereto is confirmed. Any county may contract with third parties for the management by public or private means of solid waste within the county.

- (2) No solid waste management facility shall be acquired and constructed until the construction thereof has been approved in writing by the cabinet. Planning for a solid waste management facility shall be conducted in accordance with the policy set forth in KRS 109.011(7) and KRS Chapter 224.
- (3) ~~Except as provided in KRS 109.062, 1~~No county or waste management district shall prohibit or otherwise restrict materials recovery by:
 - (a) Any materials recovery operation in existence in the county or district on the effective date of the mandatory program;
 - (b) Any person supplying material to materials recovery operations on the effective date of the mandatory program;
 - (c) Any new materials recovery operation that reclaims the same type of materials as materials recovery operations included in paragraph (a) of this subsection;
 - (d) Any new suppliers to materials recovery operations included in paragraphs (a) and (c) of this subsection;
 - (e) Any materials recovery operation for glass, plastic, or metal beverage containers, unless a commitment has been made by a local government or other political subdivision of the state, by ordinance or contract, to a solid waste project consistent with the provisions of this chapter, that is dependent upon the materials recovery of glass, plastic, or metal beverage containers to meet its financial obligations for said project, and such commitment has been made prior to the operation of any other such materials recovery facility in the county or district; or
 - (f) Any other materials recovery operation within the county or district not included in paragraphs (a) through (e) of this subsection or the supply of materials to such operation unless it is established that such operation would jeopardize the ability of a local government or other political subdivision of the state to meet financial obligations incurred in the maintenance, operation, or amortization of capital acquisition costs for a solid waste management facility.
- (4) Notwithstanding any other provision of the Kentucky Revised Statutes to the contrary, no county or waste management district shall regulate special wastes as defined in KRS 224.50-760, other than sludge from water and waste water treatment facilities as it pertains to landfarming, or solid waste from agricultural or mining operations.
- (5) Any county undertaking the planning, implementation, construction, installation, acquisition, and financing of a solid waste management facility pursuant to this chapter shall have the authority set forth in Chapter 58 of the Kentucky Revised Statutes concerning the financing of such solid waste management facility, including the authority to promulgate, enforce, and collect reasonable rates, rentals, and charges for the use of such solid waste management facility.
- (6) Bonds authorized to be issued by any county pursuant to the authority of this chapter for the financing of solid waste management facilities may be sold at either private or public sale as may in the sound discretion of the county be in the best interests of the county.
- (7) Any county undertaking solid waste management pursuant to the provisions of this chapter may contract with any person for the provision of solid waste management services. A county may contract with any city to provide solid waste management services or may delegate the responsibility for solid waste management within incorporated areas to a city when the city agrees to assume such responsibility. In connection with solid waste management, any county may enter into contracts with any person for any term of years.

- (8) Counties are authorized to charge a reasonable fee to transporters for the handling of their waste at a solid waste management facility approved by the cabinet.
- (9) Counties are authorized to sell or market materials and energy recovered from solid waste and to enter into long-term contracts guaranteeing supply to insure markets for the sale of recovered products.
- (10) In carrying out the provisions of this chapter, counties shall be subject to standards set by regulations adopted by the cabinet on waste management pursuant to KRS Chapter 224.
- (11) No county or waste management district shall prohibit long-term contracts by ordinance or other means.
- (12) Counties are expressly authorized in addition to the powers enumerated in KRS Chapter 65 and this chapter to contract with one another in order to regionalize solid waste management to the maximum extent practicable.
- (13) Notwithstanding any other provision of law, a fiscal court may, by ordinance, create a solid waste district to exercise the powers of the county pursuant to this chapter, except that a district created for this purpose shall not levy or collect ad valorem property taxes.

Section 15. KRS 224A.011 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Administrative fee" means a fee assessed and collected by the authority from borrowers under assistance agreements, to be used for operational expenses of the authority.
- (2) "Applicable interest rate" means the rate of interest which shall be used as part of the repayment criteria for an assistance agreement between a governmental agency and the authority, and shall be determined by the authority pertinent to the source of funds from which the assistance agreement is funded.
- (3) "Assistance agreement" means the agreement to be made and entered into by and between a governmental agency and the authority, as authorized by this chapter, providing for a lease, loan, services, or grant to the governmental agency or for the purchase of obligations issued by the governmental agency, and for the repayment thereof to the authority by the governmental agency.
- (4) "Authority" means the Kentucky Infrastructure Authority, which is created by this chapter.
- (5) "Authority revenues" means the totality of all:
 - (a) Service charges;
 - (b) Utility tax receipts, to the extent not otherwise committed and budgeted by the authority during any fiscal period of the authority;
 - (c) Any gifts, grants, or loans received, to the extent not otherwise required to be applied;
 - (d) Any and all appropriations made to the authority by the General Assembly of the Commonwealth of Kentucky, to the extent not otherwise required to be applied;
 - (e) All moneys received in repayment of and for interest on any loans made by the authority to a governmental agency, except as provided in KRS 224A.111, 224A.1115, **and** 224A.112, ~~and 224A.270,~~ or as principal of and interest on any obligations issued by a governmental agency and purchased by the authority, or as receipts under any assistance agreement;
 - (f) The proceeds of bonds or long-term debt obligations of governmental agencies pledged to the payment of bond anticipation notes issued by the authority on behalf of the said governmental agency to provide interim construction financing; and
 - (g) Payments under agreements with any agencies of the state and federal government.
- (6) "Borrower or borrowing entity" means any agency of the state or its political subdivisions, any city, or any special district created under the laws of the state acting individually or jointly under interagency or interlocal cooperative agreements to enter into assistance agreements with the authority.
- (7) "Community flood damage abatement project" means any structural or nonstructural study, plan, design, construction, development, improvement, or other activity to provide for flood control.
- (8) "Construction" means and includes, but is not limited to:

- (a) Preliminary planning to determine the economic and engineering feasibility of infrastructure projects, the engineering, architectural, legal, fiscal, and economic investigations, and studies necessary thereto, and surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the construction of infrastructure or solid waste projects;
 - (b) The erection, building, acquisition, alteration, remodeling, improvement, or extension of infrastructure or solid waste projects; and
 - (c) The inspection and supervision of the construction of infrastructure or solid waste projects and all costs incidental to the acquisition and financing of same. This term shall also relate to and mean any other physical devices or appurtenances in connection with, or reasonably attendant to, infrastructure or solid waste projects.
- (9) "Dams" means any artificial barrier, including appurtenant works, which does or can impound or divert water, and which either:
- (a) Is or will be twenty-five (25) feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, as determined by the natural resources cabinet; or
 - (b) Has or will have an impounding capacity at maximum water storage elevation of fifty (50) acre feet or more.
- (10) "Distribution facilities" means all or any part of any facilities, devices, and systems used and useful in obtaining, pumping, storing, treating, and distributing water for agricultural, industrial, commercial, recreational, public, and domestic use.
- (11) "Federal act" means the Federal Clean Water Act (33 U.S.C. secs. 1251 et seq.) as said federal act may be amended from time to time in the future, or any other enactment of the United States Congress providing funds that may assist in carrying out the purposes of the authority.
- (12) "Federally assisted wastewater revolving fund" means that fund which will receive federal and state funds or the proceeds from the sale of revenue bonds of the authority for the purpose of providing loans to finance construction of publicly owned treatment works as defined in Section 212 of the federal act and for the implementation of a management program established under Section 319 of the federal act and for the development and implementation of a conservation and management plan under Section 320 of the federal act.
- (13) "Governmental agency" means any incorporated city or municipal corporation, or other agency, or unit of government within or a department or a cabinet of the Commonwealth of Kentucky, now having or hereafter granted, the authority and power to finance, acquire, construct, or operate infrastructure or solid waste projects. This definition shall specifically apply, but not by way of limitation, to incorporated cities; counties, including any counties containing a metropolitan sewer district; sanitation districts; water districts; water associations if these associations are permitted to issue interest-bearing obligations which interest would be excludable from gross income under Section 103 of the Internal Revenue Code of 1986 as amended; sewer construction districts; metropolitan sewer districts; sanitation taxing districts; and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another in accordance with any regional or area compact, or intergovernmental cooperative agreements), now or hereafter established in accordance with the laws of the Commonwealth of Kentucky having and possessing the described powers described in this subsection.
- (14) "Industrial waste" means any liquid, gaseous, or solid waste substances resulting from any process of industry, manufacture, trade, or business, or from the mining or taking, development, processing, or recovery of any natural resources, including heat and radioactivity, together with any sewage as is present therein, which pollutes the waters of the state, and specifically, but not by way of limitation, means heat or thermal differentials created in the waters of the state by any industrial processing, generating, or manufacturing processes.
- (15) "Infrastructure project" means any construction or acquisition of treatment works, distribution facilities, or water resources projects instituted by a governmental agency or an investor-owned water utility which is approved by the authority and, if required, by the natural resources cabinet, Public Service Commission, or other agency; solid waste projects; dams; storm water control and treatment systems; gas or electric utility; or any other public utility or public service project which the authority finds would assist in carrying out the purposes set out in KRS 224A.300.

- (16) "Infrastructure revolving fund" means that fund which will receive state funds, the proceeds from the sale of revenue bonds of the authority or other moneys earmarked for that fund for the purpose of providing loans or grants to finance construction or acquisition of infrastructure projects as defined in this section.
- (17) "Loan or grant" means moneys to be made available to governmental agencies by the authority for the purpose of defraying all or any part of the total costs incidental to construction or acquisition of any infrastructure project.
- (18) "Market interest rate" means the interest rate determined by the authority under existing market conditions at the time the authority shall provide financial assistance to a governmental agency.
- (19) "Natural resources cabinet" means the Kentucky Natural Resources and Environmental Protection Cabinet, or its successor, said term being meant to relate specifically to the state agency which is designated as the water pollution agency for the Commonwealth of Kentucky, for purposes of the federal act.
- (20) "Obligation of a governmental agency" means a revenue bond, bond anticipation note, revenue anticipation note, lease, or other obligation issued by a governmental agency under KRS 58.010 et seq. or other applicable statutes.
- (21) "Person" means any individual, firm, partnership, association, corporation, or governmental agency.
- (22) "Pollution" means the placing of any noxious or deleterious substances ("pollutants"), including sewage and industrial wastes, in any waters of the state or affecting the properties of any waters of the state in a manner which renders the waters harmful or inimical to the public health or to animal or aquatic life, or to the use, present or future, of these waters for domestic water supply, industrial or agricultural purposes, or recreational purposes.
- (23) "Prioritization schedules" means the list of wastewater treatment works, distribution facilities and water resources projects which the natural resources cabinet has evaluated and determined to be of priority for receiving financial assistance from the federally assisted wastewater revolving fund and the federally assisted drinking water revolving fund, or the list of infrastructure projects which the authority has evaluated and determined to be of priority for receiving financial aid from the infrastructure revolving fund. The evaluation by the authority of infrastructure projects for water systems shall be undertaken with input from the appropriate area development district.
- (24) "Solid waste project" means construction, renovation, or acquisition of a solid waste facility which shall be instituted and owned by a governmental agency.
- (25) "Recovered material" means those materials which have known current use, reuse, or recycling potential, which can be feasibly used, reused, or recycled, and which have been diverted or removed from the solid waste stream for sale, use, reuse, or recycling, whether or not requiring subsequent separation and processing but does not include materials diverted or removed for purposes of energy recovery or combustion except refuse-derived fuel (RDF), which shall be credited as a recovered material in an amount equal to that percentage of the municipal solid waste received on a daily basis at the processing facility and processed into RDF; but not to exceed fifteen percent (15%) of the total amount of the municipal solid waste received at the processing facility on a daily basis.
- (26) "Recovered material processing facility" means a facility engaged solely in the storage, processing, and resale or reuse of recovered material but does not mean a solid waste facility if solid waste generated by a recovered material processing facility is managed in accordance with KRS Chapter 224 and administrative regulations adopted by the cabinet.
- (27) "Revenue bonds" means special obligation bonds issued by the authority as provided by the provisions of this chapter, which are not direct or general obligations of the state, and which are payable only from a pledge of, and lien upon, authority revenues as provided in the resolution authorizing the issuance of the bonds, and shall include revenue bond anticipation notes.
- (28) "Service charge" means any monthly, quarterly, semiannual, or annual charge to be imposed by a governmental agency, or by the authority, for any infrastructure project financed by the authority, which service charge arises by reason of the existence of, and requirements of, any assistance agreement.
- (29) "Sewage" means any of the waste products or excrements, or other discharges from the bodies of human beings or animals, which pollute the waters of the state.
- (30) "Solid waste" means "solid waste" as defined by KRS 224.01-010(31)(a).

- (31) "Solid waste facility" means any facility for collection, handling, storage, transportation, transfer, processing, treatment, or disposal of solid waste, whether the facility is associated with facilities generating the waste or otherwise, but does not include a container located on property where the waste is generated and which is used solely for the purpose of collection and temporary storage of that solid waste prior to off-site disposal, or a recovered material processing facility.
- (32) "Solid waste revolving fund" means that fund which shall receive state funds, the proceeds from the sale of revenue bonds of the authority, or other moneys earmarked for the purpose of providing loans or grants to finance solid waste projects defined in this section.
- (33) "State" means the Commonwealth of Kentucky.
- (34) "System" means the system owned and operated by a governmental agency with respect to solid waste projects, treatment works, or infrastructure projects financed as provided by the assistance agreement between the governmental agency and the authority.
- (35) "Treatment works" or "wastewater treatment works" means all or any part of any facilities, devices, and systems used and useful in the storage, treatment, recycling, and reclamation of wastewater or the abatement of pollution, including facilities for the treatment, neutralization, disposal of, stabilization, collecting, segregating, or holding of wastewater, including without limiting the generality of the foregoing, intercepting sewers, outfall sewers, pumping power stations, and other equipment and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof, and any wastewater treatment works, including site acquisition of the land that will be an integral part of the wastewater treatment process, or is used for ultimate disposal of residues resulting from wastewater treatment, together with any other facilities which are deemed to be treatment works in accordance with the federal act.
- (36) "Variable rate revenue bonds" means revenue bonds the rate of interest on which fluctuates either automatically by reference to a predetermined formula or index or in accordance with the standards set forth in KRS 224A.120.
- (37) "Wastewater" means any water or liquid substance containing sewage, industrial waste, or other pollutants or contaminants derived from the prior use of these waters.
- (38) "Water resources" means all waters of the state occurring on the surface, in natural or artificial channels, lakes, reservoirs, or impoundments, and in subsurface aquifers, which are available, or which may be made available to agricultural, industrial, commercial, recreational, public, and domestic users.
- (39) "Water resources project" means any structural or nonstructural study, plan, design, construction, development, improvement, or any other activity including programs for management, intended to conserve and develop the water resources of the state and shall include all aspects of water supply, flood damage abatement, navigation, water-related recreation, and land conservation facilities and measures.
- (40) "Waters of the state" means all streams, lakes, watercourses, waterways, ponds, marshes, wells, springs, irrigation systems, drainage systems, and all other bodies or accumulations of water, surface and underground, natural or artificial, which are situated wholly or partly within, or border upon, this state, or are within its jurisdiction, except those private waters which do not combine or effect a junction with natural, surface, or underground waters.
- (41) "Utility tax" means the tax which may be imposed by the authority on every purchase of water or sewer service in the Commonwealth of Kentucky.

Section 16. KRS 224A.100 is amended to read as follows:

The authority may enter into assistance agreements with governmental agencies, and governmental agencies may enter into assistance agreements with the authority in connection with infrastructure projects. Each assistance agreement shall be subject to review by the Capital Projects and Bond Oversight Committee of the Legislative Research Commission and may contain and include such provisions as may be agreed upon by the parties thereto, and shall include and prescribe the following provisions:

- (1) An estimate of the reasonable cost of the infrastructure project, as determined by the authority;
- (2) The amount of the total rentals under any lease of an infrastructure project, loans or grants to be made to the governmental agency, financing payments, or obligations of the governmental agency to be purchased by the authority;

- (3) The time or times at which the rentals, loans or grants, financing payments or the purchase price of a governmental agency shall become payable by or to the governmental agency;
- (4) The specific purpose or purposes for which the leased infrastructure project will be used or the proceeds of the purchase of obligations of the governmental agency or loan or grant made pursuant to the assistance agreement shall be expended;
- (5) The conditions under which the leased infrastructure project will be used or the proceeds of the purchase of obligations of the governmental agency or loan or grant may be expended on account of the infrastructure project by the governmental agency;
- (6) An agreement by the governmental agency:
 - (a) To proceed expeditiously with and promptly complete the infrastructure project or cause same to be completed in accordance with plans and specifications approved by federal and state regulatory agencies;
 - (b) To commence or cause to be commenced operation of the infrastructure project on completion of construction, and not to discontinue operations or dispose of such infrastructure project without the approval of the authority;
 - (c) To operate and maintain or cause to be operated and maintained the infrastructure project in accordance with the applicable provisions of federal and state law;
 - (d) To disclose fully to the authority all applications for or award of grants or loans for financial assistance, if any;
 - (e) To provide for the payment of the governmental agency's share of the cost of the infrastructure project, if the entire infrastructure project is not financed by assistance from the authority and describe with specificity the manner in which the governmental agency proposes to finance its share of such cost, if any;
- (7) A provision that, if assistance which was not included in the calculation of the loan or grant payable pursuant to subsection (2) of this section becomes available to the governmental agency, the amount of the assistance from the authority shall be recalculated with the inclusion of the additional assistance, and the governmental agency shall pay to the authority the amount, if any, by which the loan or grant actually made, exceeds the loan or grant as determined by the recalculation;
- (8) The extent to which the assistance from the authority shall be repaid to the authority, which shall not be less than the sum of the following, except as provided under KRS 224A.111, 224A.112, ~~224A.270,~~ and ~~KRS~~ 224A.1115:
 - (a) The aggregate principal amount of the loan; and
 - (b) Interest on the aggregate balance of the principal amount of the loan from time to time remaining unpaid, computed at the applicable interest rate, plus not to exceed one-quarter of one percent (0.25%), except as provided for in KRS 224A.111, 224A.112, ~~224A.270,~~ and ~~KRS~~ 224A.1115;
- (9) The time or times and amounts when the repayments required by subsection (8) of this section shall be made by the governmental agency to the authority;
- (10) The extent to which a service charge shall be imposed by the governmental agency. Any service charge shall be calculated to produce amounts sufficient to meet the repayment schedule prescribed by subsection (8) of this section; and
- (11) An agreement between the governmental agency and the authority that upon any failure of the governmental agency to make payment to the authority in accordance with the time schedule and repayment schedule fixed by the assistance agreement of the amounts prescribed by said schedules, that in such event the authority may, without further action, require the State Treasurer to pay to the authority such amount of other state revenues, tax sharing, or other state aid, with the exception of funds in aid to education and funds derived from motor fuel taxes or vehicle license taxes pursuant to Section 230 of the Constitution of Kentucky, as the governmental agency may thereafter become entitled to receive from the state, until all delinquent payments pursuant to the repayment schedule, plus interest thereon, from the date of each delinquency at the applicable interest rate per annum, shall have been paid.

SECTION 17. A NEW SECTION OF SUBCHAPTER 43 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

Exclusive venue for any appeal of a violation, determination, finding of noncompliance, or any other action of the Finance and Administration Cabinet, Natural Resources and Environmental Protection Cabinet, or other state agency relating to any county, urban-county, charter county, consolidated local government, city, special district, or other governmental unit specified in this subchapter and Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16 of this Act shall be in the court of competent jurisdiction of the county which is the subject of the action by the state agency.

Section 18. The following KRS sections are repealed:

109.062 Use of collection system.

109.320 Exemption from pick-up fee.

224A.270 Solid waste revolving fund -- Uses.

224A.280 Solid waste grant program.

224A.290 Short title.

Approved April 23, 2002

CHAPTER 343

(HB 270)

AN ACT relating to cellular communications and declaring an emergency.

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

Section 1. KRS 100.324 is amended to read as follows:

- (1) All other provisions of this chapter to the contrary notwithstanding, public utilities operating under the jurisdiction of the Public Service Commission, except as specified in KRS 100.987 ~~and subsection (5) of this section~~, or the Department of Vehicle Regulation or Federal Power Commission, any municipally-owned electric system, and common carriers by rail shall not be required to receive the approval of the planning unit for the location or relocation of any of their service facilities. Service facilities include all facilities of such utilities and common carriers by rail other than office space, garage space, and warehouse space and include office space, garage space, and warehouse space when such space is incidental to a service facility. The Public Service Commission and the Department of Vehicle Regulation shall give notice to the planning commission of any planning unit of any hearing which affects locations or relocations of service facilities within that planning unit's jurisdiction.
- (2) The nonservice facilities excluded in subsection (1) of this section must be in accordance with the zoning regulations.
- (3) Upon the request of the planning commission, the public utilities referred to in this section shall provide the planning commission of the planning unit affected with information concerning service facilities which have been located on and relocated on private property.
- (4) Any proposal for acquisition or disposition of land for public facilities, or changes in the character, location, or extent of structures or land for public facilities, excluding state and federal highways and public utilities and common carriers by rail mentioned in this section, shall be referred to the commission to be reviewed in light of its agreement with the comprehensive plan, and the commission shall, within sixty (60) days from the date of its receipt, review the project and advise the referring body whether the project is in accordance with the comprehensive plan. If it disapproves of the project, it shall state the reasons for disapproval in writing and make suggestions for changes which will, in its opinion, better accomplish the objectives of the comprehensive plan. No permit required for construction or occupancy of such public facilities shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its report, whichever occurs first.

~~[(5) Every utility which proposes to construct an antenna tower for cellular telecommunications services or personal communications services within a county containing a city of the first class shall submit the proposal to the planning commission of the affected planning unit. The planning commission shall review the proposal in light of its agreement with the comprehensive plan and locally adopted zoning regulations and shall, within sixty (60) days from the date the proposal is submitted, make its final decision and advise the utility in writing whether the proposed construction is in accordance with the comprehensive plan and locally adopted zoning regulations. If the planning commission fails to issue a final decision within sixty (60) days, it is presumed to have approved the proposal, and may not later appeal a decision of the Public Service Commission under KRS 278.650(3). If the planning commission disapproves of the proposed construction, it shall state the reasons for disapproval in its written decision and may make suggestions which, in its opinion, better accomplish the objectives of the comprehensive plan and the locally adopted zoning regulations. No permit for construction of a cellular or personal communications services antenna tower, including any certificate of convenience and necessity required to be issued by the Kentucky Public Service Commission, shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its final decision on the utility proposal, whichever occurs first.]~~

Section 2. KRS 100.985 is amended to read as follows:

In addition to the definitions set forth in KRS 100.111, the following definitions shall apply to KRS 100.985 to 100.987:

- (1) "Cellular antenna tower" means a tower constructed for, or an existing facility that has been adapted for, the location of transmission or related equipment to be used in the provision of cellular telecommunications services or personal communications services;
- (2) "Cellular telecommunications service" means a retail telecommunications service that uses radio signals transmitted through cell sites and mobile switching stations;
- (3) "Co-location" means locating two (2) or more transmission antennas or related equipment on the same cellular antenna tower;
- (4) "Personal communication service" has the meaning as defined in 47 U.S.C. sec. 332(c);
- (5) "Uniform application" means an application~~[for a certificate of convenience and necessity issued under KRS 278.020 submitted by a utility to the Public Service Commission]~~ to construct ***a{an antenna tower for} cellular antenna tower submitted to a planning commission in conformity with Sections 3 and 5 of this Act***~~[telecommunications services of personal communications service in a jurisdiction, that has adopted planning and zoning regulations in accordance with this chapter, except for any county that contains a city of the first class];{and}]~~
- (6) "Utility" has the meaning as defined in KRS 278.010(3); ***and***
- (7) ***"Antennas or related equipment" means transmitting, receiving, or other equipment used to support cellular telecommunications service or personal communications service. This definition does not include towers.***

Section 3. KRS 100.987 is amended to read as follows:

- (1) A planning unit as defined in KRS 100.111 and legislative body or fiscal court that has adopted planning and zoning regulations~~[, except for a county that contains a city of the first class as provided under KRS 278.650,]~~ may plan for and regulate the siting of cellular antenna towers in accordance with locally adopted planning or zoning regulations in this chapter~~[by officially registering with the Public Service Commission. The registration shall be in the form of an official resolution adopted by the local planning commission. Nothing in this section shall require a planning unit and legislative body or fiscal court to plan for and regulate the siting of cellular antenna towers].~~
- (2) Every utility or a company that is engaged in the business of providing the required infrastructure to a utility that proposes to construct an antenna tower for cellular telecommunications services or personal communications services within the jurisdiction of a planning unit that has adopted planning and zoning regulations in accordance with this chapter~~[, except for a county that contains a city of the first class as provided under KRS 278.650, and that has officially registered with the Public Service Commission]~~ shall:
 - (a) Submit a copy of the ***applicant's***~~[utility's]~~ completed uniform application to the planning commission of the affected planning unit to construct an antenna tower for cellular or personal telecommunications

services~~[within five (5) days of applying to the Public Service Commission for a certificate of necessity and convenience as required by KRS 278.020(1)].~~ The uniform application shall include a grid map that shows the location of all existing cellular antenna towers and that indicates the general position of proposed construction sites for new cellular antenna towers within an area that includes:

1. All of the planning unit's jurisdiction; and
 2. A one-half (1/2) mile area outside of the boundaries of the planning unit's jurisdiction, if that area contains either existing or proposed construction sites for cellular antenna towers;
- (b) Include in any contract with an owner of property upon which a cellular antenna tower is to be constructed, a provision that specifies, in the case of abandonment, a method that the utility will follow in dismantling and removing a cellular antenna tower including a timetable for removal; and
- (c) Comply with any local ordinances concerning land use, subject to the limitations imposed by 47 U.S.C. sec. 332(c), KRS 278.030, 278.040, and 278.280.
- (3) ~~[Commencing from the time that a utility files a uniform application with the Public Service Commission,]~~ All information contained in the~~[uniform]~~ application and any updates, except for **any map or other** information that specifically identifies the proposed location of the cellular antenna tower then being reviewed~~[by the applying utility]~~, shall be deemed confidential and proprietary within the meaning of KRS 61.878. The~~[Public Service Commission and the]~~ local planning commission shall deny any public request for the inspection of this information, whether submitted under Kentucky's Open Records Act or otherwise, except when ordered to release the information by a court of competent jurisdiction. Any person violating this subsection shall be guilty of official misconduct in the second degree as provided under KRS 522.030.
- (4) After **an applicant's submission of**~~[receiving]~~ the uniform application to construct a cellular antenna tower, the planning commission shall:
- (a) Review the uniform application in light of its agreement with the comprehensive plan and locally adopted zoning regulations;
 - (b) Make its final decision to approve or disapprove the uniform application; and
 - (c) Advise the **applicant**~~[utility and the Public Service Commission]~~ in writing of its final decision within sixty (60) days commencing from the date that the uniform application is **submitted to**~~[received by]~~ the planning commission or within a date certain specified in a written agreement between the local planning commission and the **applicant**~~[utility]~~. If the planning commission fails to issue a final decision within sixty (60) days and if there is no written agreement between the local planning commission and the **applicant**~~[utility]~~ to a specific date for the planning commission to issue a decision,~~[it is presumed that the local planning commission has approved]~~ the~~[utility's]~~ uniform application **shall be deemed approved**.
- (5)~~—(a)]~~ If the planning commission disapproves of the proposed construction, it shall state the reasons for disapproval in its written decision and may make suggestions which, in its opinion, better accomplish the objectives of the comprehensive plan and the locally adopted zoning regulations. No permit for construction of a cellular or personal communications services antenna tower~~[, including any certificate of convenience and necessity required to be issued by the Kentucky Public Service Commission,]~~ shall be issued until the planning commission approves the uniform application or the sixty (60) day time period has expired, whichever occurs first.~~[If a planning commission rejects the uniform application to construct an antenna tower, the Public Service Commission may override the decision of the planning commission and issue a certificate of convenience and necessity for construction of the cellular or personal communications services antenna tower, if it determines that there is no acceptable alternate site and that the public convenience and necessity requires the proposed construction.~~
- ~~(b) — Any party, other than the applying utility, that is aggrieved by the final action of a planning commission under this section, may intervene in the action to the Public Service Commission, but this appeal shall not automatically postpone action by the Public Service Commission.]~~
- (6) The planning commission may require the **applicant**~~[utility]~~ to make a reasonable attempt to co-locate additional transmitting or related equipment~~[on any new or existing towers, if there is available space on the tower and the co location does not interfere with the structural integrity of the tower and does not require the~~

~~owner of the tower to make substantial alterations to the tower~~. A planning commission may provide the location of existing cellular antenna towers on which the commission deems the **applicant**~~[applying utility]~~ can successfully co-locate its transmitting and related equipment. If the local planning commission requires the **applicant**~~[utility]~~ to attempt co-location, the **applicant**~~[utility]~~ shall provide the local planning unit with a statement indicating that the **applicant**~~[utility]~~ has:

- (a) Successfully attempted to co-locate on towers designed to host multiple wireless service providers' facilities or existing structures such as a telecommunications tower or another suitable structure capable of supporting the **applicant's**~~[utility's]~~ facilities, and that identifies the location of the tower **or suitable structure on** which the **applicant**~~[applying utility]~~ will co-locate its transmission and related facilities~~on~~; or
- (b) Unsuccessfully attempted to co-locate on towers designed to host multiple wireless service provider's facilities or existing structures such as a telecommunications tower or another suitable structure capable of supporting the **applicant's**~~[utility's]~~ facilities and that:
 1. Identifies the location of the towers **or other structures on** which the **applicant**~~[applying utility]~~ attempted to co-locate~~on~~; and
 2. Lists the reasons why the co-location was unsuccessful in each instance.
- (7) The local planning commission may deny a uniform application to construct a cellular antenna tower based on **an applicant's**~~a utility's~~ unwillingness to attempt to co-locate additional transmitting or related equipment on any new or existing towers **or other structures**.
- (8) In the event of co-location, a utility shall be considered the primary user of the tower, if the utility is the owner of the antenna tower and if no other agreement exists that prescribes an alternate arrangement between the parties for use of the tower. Any other entity that co-locates transmission or related facilities on a cellular antenna tower shall do so in a manner that does not impose additional costs or operating restrictions on the primary user.
- (9) *Upon the approval of an application for the construction of a cellular antenna tower by a planning commission, the applicant shall notify the Public Service Commission within ten (10) working days of the approval. The notice to the Public Service Commission shall include a map showing the location of the construction site. If an applicant fails to file notice of an approved uniform application with the Public Service Commission, the applicant shall be prohibited from beginning construction on the cellular antenna tower until such notice has been made.*
- (10) *A party aggrieved by a final action of a planning commission under the provisions of KRS 100.985 to 100.987 may bring an action for review in any court of competent jurisdiction.*

SECTION 4. A NEW SECTION OF KRS 100.985 TO 100.987 IS CREATED TO READ AS FOLLOWS:

In regulating the placement of cellular antenna towers, a planning commission shall not:

- (1) *Regulate the placement of a cellular antenna tower on the basis of the environmental effects of radio frequency emissions to the extent that these facilities comply with the regulations of the Federal Communications Commission concerning radio frequency emissions;*
- (2) *Institute a moratorium upon the siting of cellular antenna towers;*
- (3) *Charge an application fee that exceeds an amount that is reasonably related to expenses associated with processing an application to construct a cellular antenna tower, and to issue any necessary permits including any required building permit, up to a maximum of \$2500. Application fee amounts shall not be raised after June 15, 2002;*
- (4) *Regulate the placement of antennas or related equipment on an existing structure; or*
- (5) *Require the submission of application materials in addition to those required by Sections 3 and 5 of this Act, unless agreed by both parties.*

SECTION 5. A NEW SECTION OF KRS 100.985 TO 100.987 IS CREATED TO READ AS FOLLOWS:

In addition to the requirements of Section 3 of this Act, a uniform application shall include:

- (1) *The full name and address of the applicant;*

- (2) *The applicant's articles of incorporation, if applicable;*
- (3) *A geotechnical investigation report, signed and sealed by a professional engineer registered in Kentucky, that includes boring logs and foundation design recommendations;*
- (4) *A written report, prepared by a professional engineer or land surveyor, of findings as to the proximity of the proposed site to flood hazard areas;*
- (5) *Clear directions from the county seat to the proposed site, including highway numbers and street names, if applicable, with the telephone number of the person who prepared the directions;*
- (6) *The lease or sale agreement for the property on which the tower is proposed to be located, except that, if the agreement has been filed in abbreviated form with the county clerk, an applicant may file a copy of the agreement as recorded by the county clerk and, if applicable, the portion of the agreement demonstrating compliance with KRS 100.987(2);*
- (7) *The identity and qualifications of each person directly responsible for the design and construction of the proposed tower;*
- (8) *A site development plan or survey, signed and sealed by a professional engineer registered in Kentucky, that shows the proposed location of the tower and all easements and existing structures within five hundred (500) feet of the proposed site on the property on which the tower will be located, and all easements and existing structures within two hundred (200) feet of the access drive, including the intersection with the public street system;*
- (9) *A vertical profile sketch of the tower, signed and sealed by a professional engineer registered in Kentucky, indicating the height of the tower and the placement of all antennas;*
- (10) *The tower and foundation design plans and a description of the standard according to which the tower was designed, signed, and sealed by a professional engineer registered in Kentucky;*
- (11) *A map, drawn to a scale no less than one (1) inch equals two hundred (200) feet, that identifies every structure and every owner of real estate within five hundred (500) feet of the proposed tower;*
- (12) *A statement that every person who, according to the records of the property valuation administrator, owns property within five hundred (500) feet of the proposed tower or property contiguous to the site upon which the tower is proposed to be constructed, has been:*
 - (a) *Notified by certified mail, return receipt requested, of the proposed construction which notice shall include a map of the location of the proposed construction;*
 - (b) *Given the telephone number and address of the local planning commission; and*
 - (c) *Informed of his or her right to participate in the planning commission's proceedings on the application;*
- (13) *A list of the property owners who received the notice, together with copies of the certified letters sent to the listed property owners;*
- (14) *A statement that the chief executive officer of the affected local governments and their legislative bodies have been notified, in writing, of the proposed construction;*
- (15) *A copy of the notice sent to the chief executive officer of the affected local governments and their legislative bodies;*
- (16) *A statement that:*
 - (a) *A written notice, of durable material at least two (2) feet by four (4) feet in size, stating that "[Name of applicant] proposes to construct a telecommunications tower on this site" and including the addresses and telephone numbers of the applicant and the planning commission, has been posted and shall remain in a visible location on the proposed site until final disposition of the application; and*
 - (b) *A written notice, at least two (2) feet by four (4) feet in size, stating that "[Name of applicant] proposes to construct a telecommunications tower near this site" and including the addresses and*

telephone numbers of the applicant and the planning commission, has been posted on the public road nearest the site;

- (17) *A statement that notice of the location of the proposed construction has been published in a newspaper of general circulation in the county in which the construction is proposed;*
- (18) *A brief description of the character of the general area in which the tower is proposed to be constructed, which includes the existing land use for the specific property involved;*
- (19) *A statement that the applicant has considered the likely effects of the installation on nearby land uses and values and has concluded that there is no more suitable location reasonably available from which adequate service to the area can be provided, and that there is no reasonably available opportunity to locate its antennas and related facilities on an existing structure, including documentation of attempts to locate its antennas and related facilities on an existing structure, if any, with supporting radio frequency analysis, where applicable, and a statement indicating that the applicant attempted to locate its antennas and related facilities on a tower designed to host multiple wireless service providers' facilities or on an existing structure, such as a telecommunications tower or other suitable structure capable of supporting the applicant's antennas and related facilities; and*
- (20) *A map of the area in which the tower is proposed to be located, that is drawn to scale, and that clearly depicts the necessary search area within which an antenna tower should, pursuant to radio frequency requirements, be located.*

Section 6. KRS 278.650 is amended to read as follows:

- ~~[(1) If a utility proposes construction of an antenna tower for cellular telecommunications services or personal communications services which is to be located within a county containing a city of the first class, then the utility shall submit the proposal to the planning commission of the affected planning unit prior to making application to the commission for a certificate of public convenience and necessity as required by KRS 278.020(1). The commission shall not grant a certificate of convenience and necessity in this situation until a final action on the proposal has been taken by the planning commission of the affected planning unit, or until the sixty (60) day time period set forth in KRS 100.324(5) has expired, whichever comes first.~~
- ~~[(2) If a planning commission rejects a proposal to construct an antenna tower, the commission may override the decision of the planning commission and issue a certificate of convenience and necessity for construction of the cellular or personal communications services antenna tower, if it determines that there is no acceptable alternate site, and that the public convenience and necessity requires the proposed construction.~~
- ~~[(3) Any party aggrieved by the final action of the Public Service Commission under subsections (1) and (2) of this section shall appeal from the action to the Franklin Circuit Court. The appeal shall be filed within thirty (30) days after the final action by the Public Service Commission. All final actions of the Public Service Commission which have not been appealed within thirty (30) days shall not be subject to judicial review.~~
- ~~[(4) If an applicant's]~~~~a utility~~ ~~proposes construction of an antenna tower for cellular telecommunications services or personal communications services which is to be located in an~~~~outside the~~ ~~area~~ ***outside the jurisdiction of a planning commission, the applicant shall apply to the Public Service Commission for a certificate of public convenience and necessity pursuant to KRS 278.020(1), Section 7 of this Act, and this section. The commission shall convene a local public hearing on the application upon the receipt of a request from the local governing body or from not less than three (3) interested persons that reside in a county or municipal corporation in which the tower is proposed to be constructed. In reviewing the application,***~~[of a county containing a city of the first class, then]~~ ***the commission may***~~[also]~~ ***take into account***~~[in its deliberations]~~ ***the character of the general area concerned, and the likely effects of the installation on nearby land uses and values. A local government may charge a fee for a building permit, in connection with the construction or alteration of any structure for cellular telecommunications services or personal communication services, if the fee does not exceed that charged for any other commercial structure of comparable cost of construction.***

Section 7. KRS 278.665 is amended to read as follows:

- (1) The commission shall, by administrative regulation promulgated in accordance with KRS Chapter 13A, establish the minimum content of ~~an~~~~a uniform~~ application~~, provided under KRS 100.985(5),~~ for a certificate of convenience and necessity to construct cellular antenna towers ***for areas outside the jurisdiction of a planning commission***~~, and the procedures to carry out the commission's responsibilities under KRS 100.987].~~

- (2) The commission, in establishing the public notice requirements of ~~an~~~~a uniform~~ application as provided for in subsection (1) of this section, shall distinguish between areas of low and high population densities. At a minimum, when the site of the proposed cellular antenna tower is outside of an incorporated city ~~or within a rural service area in an urban county~~, the commission shall require that every person who owns property contiguous to the property where the proposed cellular antenna tower will be located receives notice by certified mail, return receipt requested, of the proposed construction, given the commission docket number under which the application will be processed, and informed of the opportunity to intervene in the **commission proceedings on the** application. ~~The provisions of this subsection shall not apply to unincorporated areas within a county containing a city of the first class.~~

Section 8. The following KRS section is repealed:

278.660 Confidentiality of uniform application and updates -- Penalty for violation.

Section 9. Whereas there is rapid growth in the cellular communication industry and there is a serious need for increased local participation in this area, an emergency is declared to exist and this Act shall take effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 23, 2002

CHAPTER 344

(SB 13)

AN ACT relating to the promotion of Kentucky's agricultural economy and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

As used in this section and Sections 7, 8, and 9 of this Act:

- (1) *"Agricultural product" means any unprocessed farm product raised or produced as a result of being in the business of "agriculture", as defined by KRS 246.010. "Agricultural product" does not include tobacco; and*
- (2) *"Kentucky-grown agricultural product" means any agricultural product raised or produced in Kentucky.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

The Commissioner of Agriculture shall identify opportunities in the state procurement process for the Commonwealth to use its purchasing power to support and encourage the growth of Kentucky's agricultural economy. Those opportunities shall include the sale of Kentucky-grown agricultural products, as defined in Section 1 of this Act, to any public purchasing unit, as defined in KRS 45A.295(3), including, but not limited to, the Department of Parks, the Department of Corrections, public universities, school districts, and local governments across the Commonwealth. The Commissioner shall report those opportunities to the Governor, the secretary of the Finance and Administration Cabinet, and the Legislative Research Commission by October 1, 2002. The report shall also include recommended changes in the procurement system that may accommodate the sale of more Kentucky-grown agricultural products to state agencies.

SECTION 3. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

The Department of Parks shall establish a pilot project within the Department of Parks to promote the sale of Kentucky-grown agricultural products, as defined in Section 1 of this Act, in state resort park restaurants and gift shops. The promotion program shall operate in conjunction with the Kentucky logo or labeling statement program pursuant to KRS 260.015. The commissioner of the Department of Parks shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement the promotion program no later than October 1, 2002.

SECTION 4. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

The Department of Parks shall establish a pilot project within the Department of Parks to require that if purchasing catfish or horticultural products, state parks purchase Kentucky farm-raised catfish and Kentucky horticultural products if the purchasing officer determines that they are available, can be priced on the menu to

encourage their sale, and meet the quality standards set by the Department of Parks. As used in this section, "horticultural product" means fruit, nuts, vegetables, and herbs. The commissioner of the Department of Parks shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement the purchasing requirement as set forth in this section as soon as possible after the effective date of this section.

SECTION 5. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Parks shall establish a steering committee which shall consist of:*
 - (a) *The secretary of the Finance and Administration Cabinet, or a designee;*
 - (b) *The Commissioner of Agriculture, or a designee;*
 - (c) *The commissioner of the Department of Parks, or a designee;*
 - (d) *The director of the Agriculture Development Board, or a designee;*
 - (e) *The coordinator of the Kentucky State University Aquaculture Program, or a designee;*
 - (f) *The chairperson of the horticulture department at the University of Kentucky, or a designee; and*
 - (g) *Two (2) members of organizations and associations representing the Kentucky farming community, appointed by the Commissioner of Agriculture.*
- (2) *The steering committee shall plan and assist in the implementation of the promotion program identified in Section 3 of this Act.*
- (3) *The steering committee shall recommend by September 1, 2002, the structure and objectives of the promotion program identified in Section 3 of this Act.*
- (4) *Upon implementation of the pilot projects identified in Sections 3 and 4 of this Act, the steering committee shall evaluate the pilot projects and submit an initial report to the Governor, the secretary of the Finance and Administration Cabinet, and the Legislative Research Commission no later than October 1, 2003, and a second report no later than October 1, 2004.*
- (5) *The steering committee shall terminate on December 31, 2004.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

By January 1, 2003, the secretary of the Finance and Administration Cabinet shall issue guidelines to the various agencies identified by the Commissioner of Agriculture in Section 2 of this Act directing the manner in which those agencies shall employ the state's procurement process to support and encourage the growth of Kentucky's agricultural economy. Notwithstanding the provisions of KRS Chapter 45A, the secretary of the Finance and Administration Cabinet shall make necessary changes to administrative regulations and cabinet policy in accordance with this section and Sections 2, 7, 8, and 9 of this Act.

SECTION 7. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO READ AS FOLLOWS:

- (1) *If purchasing agricultural products, state agencies, as defined by KRS 45A.505, are encouraged to purchase Kentucky-grown agricultural products, if available.*
- (2)
 - (a) *Prospective vendors of Kentucky-grown agricultural products may apply to the Kentucky Department of Agriculture for marketing assistance for the purchase of Kentucky-grown logos or labeling statements to be used on Kentucky-grown agricultural products under KRS 260.015, the Kentucky logo or labeling program.*
 - (b) *Before a state agency may purchase Kentucky-grown agricultural products, the vendor shall be required to participate in the logo or labeling program established by KRS 260.015, and shall provide to the purchasing officer written certification that the agricultural products under consideration for purchase meet the definition of Kentucky-grown agricultural product.*
- (3) *If a contract is awarded to a vendor that supplies agricultural products that are raised or produced outside the United States or its territories, the vendor shall be required to identify the country in which the agricultural product was raised or produced if the vendor is the producer or packager of the product or, if the vendor is not the producer or packager, provided the information is available to the vendor from the producer or packager of the product. The producer or packager shall clearly label that information on any containers or packages holding the product.*

Section 8. KRS 45A.035 is amended to read as follows:

- (1) The secretary of the Finance and Administration Cabinet shall have power and authority over, and may, except as otherwise expressly provided in this code, adopt regulations pursuant to KRS Chapter 13A and consistent with this code governing the purchasing, management, and control of any and all supplies, services, and construction, and other items required to be purchased by the Commonwealth. The secretary shall consider and decide matters of policy with regard to state procurement. The secretary shall have the power of review with respect to the implementation of regulations and policy determinations.
- (2) Regulations shall be adopted governing the following:
 - (a) Conditions and procedures for delegations of purchasing authority;
 - (b) Prequalification, suspension, debarment, and reinstatement of prospective bidders;
 - (c) Small purchase procedures;
 - (d) Conditions and procedures for the purchase of ~~perishables and~~ items for resale;
 - (e) ***Conditions and procedures for the purchase of agricultural products in accordance with Section 7 of this Act;***
 - (f) Conditions and procedures for the use of source selection methods authorized by this code, including emergency purchases;
 - ~~(g)(f)~~ Opening and rejection of bids or offers, consideration of alternate bids, and waiver of informalities in offers;
 - ~~(h)(g)~~ Confidentiality of technical data and trade secrets information submitted by actual or prospective bidders or offerors;
 - ~~(i)(h)~~ Partial, progressive, and multiple awards;
 - ~~(j)(i)~~ Supervision of storerooms and inventories, including determination of appropriate stock levels and the management, transfer, sale, or other disposal of state-owned property;
 - ~~(k)(j)~~ Definitions and classes of contractual services and procedures for acquiring them.

The secretary may adopt such other regulations as deemed advisable to carry out the purposes of this code.

Section 9. KRS 45A.095 is amended to read as follows:

- (1) A contract may be made by noncompetitive negotiation only for sole source purchases, or when competition is not feasible, as determined by the purchasing officer in writing prior to award, under administrative regulations promulgated by the secretary of the Finance and Administration Cabinet or the governing boards of universities operating under KRS Chapter 164A, or when emergency conditions exist. Sole source is a situation in which there is only one (1) known capable supplier of a commodity or service, occasioned by the unique nature of the requirement, the supplier, or market conditions. Insofar as it is practical, no less than three (3) suppliers shall be solicited to submit written or oral quotations whenever it is determined that competitive sealed bidding is not feasible. Award shall be made to the supplier offering the best value. The names of the suppliers submitting quotations and the date and amount of each quotation shall be placed in the procurement file and maintained as a public record. Competitive bids may not be required:
 - (a) For contractual services where no competition exists, such as telephone service, electrical energy, and other public utility services;
 - (b) Where rates are fixed by law or ordinance;
 - (c) For library books;
 - (d) For commercial items that are purchased for resale;
 - (e) For interests in real property;
 - (f) For visiting speakers, professors, expert witnesses, and performing artists;~~and~~
 - (g) For personal service contracts executed pursuant to KRS 45A.690 to 45A.725; ***and***
 - (h) For agricultural products in accordance with Section 7 of this Act.***

- (2) The chief procurement officer, the head of a using agency, or a person authorized in writing as the designee of either officer may make or authorize others to make emergency procurements when an emergency condition exists.
- (3) An emergency condition is a situation which creates a threat or impending threat to public health, welfare, or safety such as may arise by reason of fires, floods, tornadoes, other natural or man-caused disasters, epidemics, riots, enemy attack, sabotage, explosion, power failure, energy shortages, transportation emergencies, equipment failures, state or federal legislative mandates, or similar events. The existence of the emergency condition creates an immediate and serious need for services, construction, or items of tangible personal property that cannot be met through normal procurement methods and the lack of which would seriously threaten the functioning of government, the preservation or protection of property, or the health or safety of any person.
- (4) The Finance and Administration Cabinet may negotiate directly for the purchase of contractual services, supplies, materials, or equipment in bona fide emergencies regardless of estimated costs. The existence of the emergency shall be fully explained, in writing, by the head of the agency for which the purchase is to be made. The explanation shall be approved by the secretary of the Finance and Administration Cabinet and shall include the name of the vendor receiving the contract along with any other price quotations and a written determination for selection of the vendor receiving the contract. This information shall be filed with the record of all such purchases and made available to the public. Where practical, standard specifications shall be followed in making emergency purchases. In any event, every effort should be made to effect a competitively established price for purchases made by the state.

SECTION 10. A NEW SECTION OF KRS 363.900 TO 363.908 IS CREATED TO READ AS FOLLOWS:

The General Assembly finds that the fuel additive methyl tertiary butyl ether, known as MTBE, as a result of leaks in underground storage tanks, has contaminated groundwater in California and other states to such an extent that it has been banned in those states. The legislature further finds that, because Kentuckians rely on groundwater to a great extent both for drinking water and for industrial and agricultural purposes, the continued use of MTBE poses an unacceptable threat to public health.

SECTION 11. A NEW SECTION OF KRS 363.900 TO 363.908 IS CREATED TO READ AS FOLLOWS:

- (1) *Beginning on January 1, 2006, the use of methyl tertiary butyl ether, known as MTBE, as a fuel additive shall be illegal in the Commonwealth of Kentucky. Importation, sale, or storage of fuel containing MTBE shall be unlawful after that date.*
- (2) *Beginning on January 1, 2004, the General Assembly strongly encourages that all reformulated gasoline sold or offered for sale in the Commonwealth utilize domestically produced ethanol in place of MTBE or other gasoline additives.*
- (3) *In order to allow for an orderly transition, trace amounts of MTBE, not to exceed one-half of one percent (0.5%) by volume, will be allowed in gasoline.*

SECTION 12. A NEW SECTION OF KRS 363.900 TO 363.908 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "biodiesel fuel" means a biodegradable, combustible liquid fuel derived from renewable fats and vegetable oils that meets ASTM specification PS 121-99 and is suitable for blending with petroleum-based diesel fuel for use in diesel engines.*
- (2) *The General Assembly strongly encourages, that beginning on January 1, 2006, all diesel fuel sold or offered for sale in the Commonwealth and reformulated to achieve federally mandated sulfur reduction requirements use biodiesel in a blend not less than two percent (2%) by volume to meet those requirements.*
- (3) *By August 31, 2003, and at least annually thereafter until the 2006 Regular Session of the General Assembly, the Interim Joint Committee on Agriculture and Natural Resources shall receive a report on the petroleum refining industry's progress toward achieving the federally mandated diesel fuel sulfur reductions. The report shall include information on the use of biodiesel to help meet the reductions. The committee shall request report information from relevant sources, including but not limited to, the American Petroleum Institute and petroleum refiners that produce diesel fuel for state, national, or international sale.*

Section 13. Whereas the immediate survival and growth of Kentucky's catfish industry and horticultural industry are in the interest of the Commonwealth, and whereas it is not necessary for the steering committee to assist

in the implementation of Section 4 of this Act, an emergency is declared to exist, and Section 4 of this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 23, 2002

CHAPTER 345

(HB 821)

AN ACT relating to health insurance.

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

Section 1. KRS 18A.225 is amended to read as follows:

- (1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and
- (b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.
- (2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research

Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.
 - (c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.
 - (d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.
 - (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.
 - (f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.
 - (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.
- (3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.
- (4) The premiums may be paid by the policyholder:
- (a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;
 - (b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or

- (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.
- (5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.
- (6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.
- (7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.
- (8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.
- (9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.
- (10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
- (11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.
- (12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.
- (13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.
- (14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.

- (15) *The Personnel Cabinet is encouraged to study whether it is fair and reasonable and in the best interests of the state group to allow any carrier bidding to offer health care coverage under this section to submit bids that may vary county by county or by larger geographic areas.*
- (16) *If a state employee's residence and place of employment are in the same county, and if the hospital located within that county does not offer surgical services, intensive care services, obstetrical services, level II neonatal services, diagnostic cardiac catheterization services and magnetic resonance imaging services, the employee may select a plan available in a contiguous county that does provide those services, and the state contribution for the plan shall be the amount available in the county where the plan selected is located.*

Approved April 23, 2002

CHAPTER 346

(HB 659)

AN ACT relating to the public good and making an appropriation therefor.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

If a cooperative compact exists between a city of the first class and its county prior to the creation of a consolidated local government, upon the establishment of the consolidated local government:

- (1) *The mayor of the consolidated local government shall assume all appointment authority previously held by the county judge/executive and the mayor of the consolidating governments. Appointments made by the mayor should reflect the diversity of the population within the jurisdiction of the consolidated local government; and*
- (2) *The mayor, in consultation with the legislative council, shall, when authorized by statute, determine which agencies, boards, and commissions created by statute shall require legislative council approval for the appointment of members to such agencies, boards, and commissions. The legislative council shall enact an ordinance setting out the role of the legislative council, if any, in the appointment process for each individual agency, board, and commission created by statute. Only one (1) agency, board, or commission shall be addressed per ordinance. Such ordinance shall require a vote of the majority of the entire membership of the legislative council for approval and shall be subject to mayoral veto and legislative override pursuant to KRS 67C.105(5)(i) and 67C.103(13)(a); and*
- (3) *The appointment of members to all agencies, boards, and commissions created by ordinance shall be determined by the ordinance creating the agency, board, or commission.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding any provision to the contrary, any statute which confers any rights, powers, privileges, immunities, or responsibilities upon the county judge/executive in a county formerly containing a city of the first class and presently having a consolidated local government, is hereby deemed to confer such rights, powers, privileges, immunities, and responsibilities upon the mayor of the consolidated local government.*
- (2) *Any statute which confers any rights, powers, privileges, immunities, or responsibilities upon a fiscal court in a county formerly containing a city of the first class and now having a consolidated local government, is hereby deemed to confer such rights, powers, privileges, immunities, and responsibilities upon the officer or officers in whom such functions are vested in the consolidated local government by KRS 67C.103(1) and 67C.105(1), respectively. This provision applies to the general statutes applicable to counties, as well as applying to statutes applicable only within a county formerly containing a city of the first class.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *Unless otherwise provided by law, any elected officer of a consolidated local government in case of misconduct, incapacity, or willful neglect in the performance of the duties of his or her office may be removed from office by the legislative council, sitting as a court, under oath, upon charges preferred by the mayor or by any five (5) members of the legislative council, or, in case of charges against the mayor, upon charges preferred by not less than ten (10) members of the legislative council. No legislative council member preferring a charge shall sit as a member of the legislative council when it tries that charge.*

- (2) *No elected officer shall be removed without having been given the right to a full public hearing.*
- (3) *A decision to remove a mayor or legislative council member shall require a vote of two-thirds (2/3) of the total number of legislative council members sitting as a court.*
- (4) *Any elected officer removed from office under the provisions of this section may appeal to the Circuit Court and from there to the Court of Appeals. The appeal to the Circuit Court shall be taken and tried in the same manner as civil cases are tried.*
- (5) *No elected officer removed from office under this section shall be eligible to fill the office vacated before the expiration of the term to which the elected member was originally elected.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

The territory of a consolidated local government may, as permitted by Section 172A of the Constitution of Kentucky, be divided into service districts. Each service district shall constitute a separate tax district within which the consolidated local government may, upon receipt of a petition signed by a majority of the registered voters in the district as of the last general election, levy and collect taxes in accordance with the kind, type, and character of the services provided by the consolidated local government in each of these service districts. A consolidated local government may abolish or alter service districts, but any expansion of the boundaries of a service district shall require a petition signed by a majority of the registered voters, as of the last election, in the new territory to be included in the service district. Notwithstanding the foregoing provision, a consolidated local government may not create or change the boundaries of a service district if that change would adversely affect the powers or functions of any city, existing taxing district, fire protection district, water district, or any other special taxing or service district of any kind which was in existence on the date the consolidated local government became effective unless such entity consents by resolution adopted by its governing body.

SECTION 5. A NEW SECTION OF KRS CHAPTER 67C IS CREATED TO READ AS FOLLOWS:

- (1) *In order to maintain the tax structure, tax rates, or level of services in the area of the consolidated local government formerly comprising the city of the first class, the legislative council of a consolidated local government may provide in the manner described in this chapter for taxes and services within the area comprising the former city of the first class which are different from the taxes and services which are applicable in the remainder of the county. These differences may include differences in tax rates upon the class of property which includes the surface of the land, differences in ad valorem tax rates upon personal property, and differences in tax rates upon insurance premiums.*
- (2) *Any difference in the ad valorem tax rate on the class of property which includes the surface of the land in the portion of the county formerly comprising the city of the first class and in the portion of the county other than that formerly comprising the city of the first class may be imposed directly by the consolidated local government council. Any change in these ad valorem tax rates shall comply with KRS 68.245, 132.010, 132.017, and 132.027 and shall be used for services as provided by KRS 82.085.*
- (3) *If the consolidated local government council determines to provide for tax rates applicable to health insurance premiums and personal property which are different in the area formerly comprising the city of the first class than the rates applicable in the remainder of the county, it shall do so in the following manner. The consolidated local government council shall by ordinance create a tax district to be known as the "urban service tax district" bounded by the former boundaries of the former city of the first class. The ordinance shall designate the number of members of the board of this taxing district and the manner in which they shall be appointed. The ordinance shall provide that the board of the taxing district shall receive the income derived from the differential in tax rate applicable in the area formerly comprising the city of the first class with respect to personal property, health insurance premiums, or both, and shall contract with the consolidated local government to pay all sums collected to the consolidated local government, in return for the provision of services performed by the consolidated local government within the area formerly comprising the city of the first class which services are in addition to services performed by the consolidated local government in the remainder of the county.*
- (4) *After the initial formation of an urban service taxing district in a consolidated local government, the boundaries of the district may be modified in the following manner. The proposal to alter the boundaries of the urban service taxing district within a consolidated local government may be initiated by:*

- (a) *A resolution enacted by the consolidated local government describing the boundaries of the area to be added to or deleted from the taxing district and duly passed and signed by the mayor not less than one hundred twenty (120) days before the next regularly scheduled election day within the county; or*
- (b) *A petition signed by a number of qualified voters living within precincts within the area to be added to or deleted from the taxing district equal to ten percent (10%) of the votes cast within each precinct in the last general election for President of the United States and delivered to the clerk of the legislative council more than one hundred twenty (120) days next preceding the next regularly scheduled election day within the county.*

The boundaries so described in either case shall not cross precinct lines. The question of whether the area bounded as described should be added to or deleted from, as the case may be, the urban services taxing district shall then be placed upon the ballot in the precincts in the area to be added or deleted at the next regular election and the question stated on the ballot shall be so phrased that a "Yes" vote shall be cast in favor of making the proposed change and a "No" vote shall be cast to oppose the proposed change. If a majority of those voting in those precincts support the change, then the change in the boundaries of the urban service district shall be implemented.

Section 6. KRS 15A.305 is amended to read as follows:

- (1) The Department of Juvenile Justice shall, with available funds, develop and administer a statewide detention program and, as each regional facility is constructed and ready for occupancy, shall, within appropriation limitations, provide for:
 - (a) The operation of preadjudication detention facilities for children charged with public offenses; and
 - (b) The operation of postadjudication detention facilities for children adjudicated delinquent or found guilty of public offenses.

Funds appropriated for the purposes of this section shall only be used for facilities defined in KRS 15A.200.

- (2) In each region in which the Department of Juvenile Justice operates or contracts for the operation of a detention facility, the department shall, within appropriation limitations, develop and administer a program for alternatives to detention that shall provide for:
 - (a) The operation of or contracting for the operation of preadjudication alternatives to detention and follow-up programs for children who are before the court and who enter pretrial diversion or informal adjustment programs; and
 - (b) The operation of or contracting for the operation of postadjudication alternatives to detention and follow-up programs, including but not limited to community-based programs, mentoring, counseling, and other programs designed to limit the unnecessary use of secure detention and ensure public safety.
- (3) The department shall, except as provided in KRS 635.060, charge counties, **consolidated local governments**, and urban-county governments a per diem not to exceed ninety-four dollars (\$94) for lodging juveniles in state-owned or contracted preadjudication facilities.
- (4) Detention rates charged by contracting detention facilities shall not exceed the rate in effect on July 1, 1997, subject to increases approved by the department.
- (5) The Department of Juvenile Justice shall issue and enforce administrative regulations to govern the following:
 - (a) Administration;
 - (b) Intake and classification;
 - (c) Programs and services;
 - (d) Recordkeeping;
 - (e) Rules and discipline;
 - (f) Transfers;
 - (g) Reimbursement rates and conditions; and
 - (h) Detention facility rate increases.

- (6) No juvenile detention facility or juvenile holding facility shall be taken over, purchased, or leased by the Commonwealth without prior approval of the fiscal court upon consultation with the jailer in the county where the facility is located. The county, upon consultation with the jailer, may enter into contracts with the Commonwealth for the holding, detention, and transportation of juveniles.
- (7) Administrative regulations promulgated under subsection (5) of this section shall specifically identify new requirements of the law which increase the cost of operating a juvenile facility not operated by the Department for Juvenile Justice. The administrative regulations shall identify the amount and source of funding for compliance with the new requirements.

Section 7. KRS 15.760 is amended to read as follows:

- (1) Each Commonwealth's attorney shall, during the calendar year 1977 and through June 30, 1978, be entitled to at least the number of assistant Commonwealth's attorney positions, stenographic, secretarial and clerical staff positions, investigative and other personnel positions, which he had or was entitled to at the number and salary level in effect on December 1, 1976.
- (2) The number of assistant Commonwealth's attorney positions, stenographic, secretarial and clerical staff positions, investigative and other personnel positions, shall be based on real need to be determined with the advice and consent of the Prosecutors Advisory Council.
- (3) All assistant Commonwealth's attorneys shall be licensed practicing attorneys. The full-time assistant Commonwealth's attorneys shall not be allowed to engage in the private practice of law.
- (4) All salaries paid to personnel appointed hereunder shall be paid from the State Treasury. The salaries shall be commensurate with the appointee's education, experience, training and responsibility, and be based upon the guidelines established by the Prosecutors Advisory Council, which guidelines shall be comparable with the classification and compensation plan for comparable positions maintained by the state Personnel Cabinet, pursuant to KRS 64.640.
- (5) The fiscal court, ***consolidated local government***, or urban-county government in the county or counties that comprise the judicial circuit shall be responsible for providing the office of the Commonwealth's attorney with an adequate grand jury room and witness rooms.
- (6)
 - (a) Each Commonwealth's attorney shall be authorized to employ individually or jointly with one or more other Commonwealth's attorneys at least one (1) victim advocate to counsel and assist crime victims as defined in KRS 421.500.
 - (b) An individual employed as a victim advocate shall be a person who by a combination of education, professional qualification, training, and experience is qualified to perform the duties of this position. The victim advocate shall be an individual at least eighteen (18) years of age, of good moral character, with at least two (2) years of experience working in the human services field or court system in a position requiring professional contact with children or adults, who has:
 1. Received a baccalaureate degree in social work, sociology, psychology, guidance and counseling, education, religion, criminal justice, or other human service field; or
 2. Received a high school diploma or equivalency certificate, and, in addition to the experience required in this subsection, has at least four (4) years' experience working in the human services field or court system.
 - (c) Each Commonwealth's attorney who employs an individual to serve as a victim advocate shall develop a written job description which describes the duties of the position and shall ensure the victim advocate completes training relating to the appropriate intervention with crime victims, including victims of domestic violence. Each victim advocate shall perform those duties necessary to insure compliance with the crime victim's bill of rights contained in KRS 421.500 to 421.530. No victim advocate shall engage in political activities while in the course of performing his duties as victim advocate or the practice of law as defined in KRS 524.130. The creation and funding of any new personnel position shall be reviewed and approved by the Prosecutors Advisory Council.

Section 8. KRS 31.185 is amended to read as follows:

- (1) Any defending attorney operating under the provisions of this chapter is entitled to use the same state facilities for the evaluation of evidence as are available to the attorney representing the Commonwealth. If he considers

their use impractical, the court concerned may authorize the use of private facilities to be paid for on court order by the county.

- (2) The ***consolidated local government***, fiscal court of each county, or legislative body of an urban-county government shall annually appropriate twelve and a half cents (\$0.125) per capita of the population of the county, as determined by the Council of Local Governments' most recent population statistics, to a special account to be administered by the Finance and Administration Cabinet to pay court orders entered against counties pursuant to subsection (1) of this section. The funds in this account shall not lapse and shall remain in the special account.
- (3) The Finance and Administration Cabinet shall pay all court orders entered pursuant to subsection (1) of this section from the special account until the funds in the account are depleted. If in any given year the special account including any funds from prior years is depleted and court orders entered against counties pursuant to subsection (1) of this section for that year or any prior year remain unpaid, the Finance and Administration Cabinet shall pay those orders from the Treasury in the same manner in which judgments against the Commonwealth and its agencies are paid.
- (4) Only court orders entered after July 15, 1994, shall be payable from the special account administered by the Finance and Administration Cabinet or from the Treasury as provided in subsections (2) and (3) of this section.

Section 9. KRS 39B.020 is amended to read as follows:

- (1) The county judge/executive of each county, the mayor of each city, ***consolidated local government***, or urban-county government, or the chief executive of other local government, within thirty (30) days of assuming office following their election, shall appoint a local emergency management director who meets all qualifications criteria pursuant to KRS Chapters 39A to 39F, and shall immediately notify the director of the Division of Emergency Management of the appointment.
- (2) ***Except in a county containing a consolidated local government***, in lieu of appointing a separate local emergency management director for each jurisdiction, the county judge/executive of a county and mayors of cities or urban-county governments, or the chief executive of other local government located within the territorial boundaries of the same county may jointly appoint a single local emergency management director who meets all the qualifications criteria pursuant to KRS Chapters 39A to 39F. It is the policy of the Division of Emergency Management to encourage and support the joint appointment of a single local director in each territorial county of the Commonwealth. The duly appointed local emergency management director shall direct, control, and manage all the affairs of the local emergency management agency and comprehensive emergency management program of the jurisdictions wherein appointed.
- (3) A local emergency management director appointed under the provisions of subsections (1) or (2) of this section shall serve at the pleasure of the appointing authority, but shall serve not longer than four (4) years without reappointment and, in addition to any local requirements, shall meet the qualification requirements listed in this subsection:
 - (a) The local director shall be a high school graduate with an additional three (3) years of experience in business administration, government planning, industrial, or commercial planning, public safety, management of emergency services, or related community or governmental service. Management level experience may not be substituted for high school education. Education at an accredited college or university may be substituted for experience on a year-for-year basis.
 - (b) The local director shall be a resident of the Commonwealth of Kentucky and the county served.
 - (c) The local director shall hold no partisan elective office, nor file for, seek, or campaign for any partisan elective office while holding the position of local emergency management director.
 - (d) The local director shall be routinely available to respond to emergency scenes, command posts, or emergency operations centers to coordinate emergency response of all local public and private agencies and organizations; to perform necessary administrative, planning, and organizational duties; to complete and submit required reports, records, emergency operations plans, and documents; to attend required training; and attend meetings convened by the appointing authority or the area manager of the division.
1. If the local director is also a full-time or part-time employee of the federal or state government, the local director shall have written authorization from the appropriate appointing authority to hold the position of local emergency management director and to fully comply with the

provisions of paragraph (d) of this subsection. A copy of the written authorization shall be submitted to the division at the time of appointment.

2. If the local director is also a full-time or part-time employee of a city, county, urban-county government or charter county government in another capacity, that government shall enact an official city or county order or ordinance specifying that the individual appointed as local emergency management director shall fully comply with the provisions of paragraph (d) of this subsection. The order or ordinance shall also specify that the individual, when performing the duties of local emergency management director, shall relinquish all authorities and responsibilities associated with any other governmental employment and shall indicate another person, by name or position, to assume those authorities and responsibilities until such time as the local director shall cease to function as local emergency management director. A copy of the enacted order or ordinance shall be submitted to the division at the time of appointment. The city, county, or urban-county government, or charter county government shall not seek reimbursement from the division for the local director's salary for any time spent in another capacity.
 3. If the local director is also a full-time or part-time employee in the private sector, the local director shall have a letter from each employer stating that the local director shall, without penalty or exception, be permitted to fully comply with the provisions of paragraph (d) of this subsection. A copy of the letter from each employer shall be submitted to the division at the time of appointment.
 4. If the local director is self-employed, the local director shall certify at the time of appointment, by letter to the director of the division, that the local director's schedule shall permit full compliance with the provisions of paragraph (d) of this subsection.
- (4) A local director whose salary has been reimbursed by the division prior to January 1, 1994, shall not be subject to the provisions of subsection (3)(a) of this section, so long as remaining continuously in that position for the appointing jurisdiction.
 - (5) A local director whose salary is reimbursed in part or in full by the Division of Emergency Management pursuant to KRS 39C.010 and 39C.020, shall also meet any other requirements of KRS Chapters 39A to 39F and any requirements which may be imposed by the Federal Emergency Management Agency, or its successor.

Section 10. KRS 39C.050 is amended to read as follows:

Local emergency management agencies created pursuant to KRS 39B.010 shall be eligible to apply for benefits from the fund created pursuant to KRS 39C.010 and 39C.020 if they meet the following criteria:

- (1) The local emergency management agency shall have a qualified, duly-appointed local director who is capable of fully executing the duties of the position pursuant to KRS 39B.030. Unless the local director has already completed an introductory emergency management course or is determined by the director to be suitably qualified, during the first year of participation in the funding program, the local director, whether serving on a voluntary or paid basis, shall have successfully completed all correspondence courses specified by the division by administrative regulation. The local director shall also participate in an emergency management workshop when offered. Unless the local director has already completed an introductory emergency management course or is determined by the director to be suitably qualified, each local director shall also attend an introductory emergency management course when offered.
 - (a) In each following year, each local director shall attend an emergency management workshop, when offered.
 - (b) In subsequent years, a local director shall continue his or her education by annually completing advanced instruction offered by the division, including the training courses and the Emergency Management Development Program as required by administrative regulations promulgated by the division. The requirements of this section may be met by successfully completing related courses offered by federal agencies and other organizations, as approved by the division.
- (2) Each local emergency management agency employee, other than the local director, whose salary is reimbursed in part by this fund, shall attend one (1) emergency management workshop at least every other year, and shall complete other instruction offered by the division as required by administrative regulations promulgated by the division.

- (3) The local director appointed pursuant to KRS Chapters 39A to 39F, shall develop a local emergency operations plan and appropriate annexes. This plan shall be subject to concurrence review by the director of the division. In subsequent years, the plan and all annexes shall annually be reviewed, updated, approved, and officially adopted in accordance with the provisions of KRS Chapters 39A to 39F.
- (4) During the second and each subsequent year of participation in the program, the local director shall conduct an exercise to test the local emergency operations plan in accordance with exercise program requirements and guidelines of the Federal Emergency Management Agency or the division.
- (5) Each local emergency management agency created pursuant to KRS Chapters 39A to 39F shall provide for an organized and designated emergency operating center in the local jurisdiction from which all operations of the local disaster and emergency services organization shall be coordinated. This center shall provide resources for communications, information management, and other operational capabilities necessary to ensure the coordination of all disaster and emergency response in the local jurisdiction. The local emergency operations center shall be a direction and control component of the integrated emergency management system of the Commonwealth.
- (6) Each local emergency management agency shall develop, and submit annually to the division, a program paper detailing agency administrative data, current staff personnel listings, a specific work plan of program objectives scheduled for accomplishment during the next fiscal year, and a budget request. Forms and guidance materials for this report shall be provided by the division.
- (7) Each employee of a local emergency management agency created pursuant to this chapter with the exception of the local director and each deputy, if the deputy functions in a policymaking capacity, whose salary is reimbursed in part or in total with these funds, shall meet the standards of the Kentucky merit system, or the standards of the federal Office of Personnel Management or its successor or local equivalent, when recognized by the director.
- (8) In order for a local emergency management agency to participate in the funding program, one (1) of the following persons shall attend an annual emergency management workshop:
 - (a) The county judge/executive;
 - (b) The deputy county judge/executive;
 - (c) The mayor of an urban-county government, *or of a consolidated local government*, or of the largest city in the county, or the mayor of the city which is the county seat of the county, or the chief executive of other local government;
 - (d) The city manager;
 - (e) The local emergency management deputy director; or
 - (f) A member of the fiscal court, ~~or~~ urban-county council, *or consolidated local government* of the county.
- (9) The division shall determine by administrative regulation:
 - (a) Public officials and disaster and emergency services personnel who may be reimbursed for attendance at emergency management workshops or other activities; and
 - (b) Reimbursements for attending courses and workshops, which shall be limited as follows:
 1. Reimbursement rates for meals and travel mileage shall not exceed those for state employees.
 2. Reimbursement shall be made for attending the workshop or course nearest to the participant's residence. A participant may attend a workshop at a greater distance but will be reimbursed for meals and mileage equal to that of attending the nearest workshop or course. In cases of extreme hardship, the nearest course or workshop requirement may be waived, in writing, by the director.
- (10) The division shall:
 - (a) Publicize all available state and federal emergency management agency training courses to mayors, county judges/executive, and local directors; and
 - (b) Assist local personnel listed in this section in gaining entrance to state and federal emergency management agency training courses.

- (11) If, at any time, the director of the division determines that a local emergency management agency or a local director does not comply with the eligibility requirements of this section, the director shall notify that local director, and the appointing authorities, in writing, of the intent to deny financial assistance to the local emergency management agency. The local director shall have ten (10) working days to come into compliance or otherwise provide information to the director to justify eligibility for funding. If the director continues to determine that the local emergency management agency or the local director does not meet eligibility requirements, the local emergency management agency shall be ineligible for funds and the director shall notify the local director and the appointing authorities, of the determination. A local director aggrieved by a decision of the director may appeal to the Franklin Circuit Court within twenty (20) days of the receipt of the director's decision. The court's review shall be from the record and shall not be de novo.

Section 11. KRS 39F.200 is amended to read as follows:

Each local emergency management director shall assume the duties of, or appoint with the concurrence of the fiscal court, city governing body, urban-county council, ***consolidated local government***, or governing body of other local government, a local search and rescue coordinator who shall be responsible for the coordination of all search and rescue resources and operations during all search and rescue missions within the city or county. The position of local search and rescue coordinator may be a volunteer position. The local search and rescue coordinator, if appointed by the local emergency management director, shall serve a similar term not to exceed four (4) years, but may be reappointed for a similar term upon the expiration of a previous term. The local search and rescue coordinator may be removed for cause at any time by the local director, with the concurrence of the fiscal court, city governing body, urban-county council or governing body of other local government. The local search and rescue coordinator shall successfully complete training in search management, search techniques, and incident command required by the division by administrative regulation.

Section 12. KRS 45A.345 is amended to read as follows:

As used in KRS 45A.343 to 45A.460, unless the context indicates otherwise:

- (1) "Aggregate amount" means the total dollar amount during a fiscal year of items of a like nature, function, and use the need for which can reasonably be determined at the beginning of the fiscal year. Items the need for which could not reasonably be established in advance or which were unavailable because of a failure of delivery need not be included in the aggregate amount.
- (2) "Capital cost avoidance" means moneys expended by a local public agency to pay for an energy conservation measure identified as a permanent equipment replacement and whose cost has been discounted by any additional energy and operation savings generated from other energy conservation measures identified in the guaranteed energy savings contract, except that for school districts capital cost avoidance shall also mean moneys expended by the district from one or more of the following sources:
 - (a) General fund;
 - (b) Capital outlay allotment under KRS 157.420; and
 - (c) State and local funds from the Facilities Support Program of Kentucky under KRS 157.440.
- (3) "Chief executive officer" means the mayor, county judge/executive, superintendent of schools, or the principal administrative officer of a local public agency, or the person designated by the chief executive officer or legislative body of the local public agency to perform the procurement function.
- (4) "Construction" means the process of building, altering, repairing, or improving any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
- (5) "Contract" means all types of local public agency agreements, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item. It includes awards and notices of award; contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or task orders; leases; letter contracts; and purchase orders. It also includes supplemental agreements with respect to any of the foregoing. It does not include labor contracts with employees of local public agencies.
- (6) "Document" means any physical embodiment of information or ideas, regardless of form or characteristic, including electronic versions thereof.

- (7) "Established catalogue price" means the price included in the most current catalogue, price list, schedule, or other form that:
- (a) Is regularly maintained by the manufacturer or vendor of an item; and
 - (b) Is either published or otherwise available for inspection by customers; and
 - (c) States prices at which sales are currently or were last made to a significant number of buyers constituting the general buying public for that item.
- (8) "Evaluated bid price" means the dollar amount of a bid after bid price adjustments are made pursuant to objective measurable criteria, set forth in the invitation for bids, which affect the economy and effectiveness in the operation or use of the product, such as reliability, maintainability, useful life, residual value, and time of delivery, performance, or completion.
- (9) "Invitation for bids" means all documents, whether attached or incorporated by reference, utilized for soliciting bids in accordance with the procedures set forth in KRS 45A.365.
- (10) "The legislative body or governing board" means a council, commission, or other legislative body of a city, ***consolidated local government***, or urban-county; a county fiscal court; board of education of a county or independent school district; board of directors of an area development district or special district; or board of any other local public agency.
- (11) "Local public agency" means a city, county, urban-county, ***consolidated local government***, school district, special district, or an agency formed by a combination of such agencies under KRS Chapter 79, or any department, board, commission, authority, office, or other sub-unit of a political subdivision which shall include the offices of the county clerk, county sheriff, county attorney, coroner, and jailer.
- (12) "May" means permissive. However, the words "no person may . . ." mean that no person is required, authorized, or permitted to do the act prescribed.
- (13) "Negotiation" means contracting by either the method set forth in KRS 45A.370, 45A.375, or 45A.380.
- (14) "Noncompetitive negotiation" means informal negotiation with one (1) or more vendor, contractor, or individual without advertisement or notice.
- (15) "Objective measurable criteria" means sufficient information in the invitation to bid as to weight and method of evaluation so that the evaluation may be determined with reasonable mathematical certainty. Criteria which are otherwise subjective, such as taste and appearance, may be established when appropriate.
- (16) "Person" means any business, individual, union, committee, club, or other organization or group of individuals.
- (17) "Procurement" means the purchasing, buying, renting, leasing, or otherwise obtaining any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any public procurement, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.
- (18) "Request for proposals" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the procedures set forth in KRS 45A.370, 45A.375, 45A.380, or 45A.385.
- (19) "Responsible bidder or offeror" means a person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.
- (20) "Responsive bidder" means a person who has submitted a bid under KRS 45A.365 which conforms in all material respects to the invitation for bids, so that all bidders may stand on equal footing with respect to the method and timeliness of submission and as to the substance of any resulting contract.
- (21) "Services" means the rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product other than reports which are merely incidental to the required performance of service. It does not include labor contracts with employees of local public agencies.
- (22) "Shall" means imperative.
- (23) "Specifications" means any description of a physical or functional characteristic of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

- (24) "Supplemental agreement" means any contract modification which is accomplished by the mutual action of the parties.
- (25) "Supplies" means all property, including but not limited to leases on real property, printing, and insurance, except land or a permanent interest in land.
- (26) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs, and may include one (1) or more of the following:
- (a) Insulation of the building structure or systems within the building;
 - (b) Storm windows or doors, caulking or weatherstripping, multiglazed windows or doors, heat absorbing or heat reflective glazed and coated window or door systems, additional glazing, reductions in glass area, or other window and door system modifications that reduce energy consumption;
 - (c) Automated or computerized energy control systems;
 - (d) Heating, ventilating, or air conditioning system modifications or replacements;
 - (e) Replacement or modification of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;
 - (f) Energy recovery systems;
 - (g) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;
 - (h) Energy conservation measures that provide long-term operating cost reductions; or
 - (i) Any life safety measures that provide long-term operating cost reductions.
- (27) "Guaranteed energy savings contract" means a contract for the evaluation and recommendation of energy conservation measures and for implementation of one (1) or more of those measures. The contract shall provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time and the savings are guaranteed to the extent necessary to make payments for the cost of the design, installation, and maintenance of energy conservation measures.
- (28) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures and is determined to be qualified by the local public agency. The qualified provider shall be responsible for and shall provide the local public agency with the following information regarding guaranteed energy savings contracts:
- (a) Project design and specifications;
 - (b) Construction management;
 - (c) Construction;
 - (d) Commissioning;
 - (e) On-going services as required;
 - (f) Measurement and verification of savings for guaranteed energy savings contracts; and
 - (g) Annual reconciliation statements as provided in KRS 45A.352(8).

Section 13. KRS 61.080 is amended to read as follows:

- (1) No person shall, at the same time, be a state officer, a deputy state officer or a member of the General Assembly, and an officer of any county, city, ***consolidated local government***, or other municipality, or an employee thereof.
- (2) The offices of justice of the peace, county judge/executive, surveyor, sheriff, deputy sheriff, coroner, constable, jailer and clerk or deputy clerk of a court, shall be incompatible, the one (1) with any of the others. The office of county judge/executive and county school superintendent are incompatible.

- (3) No person shall, at the same time, fill a county office and a municipal office. *Notwithstanding the fact that consolidated local governments have both municipal and county powers, persons who hold the office of mayor or legislative council member of a consolidated local government shall not thereby be deemed to hold both a county office and a municipal office. Officers of consolidated local governments shall not, at the same time, fill any other county or municipal office.*
- (4) No person shall, at the same time, fill two (2) municipal offices, either in the same or different municipalities.
- (5) The following offices shall be incompatible with any other public office:
 - (a) Member of the Public Service Commission of Kentucky;
 - (b) Member of the Workers' Compensation Board;
 - (c) Commissioner of the fiscal court in counties containing a city of the first class;
 - (d) County indexer;
 - (e) Member of the legislative body of cities of the first class;
 - (f) *Mayor and member of the legislative council of a consolidated local government;*
 - (g) Mayor and member of the legislative body in cities of the second class; and
 - ~~(h)(g)~~ Mayor and member of council in cities of the fourth class.
- (6) No office in the Kentucky active militia shall be incompatible with any civil office in the Commonwealth, either state, county, district or city.

Section 14. KRS 61.210 is amended to read as follows:

- (1) No justice of the peace, while he is a member of the fiscal court, shall, directly or indirectly:
 - (a) Become interested in or receive benefits or emoluments from any contract let by the fiscal court of his county with relation to the building of roads or any internal improvements;
 - (b) Work or supervise work, for compensation, on any public road, bridge, culvert, fill, quarry pit or any other road work or internal improvement under any contract made with the fiscal court; or
 - (c) Furnish, for compensation, any material to the county to be used in the construction of any road or bridge or other internal improvement.
- (2) No county judge/executive,~~or~~ county attorney, *or any mayor or council member of a consolidated local government* shall, directly or indirectly, receive any benefits or emoluments from, furnish any material or other thing of value to be used in, or be interested in any contract let by the fiscal court *or consolidated local government* for, the construction of any roads, bridges or parts thereof, or any other public or internal improvement.
- (3) Any officer who violates any of the provisions of this section shall be fined not less than fifty dollars (\$50) nor more than two hundred dollars (\$200) or imprisoned in the county jail not less than ten (10) nor more than forty (40) days, or both, and shall forfeit his office.

Section 15. KRS 61.220 is amended to read as follows:

- (1) Any member of the fiscal court, *or any mayor or council member of a consolidated local government* who becomes interested, directly or indirectly, in any contract for work to be done or material to be furnished for the county or any district thereof, or who becomes interested in any claim against the county shall be fined not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000) for each offense.
- (2) If any county judge/executive,~~or~~ justice *of the peace, or mayor or council member of a consolidated local government* is, by the same act, guilty of a violation of this section and KRS 61.210, he shall be punished as provided in KRS 61.210.

Section 16. KRS 62.055 is amended to read as follows:

- (1) Every county clerk, before entering on the duties of his office, shall execute bond to the Commonwealth, with corporate surety authorized and qualified to become surety on bonds in this state. Any county clerk holding office as of January 1, 1978, who has not executed bond as provided herein shall do so within thirty (30) days from February 9, 1978.

- (2) In counties containing **a consolidated local government** or a city of the first class, the amount of the county clerk's bond shall be at least five hundred thousand dollars (\$500,000). In counties containing a city of the second class **but not containing consolidated local governments** and **in** counties containing **an** urban-county form of government, the amount of county clerk's bond shall be at least four hundred thousand dollars (\$400,000). In counties containing a city of the third class but not a city of the first or second class, **a consolidated local government**, or an urban-county form of government, the amount of the county clerk's bond shall be at least one hundred thousand dollars (\$100,000). In counties containing a city of the fourth or fifth class, but not a city of the first, second, or third class, **a consolidated local government**, or an urban-county form of government, the amount of the county clerk's bond shall be at least seventy-five thousand dollars (\$75,000). In counties containing a city of the sixth class, but not a city of the first, second, third, fourth, or fifth class, **a consolidated local government**, or an urban-county form of government, the amount of the county clerk's bond shall be at least fifty thousand dollars (\$50,000).
- (3) The bond of the county clerk shall be examined and approved by the fiscal court, which shall record the approval in its minutes. The fiscal court shall record the bond in the county clerk's records and a copy of the bond shall be transmitted within one (1) month to the Revenue Cabinet, where it shall be recorded and preserved. Except in those counties where the fees of the county clerk are paid into the State Treasury, the premium on the county clerk's bond shall be paid by the county.
- (4) Where circumstances in a particular county indicate that the amount of the bond may not be sufficient, the Revenue Cabinet may request the fiscal court to increase the bond as provided in KRS 62.060. The fiscal court shall then require a bond of sufficient amount to safeguard the Commonwealth.

Section 17. KRS 63.220 is amended to read as follows:

- (1) A vacancy in the office of sheriff, coroner, surveyor, county clerk, county attorney, jailer, or constable, shall be filled by the county judge/executive, **or by the mayor in a consolidated local government**.
- (2) Appointments to fill vacancies under this section shall be until the successor is elected, as provided in Section 152 of the Constitution, and qualified.

Section 18. KRS 64.250 is amended to read as follows:

- (1) **Except for a county containing a consolidated local government**, in counties containing a population of over two hundred fifty thousand (250,000), each justice of the peace shall be exclusively compensated for the performance of the duties of his office by a salary to be determined by the fiscal court at a rate no less than nine thousand six hundred dollars (\$9,600) per annum but no greater than twelve thousand dollars (\$12,000) per annum, which shall be paid, in equal monthly installments, out of the county treasury.
- (2) The provisions of subsections (2), (3), and (4) of KRS 64.200 shall apply to justices of the peace in counties containing a population of over two hundred fifty thousand (250,000) **except in a county containing a consolidated local government**, the same as to constables, and the recorder shall perform the same duties and functions in regard to moneys collected by or for justices of the peace as they are required by KRS 64.200 to perform in regard to moneys collected by or for constables.

Section 19. KRS 64.345 is amended to read as follows:

- (1) The county clerk and sheriff of each county having a population of seventy thousand (70,000) or over shall receive an annual salary pursuant to the salary schedule in KRS 64.5275.
- (2) In counties containing a city of the first class, ~~and in counties having~~ an urban-county form of government, **or a consolidated local government**, the amount, if any, allowed for the necessary office expenses of each officer shall be approved by the fiscal court in counties containing a city of the first class, ~~and~~ by the legislative body in counties containing an urban-county form of government, **or by the legislative council in a consolidated local government**. This approval shall be signed by the county judge/executive in a county containing a city of the first class, ~~and by~~ the executive authority in a county having an urban-county form of government, **or the mayor in a consolidated local government**. Approval by the fiscal court ~~or~~ urban-county legislative body, **or legislative council of a consolidated local government** under this subsection shall not include oversight of expenditure of the funds. This oversight shall be retained by the Office of the Controller created pursuant to KRS 42.0201. In counties **having a consolidated local government** or containing a city of the first class, each sheriff's deputy who uses his own automobile in the performance of official duties shall be authorized an allotment for expenses incurred, up to a maximum of three hundred dollars (\$300) per month, to be paid out of

the fees and commissions of the sheriff's office. In all other counties with a population of seventy thousand (70,000) or more, the amount, if any, allowed for the necessary office expenses of each officer shall be fixed by the fiscal court by an order entered upon the fiscal court order book no later than January 15 of each year. A certified copy of the orders, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Finance and Administration Cabinet.

- (3) Each officer shall, on the first day of each month, send to the Finance and Administration Cabinet a statement, subscribed and sworn to by him, showing the amount of money received or collected by or for him the preceding month as fees or compensation for official duties and shall, with these statements, send to the Finance and Administration Cabinet the amount so collected or received. The Finance and Administration Cabinet may extend the time for filing the statement and making the payment for a period not exceeding ten (10) days in any month.
- (4) The salary of each officer and his deputies and assistants and his office expenses shall be paid semimonthly by the State Treasurer upon the warrant of the Finance and Administration Cabinet made payable to the officer. If seventy-five percent (75%) of the amount paid into the State Treasury in any month by any of such officers is not sufficient to pay the salaries and expenses of his office for that month, the deficit may be made up out of the amount paid in any succeeding month; but in no event shall the amount allowed by the Finance and Administration Cabinet to any officer for salaries and expenses exceed seventy-five percent (75%) of the amount paid to the Finance and Administration Cabinet by the officer during his official term.
- (5) In counties containing a city of the first class, ~~and in counties having~~ an urban-county form of government, **or a consolidated local government**, the number of deputies and assistants allowed to each officer and the compensation allowed to each deputy and assistant shall be approved at reasonable amounts upon motion of each officer by the fiscal court in counties containing a city of the first class, **by the legislative council in a consolidated local government**, and by the legislative body in counties containing an urban-county form of government. This approval shall be signed by the county judge/executive in a county containing a city of the first class, ~~and by~~ the executive authority in a county having an urban-county form of government, **or the mayor in a consolidated local government**. Approval by the fiscal court, ~~or~~ urban-county legislative body, **or legislative council of a consolidated local government** under this subsection shall not include oversight of expenditure of the funds. This oversight shall be retained by the Office of the Controller. In all other counties with a population of seventy thousand (70,000) or more, the number of deputies and assistants allowed to each officer and the compensation allowed to each deputy and assistant shall be fixed at reasonable amounts upon motion of each officer by the fiscal court by an order entered upon the fiscal court order book no later than January 15 of each year. A certified copy of the orders, and of any subsequent changes made therein, shall, as soon as entered, be forwarded to the Finance and Administration Cabinet.

Section 20. KRS 64.350 is amended to read as follows:

- (1) In counties having a population of seventy thousand (70,000) or more, the salaries of the county clerks and sheriffs and of their deputies and all necessary office expenses, including the equipping, furnishing, maintaining, and operation of the offices, shall be paid out of the State Treasury in amounts not to exceed seventy-five percent (75%) of the fees collected by the officers respectively, and received into the treasury; and twenty-five percent (25%) of the fees collected by the officers respectively, and received into the State Treasury shall be paid in the manner provided by law for the payment of other claims against the state to the fiscal courts, ~~or~~ urban-county governments, **or consolidated local governments** of the respective counties. The amount of twenty-five percent (25%) of the fees collected by the jailers during each calendar year shall be paid to the fiscal courts, ~~or~~ urban-county governments, **or consolidated local governments** of the respective counties by April 1 of each year succeeding the calendar year during which the fees were received by the Finance and Administration Cabinet. The amount of twenty-five percent (25%) of the fees collected by the county clerks and sheriffs during each calendar year shall be paid to the fiscal courts, ~~or~~ urban-county governments, **or consolidated local governments** of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. Each payment shall be for the preceding three (3) months during which fees were received by the Finance and Administration Cabinet. Adjustments necessary to insure that exactly twenty-five percent (25%) of fees collected are returned to the fiscal courts, ~~or~~ urban-county governments, **or consolidated local governments** shall be made in the January 15 payment. After payment of the salaries and expenses specified in this subsection, any remaining balance of the seventy-five percent (75%) of the fees collected by the officers respectively at the end of their official term shall be paid by the State Treasurer to the fiscal courts, ~~or~~ urban-county **governments, or consolidated local governments** ~~government~~ of the respective counties, subject to the provisions of subsection (2) of this section.

- (2) Notwithstanding the provisions of subsection (1) of this section, all sums received into the State Treasury and representing seventy-five percent (75%) of the fees collected by the sheriffs specified in subsection (1) of this section from any county *or consolidated local government* in which a metropolitan correctional services department has been established shall be expended from the State Treasury for the payment of the salaries and costs specified in subsection (1) of this section, and in Section 106 of the Constitution of Kentucky. After payment of the salaries and costs specified in this subsection, the remaining balance representing fees collected by sheriffs shall be paid by the State Treasury to the fiscal court *or to the consolidated local government* of the county in which a metropolitan correctional services department has been established by April 1 of each year succeeding the calendar year in which the fees were received by the Finance and Administration Cabinet.

Section 21. KRS 64.5275 is amended to read as follows:

- (1) The General Assembly of the Commonwealth of Kentucky hereby finds and determines that county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs in all counties are officers whose duties or jurisdictions are coextensive with that of the Commonwealth within the meaning of Section 246 of the Constitution of Kentucky.
- (2) Effective on the first Monday in January of 1999, the maximum salary of county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs shall be fixed by the Department for Local Government according to a salary schedule in accordance with Section 246 of the Kentucky Constitution. The salary schedule provides that these officials, as officers whose jurisdiction or duties are coextensive with the Commonwealth, shall be paid at a rate no greater than twelve thousand dollars (\$12,000) per annum as adjusted for any increase or decrease in the consumer price index and as described in subsection (4) of this section.
- (3) The salary schedule for county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs in all counties provides for nine (9) levels of salary based upon the population of the county in the year prior to the election of county officials as determined by the United States Department of Commerce, Bureau of the Census's annual estimates. To implement the salary schedule, the Department for Local Government shall, by November 1 of each year preceding the election of county officials, certify for each county the population group applicable to each county based on the most recent estimates of the United States Department of Commerce, Bureau of the Census. For the purposes of this section, the salary schedule for county judges/executive, county clerks, jailers who operate a full service jail, and sheriffs shall remain as determined by the Department for Local Government pursuant to this section, regardless of changes in the population estimates or the actual census count that may occur during the term for which the official has been elected or appointed. The salary schedule provides four (4) steps for yearly increments within each population group. County officers named in this section shall be paid according to the first step within their population group for the first year or portion thereof they serve in office. Thereafter, each officer, on January 1 of each subsequent year, shall be advanced automatically to the next step in the salary schedule until the maximum salary figure for the population group is reached. Prior to assuming office on the first Monday in January, 1999, or thereafter, any person assuming any of the offices for which the salary is determined by this section must certify to the commissioner of the Department for Local Government the total number of years, not to exceed four (4) years, that the person has previously served in the office. The department shall place the officer in the proper step based upon a formula of one (1) incremental step per full calendar year of service:

SALARY SCHEDULE

County Population by Group	Steps and Salary for Affected Officers			
	Step 1	Step 2	Step 3	Step 4
Group I				
0-4,999	\$ 6,600	\$ 6,800	\$ 7,000	\$ 7,200
Group II				
5,000-9,999	7,200	7,400	7,600	7,800
Group III				
10,000-19,999	7,800	8,000	8,200	8,400
Group IV				

20,000-29,999	8,100	8,400	8,700	9,000
Group V				
30,000-44,999	8,700	9,000	9,300	9,600
Group VI				
45,000-59,999	9,000	9,400	9,800	10,200
Group VII				
60,000-89,999	9,600	10,000	10,400	10,800
Group VIII				
90,000-499,999	9,900	10,400	10,900	11,400
Group IX				
500,000 and up	10,500	11,000	11,500	12,000

- (4) Upon publication of the annual consumer price index by the United States Department of Commerce, the Department for Local Government shall fix the salary of the county judge/executive, county clerk, jailer who operates a full service jail, and sheriff at an annual rate of salary to which the county official is entitled pursuant to the increase in the Consumer Price Index and the salary schedule contained in this section. This salary determination shall be retroactive to the preceding January 1.
- (5) Notwithstanding any provision contained in this section, no county official holding office on July 15, 1998, shall receive any reduction in salary or reduction in adjustment to salary otherwise allowable by the statutes in force on July 15, 1998.
- (6) In addition to the step increases based on service in office, each officer shall be paid an annual incentive of one hundred dollars (\$100) per calendar year for each forty (40) hour training unit successfully completed, based on continuing service in that office and, except as provided in this subsection, completion of at least forty (40) hours of approved training in each subsequent calendar year. If an officer fails, without good cause as determined by the commissioner of the Department for Local Government, to obtain the minimum amount of approved training in any year, the officer shall lose all training incentives previously accumulated. Each training unit shall be approved and certified by the Department for Local Government. No officer shall receive more than one (1) training unit per calendar year nor more than four (4) incentive payments per calendar year. Each officer shall be allowed to carry forward up to forty (40) hours of training credit into the following calendar year for the purpose of satisfying the minimum amount of training for that year. Each annual incentive payment shall be adjusted by the Department for Local Government on an annual basis for any increase or decrease in the consumer price index in the same manner as salaries are adjusted as described in subsection (4) of this section. The Department for Local Government shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish guidelines for the approval and certification of training units.
- (7) Except in counties that contain an urban-county form of government, justices of the peace who serve on fiscal courts and county commissioners shall also be eligible for the training incentive payments in accordance with subsection (6) of this section.
- (8) ***The provisions of this section shall not apply to a county judge/executive in a county which has established a consolidated local government pursuant to KRS Chapter 67C.***

Section 22. KRS 65.003 is amended to read as follows:

- (1) The governing body of each city,~~and~~ county, ***urban-county, [including urban counties] consolidated local government,*** and charter ~~county~~~~[counties]~~, shall adopt, by ordinance, a code of ethics which shall apply to all elected officials of the city,~~or~~ county, ***urban-county, consolidated local government, or charter county,*** and to appointed officials and employees of the city,~~or~~ county, ***urban-county, consolidated local government, or charter county*** government as specified in the code of ethics. The elected officials of a city,~~or~~ county, ***or consolidated local government*** to which a code of ethics shall apply include the mayor, county judge/executive, members of the governing body, county clerk, county attorney, sheriff, jailer, coroner, surveyor, and constable but do not include members of any school board. Candidates for the ***local government***~~[city and county]~~ elective offices specified in this subsection shall comply with the annual financial disclosure statement filing requirements contained in the code of ethics.

- (2) Any city,~~or~~ county, **or consolidated local government** may enter into an agreement with one (1) or more other cities,~~or~~ counties, **or consolidated local governments** in accordance with the provisions of the Interlocal Cooperation Act, KRS 65.210 to 65.300, for joint adoption of a code of ethics which shall apply to all elected officials of the cities,~~or~~ counties, **or consolidated local governments**, and to appointed officials and employees as specified by each of the cities,~~or~~ counties, **or consolidated local governments** which enters into the agreement. Candidates for the city,~~and~~ county, **or consolidated local government** elective offices specified in this subsection shall comply with the annual financial disclosure statement filing requirements contained in the code of ethics.
- (3) Each code of ethics adopted as provided by subsection (1) or (2) of this section, or amended as provided by subsection (4) of this section, shall include, but not be limited to, provisions which set forth:
- (a) Standards of conduct for elected and appointed officials and employees;
 - (b) Requirements for creation of financial disclosure statements, which shall be filed annually by all candidates for the city,~~and~~ county, **or consolidated local government** elective offices specified in subsection (1) of this section, elected officials of each city,~~and~~ county **or consolidated local government**, and other officials or employees of the city,~~or~~ county, **or consolidated local government**, as specified in the code of ethics, and which shall be filed with the person or group responsible for enforcement of the code of ethics;
 - (c) A policy on the employment of members of the families of officials or employees of the city,~~or~~ county, **or consolidated local government**, as specified in the code of ethics;
 - (d) The designation of a person or group who shall be responsible for enforcement of the code of ethics, including maintenance of financial disclosure statements, all of which shall be available for public inspection, receipt of complaints alleging possible violations of the code of ethics, issuance of opinions in response to inquiries relating to the code of ethics, investigation of possible violations of the code of ethics, and imposition of penalties provided in the code of ethics.
- (4) The code of ethics ordinance adopted by a city,~~or~~ county, **or consolidated local government** may be amended but shall not be repealed.
- (5) (a) Within twenty-one (21) days of the adoption of the code of ethics required by this section, each city,~~and~~ county, **or consolidated local government** shall deliver a copy of the ordinance by which the code was adopted and proof of publication in accordance with KRS Chapter 424 to the Department for Local Government. The department shall maintain the ordinances as public records and shall maintain a list of city,~~and~~ county, **or consolidated local governments** which have adopted a code of ethics and a list of those which have not adopted a code of ethics.
- (b) Within twenty-one (21) days of the amendment of a code of ethics required by this section, each city,~~or~~ county, **or consolidated local government** shall deliver a copy of the ordinance by which the code was amended and proof of publication in accordance with KRS Chapter 424 to the Department for Local Government, which shall maintain the amendment with the ordinance by which the code was adopted.
- (c) For ordinances adopting or amending a code of ethics under this section, cities of the first class **and consolidated local governments** shall comply with the publication requirements of KRS 83A.060(9), notwithstanding the exception contained in that statute.
- (6) If a city,~~or~~ county, **or consolidated local government** fails to comply with the requirements of this section, the Department for Local Government shall notify all state agencies, including area development districts, which deliver services or payments of money from the Commonwealth to the city,~~or~~ county, **or consolidated local government**. Those agencies shall suspend delivery of all services or payments to the city,~~or~~ county, **or consolidated local government** which fails to comply with the requirements of this section. The Department for Local Government shall immediately notify those same agencies when the city,~~or~~ county, **or consolidated local government** is in compliance with the requirements of this section, and those agencies shall reinstate the delivery of services or payments to the city,~~or~~ county, **or consolidated local government**.

Section 23. KRS 65.156 is amended to read as follows:

- (1) The governing board of any local government retirement system created pursuant to KRS 67A.320, 67A.340, 67A.360 to 67A.690, 79.080, 90.400, 90.410, 95.290, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.784, 95.851 to 95.884, or KRS Chapter 96 shall submit the retirement system to an actuarial evaluation at least once every three (3) years, if the system provides a defined benefit. The evaluation shall be prepared by an actuary who is a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, or an enrolled actuary under the Employees' Retirement Income Security Act of 1975. The board shall send a copy of the most recent evaluation to the librarian of the Legislative Research Commission by September 1, 1982, and thereafter the board shall send a copy of each new evaluation within ten (10) days of receipt.
- (2) Actuaries performing evaluations pursuant to this section shall use the entry age normal cost funding method. Their reports shall include a definition of each actuarial term and an explanation of each actuarial assumption used. Assumptions shall be reasonably related to the experience of the system and represent the actuary's best estimate of anticipated experience.
- (3) Any city or municipal agency with a retirement system created pursuant to KRS 79.080, 90.400, 90.410, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.784, 95.851 to 95.884, or KRS Chapter 96 which is closed to new members pursuant to KRS 78.530, 95.520, 95.621, or 95.852 shall, if its local pension system provides a defined benefit, contribute annually to the pension system, for the benefit of the retirees of the system and the active participants who choose to remain in the system, and in cities of the second class for the benefit of members who have completed at least twenty (20) years' service and withdrawn from service pursuant to KRS 95.857, an amount equal to that which would be required pursuant to the funding standards of KRS 95.868, plus so much of the principal amount of any unfunded prior service liability as the actuary states is necessary to maintain cash flow adequate to pay retiree and beneficiary payments until financial obligations to all retirees and beneficiaries are fully satisfied.
- (4) All lawful expenses for general administration, performance bonds, medical, actuarial, accounting, auditing, legal, and investment services of a retirement system listed in subsection (1) of this section shall be paid from the pension fund. Actuaries performing evaluations pursuant to this section shall include estimates of the expenses in their recommendations for pension system funding, and local governments shall add payments for the expenses to their annual contributions to their respective retirement systems.
- (5) A city or city agency, **consolidated local government**, or urban-county government may, pursuant to KRS 67A.340, 79.080, 90.410, or KRS Chapter 96 as applicable, provide for the retirement security of its employees through the creation of a money purchase or defined contribution plan qualified under Section 401(a) of the Internal Revenue Code of 1954 as amended. City employee deferred compensation plans created pursuant to KRS 18A.270, or money purchase or defined contribution plans, qualified under Section 401(a) of the Internal Revenue Code of 1954 as amended, which by their nature cannot have an unfunded liability, shall not be subject to the actuarial evaluation requirements of this section, and shall not be subject to termination for purposes of employee entry into the County Employees Retirement System, as required by KRS 78.530, 79.080, 90.410, and 96.180.
- (6) No city or county, except an urban-county, or special district, nor any agency or instrumentality of a city or county or special district shall create or maintain for its officers or employees a defined benefit retirement system, which by its nature can have an unfunded liability. The provisions of this subsection shall not preclude employer contributions for city managers or other appointed local government executives who participate, pursuant to KRS 78.540, in a retirement system which operates in more than one (1) state, nor the continuation of a local government defined benefit retirement system which has been closed to new members but which must fulfill its obligations to current active members, retirees, and beneficiaries. Notwithstanding any provision to the contrary, the provisions of this subsection shall not apply to length of service awards programs established for the benefit of volunteer firefighters and volunteer life squad and volunteer rescue personnel.
- (7) Notwithstanding any provision to the contrary, any city or county may establish awards programs that recognize the length of service to the community by volunteer firefighters, volunteer life squads, and volunteer rescue personnel.

Section 24. KRS 65.158 is amended to read as follows:

Any city, **consolidated local government**, or urban-county government which makes deductions from the pay of its employees for any cause other than taxes shall, upon the written request of at least thirty percent (30%) of all employees within a department or division, deduct the amount from the pay of an employee as he may note on a signed payroll notification card or voucher for the purposes of employee benefits, insurance, community projects, or union dues. No deduction shall be made pursuant to this section from the pay of any employee who does not sign a

payroll notification card or voucher. Upon these deductions, the city, **consolidated local government**, or urban-county government shall, within thirty (30) days, pay to the elected representative or designated recipient for the employees of the department or division the total amount of the deductions minus the actual cost to the city, **consolidated local government**, or urban-county government of processing the deductions.

Section 25. KRS 65.170 is amended to read as follows:

- (1) A district may be dissolved by a referendum as provided in this section.
- (2) Persons seeking dissolution of a district shall submit a petition to the county clerk signed by at least fifty percent (50%) of that class of citizens who may by law petition for the creation of the district.
- (3) The petition shall be in substantially the following form: "The undersigned (registered voters, qualified voters, freeholders or landowners as determined by subsection (2) of this section) living within (name of the district and containing a metes and bounds description of the district) hereby request that the question of the dissolution of the district be put to a referendum." The petition shall conspicuously state in layman's terms that any legal obligations of the district must be satisfied before the district can be dissolved and that the citizens of the district shall be responsible for the satisfaction of any such obligations. Signatures on the petition shall be dated, the last no later than ninety (90) days after the first.
- (4) If the county clerk determines that the petition is in proper order, he shall certify the petition to the fiscal court **or consolidated local government**. The fiscal court **or consolidated local government** shall direct that the question be placed before the voters at the next regular election if the petition is certified not later than the second Tuesday in August preceding the day of the regular election. The fiscal court **or consolidated local government** shall bear the costs of advertising and placing the question before the voters.
- (5) The county clerk shall advertise the question as provided in KRS Chapter 424 and shall prepare the following admonition to the voter: "The (name of district) may have existing legal obligations that must be satisfied before the district can be dissolved. The citizens of the district shall be responsible for the satisfaction of any such obligations." The question of the dissolution of the district shall be placed before the voters in substantially the following form: "The (name of the district and containing a metes and bounds description of the district) should be dissolved." The voter shall vote "yes" or "no."
- (6) Registered voters eligible to sign a petition for dissolution as provided by subsection (2) of this section shall be eligible to vote on the question of dissolution.
- (7) In referendums under this section, provision shall be made for those opposing the dissolution of the district to have equal representation with the proponents of the measure in the determination of eligibility of voters, and in the observance of canvassing and certifying of the returns.

Section 26. KRS 65.192 is amended to read as follows:

In counties containing a **consolidated local government** or city of the first class, the following method of creating a taxing district shall be an alternative to KRS 65.182 to 65.190:

- (1) Persons desiring to form a taxing district shall present a petition to the fiscal court clerk **or clerk of the legislative council of a consolidated local government** and to each member of the fiscal court **or consolidated local government council**, requesting that the question of establishing the special district be placed upon the ballot for the next general election. The petition shall be signed by at least one hundred (100) registered voters from each senatorial district, contained wholly or partially within the proposed taxing district. If one hundred (100) registered voters do not reside within a senatorial district and within the boundaries of the proposed taxing district, then the petition shall be signed by twenty-five percent (25%) of the registered voters within said senatorial district. At the time of its submission to fiscal court **the fiscal court or consolidated local government council** each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the taxing district is being formed:
 - (a) The statutory authority under which the district is created and under which the taxing district will operate;
 - (b) The method of creating and appointing the governing body of such district if it is to be different from the general statutory authority under which it will operate;

- (c) Demographic characteristics of the area including but not limited to population, density, projected growth, and assessed valuation;
 - (d) A description of the service area including, but not limited to, the population to be served, a metes and bounds description of the area of the proposed taxing district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;
 - (e) A three (3) year projection of cost versus revenue and the method chosen for raising such revenues as authorized in this section;
 - (f) Justification for formation of the taxing district including but not limited to the location of nearby governmental and nongovernmental providers of like services; and
 - (g) Any additional information such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on the necessity and means of providing the proposed service.
- (2) The fiscal court clerk *or the clerk of the legislative council of a consolidated local government* shall notify all planning commissions, cities, and area development districts within whose jurisdiction the proposed service area is located and any state agencies required by law to be notified of the proposal for the creation of the taxing district.
 - (3) The fiscal court clerk *or the clerk of the legislative council of a consolidated local government* shall review the petition, and if the fiscal court *or consolidated local government council* determines that the signatures are valid, the fiscal court *or consolidated local government council* shall schedule a hearing on the proposal for no earlier than thirty (30) nor later than sixty (60) days following receipt of the petition, charter, and plan of service, and shall, in accordance with the provisions of KRS Chapter 424, publish notice which includes the time and place of the public hearing, alerts the public that the issue discussed at the hearing will be placed upon the ballot and includes an accurate map of the area or a description in layman's terms reasonably identifying the area.
 - (4) At the public hearing, the fiscal court *or the legislative council of a consolidated local government* shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.
 - (5) Following the public hearing, the fiscal court *or the legislative council of a consolidated local government* shall adopt a resolution submitting to the qualified voters of the county *or the consolidated local government* the question as to whether a taxing district should be established for the area and a special ad valorem tax or an occupational license fee imposed for the maintenance and operation of the district. A certified copy of the order of the fiscal court *or the legislative council of a consolidated local government* shall be filed with the county clerk not later than the second Tuesday in August prior to the next regular election and thereupon the clerk shall cause the question to be placed upon the ballot.
 - (6) The question shall be stated so that the service to be provided by the district, the type of governing body, and the method of financing as allowed by this section are clearly outlined.
 - (7) If a majority of those voting on the question favor the establishment of a special district with authorization to impose an ad valorem tax then it shall be so established and shall constitute and be a taxing district within the meaning of Section 157 of the Constitution of Kentucky. If a majority of those voting on the question favor the establishment of a special district with an increase in the occupational license fee as authorized by this section, it shall be so established and shall operate as set forth in the question on the ballot.
 - (8) If an ad valorem tax is approved, the county clerk shall add the levy to the tax bills of the county *or the consolidated local government*. For taxing purposes the effective date of the tax levy shall be January 1 of the year following the election. If an occupational license fee increase is approved, the appropriate legislative bodies shall add the levy to the occupational license fee as of January 1 of the year following the election. The tax or fee shall be collected in the same manner as are other county *or consolidated local government* ad valorem taxes or occupational license fees and shall be turned over to the governing body of the district. The special ad valorem tax or fee shall be in addition to all other ad valorem taxes or occupational license fees.
 - (9) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a taxing district under the taxing district's specific authorizing statutes.

- (10) A special district created pursuant to this section may be financed either by a special ad valorem tax imposed by the governing body of the district, as authorized by the voters in an election on the question, of an amount not to exceed ten cents (\$0.10) per one hundred dollars (\$100) of assessed value of the property subject to local taxation of the district; or by a levy of occupational license fees by the public body or bodies with jurisdiction over the area served by the special district, if the levy has been approved by the voters in an election on the question. The special district shall not levy both an ad valorem tax and an occupational license fee. The occupational license fee shall not exceed one percent (1%) of:
- (a) Salaries, wages, commissions, and other compensation earned by persons for work done and services performed or rendered; and
 - (b) The net profits of businesses, trades, professions, or occupations from activities conducted in the district, except public service companies, banks, trust companies, combined banks and trust companies, combined trust, banking and title companies, any savings and loan association whether state or federally chartered, and in all other cases where a public body is prohibited by law from imposing a license fee.
- (11) The budget of any taxing district created pursuant to this section shall be approved by the fiscal court *or legislative council of a consolidated local government* if financed by an ad valorem tax, or by the fiscal court *or the legislative council of a consolidated local government* and the legislative body levying the fee, if funded by an occupational license fee increase. The board of the district shall submit its estimate of revenue and proposed budget to the appropriate approving body or bodies by May 1 of each year, and such body or bodies shall approve or amend the budget by June 1.

Section 27. KRS 65.245 is amended to read as follows:

- (1) It is the purpose of this section to clarify the ability of cities, counties, urban-counties, charter counties, *consolidated local governments*, and sheriffs upon approval of the fiscal court *or consolidated local government* to share their revenues by entering into interlocal agreements.
- (2) Any city, county, urban-county, *consolidated local government* or charter county may by ordinance enter into cooperative interlocal agreements for the sharing of revenues. A sheriff, upon approval of the fiscal court *or the consolidated local government*, may enter into a memorandum of agreement with local governments for the purposes of sharing of revenues. The distribution of the revenues shall be as agreed upon by the local governments or the sheriff and contained in the interlocal agreement.

Section 28. KRS 65.410 is amended to read as follows:

- (1) "Local legislative body" means the chief governing body of a city, county, *consolidated local government*, or urban-county which has legislative powers whether it is the board of aldermen, the general council, the common council, *the legislative council*, the city council, the board of commissioners, the fiscal court, or otherwise.
- (2) "Open space land" means any land in an area which is provided or preserved for park or recreational purposes; conservation of land or other natural resources; historic or scenic purposes; or community development purposes.
- (3) "Public body" means any state agency or local legislative body.
- (4) A "scenic easement" is an interest in land transferred by the owner thereof to the public, either in perpetuity or for a term of years. A scenic easement may be created by sale, gift, lease, bequest, or otherwise. An instrument which creates a scenic easement shall contain a covenant whereby the owner of the land promises neither to undertake nor to permit the construction of any improvements upon the land, except as the instrument provides and except for public service facilities installed for the benefit of the land subject to such covenant or public service facilities installed pursuant to an authorization by the governing body of the city, county, urban-county, or the Public Service Commission. Any such reservation shall be consistent with the purposes of this chapter or with the findings of the county, city, or urban-county pursuant to KRS 65.466 and shall not permit any action which will materially impair the open-space character of the land.

Section 29. KRS 65.466 is amended to read as follows:

A scenic easement shall not be accepted by a city, county, or urban-county, *consolidated local government*, unless the governing body, by resolution finds:

- (1) That the preservation of the character of the land is consistent with the plan of the city, county, ***consolidated local government***, or urban-county, where such plan exists; and
- (2) That the preservation of the character of the land is in the best interest of the state, county, city, ***consolidated local government***, or urban-county, is important to the public for the enjoyment of scenic beauty, and will serve the public interest in a manner recited in the resolution and consistent with the purposes of KRS 65.462 to 65.480.
- (3) The local legislative body may consider these factors:
 - (a) It is likely that at some time the public may acquire the land for a park or other public use;
 - (b) The land is unimproved and has scenic value to the public as viewed from a public highway or from public or private buildings;
 - (c) The retention of the land as open space will add to the amenities of living in adjoining or neighboring urbanized areas;
 - (d) The land lies in an area which in the public interest should remain rural in character and the retention of the land as open space will help preserve the rural character of the area;
 - (e) It is in the public interest that the land remain in its natural state, including the trees and other natural growth, as a means of preventing floods or soil erosion or because of its value as watershed;
 - (f) The land lies within an established scenic highway corridor;
 - (g) The land is valuable to the public as a wildlife preserve or sanctuary and the instrument contains appropriate covenants to that end; or
 - (h) The land has historic significance or contains a building of either historic or architectural importance.

Section 30. KRS 65.490 is amended to read as follows:

As used in KRS 65.490 to 65.499, unless the context otherwise requires:

- (1) "Agency" means an urban renewal and community development agency of a taxing district located within a county containing ***a consolidated local government or*** a city of the first class, established under KRS Chapter 99; a development authority located within a county, containing ***a consolidated local government or*** a city of the first class established under KRS Chapter 99; a nonprofit corporation located within a county containing ***a consolidated local government or*** a city of the first class established under KRS Chapter 58; or a designated department, division, or office ***of a county containing a consolidated local government or*** of a city of the first class~~[or a county containing a city of the first class];~~
- (2) "Development area" means an area no less than one (1) square mile, nor more than six (6) square miles, designated in need of public improvements by a local or state government in a county containing ***a consolidated local government or*** a city of the first class, a project area as defined in KRS 99.615, or a public project as defined in KRS 58.010 in a county containing ***a consolidated local government or*** a city of the first class. "Development area" includes an existing economic development asset;
- (3) "Increment" means that amount of money received by any taxing district or the state that is determined by subtracting the amount of old revenues from the amount of new revenues in any year for which a taxing district or the state and an agency have agreed upon under the terms of a contract of release or a grant contract;
- (4) "Local government" means a county containing ***a consolidated local government or*** a city of the first class;
- (5) "New revenues" means the revenues received by any taxing district or the state from a development area in any year after the establishment of the development area;
- (6) "Old revenues" means the amount of revenues received by any taxing district or the state from a development area in the last year prior to the establishment of the development area;
- (7) "Project" means any urban renewal, redevelopment, or public project undertaken in accordance with the provisions of KRS 65.490 to 65.497, any project undertaken in accordance with KRS 99.610 to 99.680, or any project undertaken in accordance with the provisions of KRS Chapter 58;
- (8) "Release" or "contract of release" or "grant contract" means that agreement by which a taxing district or the state permits the payment to an agency of a portion of increments or an amount equal to a portion of

increments received by it in return for the benefits accrued to the taxing district or the state by reason of a project undertaken by an agency in a development area; and

- (9) "Taxing district" means **a consolidated local government**, a county containing a city of the first class, ~~or~~ a city of the first class that encompasses all or part of a development area, or the state, but does not mean a school district.
- (10) "Pilot program" means a tax increment financing program or a grant program created by an agency within **a consolidated local government or** a county containing a city of the first class which shall exist for a period of twenty (20) years after which time it shall continue only after reauthorization by the General Assembly.

Section 31. KRS 65.499 is amended to read as follows:

Any agency, other than a county, **consolidated local government**, city, urban-county, or charter county government, that enters into a contract with any taxing district for the release of any increments that may arise during the period of a contract of release shall forthwith notify the official charged with the collecting of taxes for the property in the development area of the execution of a contract of release, and the official charged with the collection of taxes shall in each year a contract of release is in effect determine the amount of the increment that is the subject of the contract of release for division between the taxing district and the agency; and, upon the basis of the agreement made between the taxing district and the agency, the official shall divide and distribute the funds derived from the area between the taxing district and the agency. Any local government that has designated an agency as having oversight of a designated development area shall annually issue a release to the agency of those increments created from the taxes collected on properties within the development area. All increments released to an agency of a local government shall be used solely for the purposes of projects in the development area.

Section 32. KRS 65.540 is amended to read as follows:

- (1) The members of the authority shall be appointed as follows:
 - (a) If the authority is established by a city, such members shall be appointed by the mayor of the city;
 - (b) If the authority is established by a county, such members shall be appointed by the county judge/executive with the approval of the fiscal court;
 - (c) If the authority is established as a joint city-county riverport authority, three (3) members shall be appointed by the mayor and three (3) members by the county judge/executive to the terms as provided in subsection (2) of this section, and in addition, the mayor may appoint himself or a member of the city legislative body as one (1) additional member of the authority and the county judge/executive may appoint himself or a member of the fiscal court as one (1) additional member of the authority for a term of two (2) years, provided that such persons may not serve on the authority after the expiration of their terms as an elected official;
 - (d) If a combination of cities and/or counties establishes a joint riverport authority, the mayors and/or county judges/executive involved shall jointly choose six (6) members to the terms as provided in subsection (2) of this section, and shall jointly choose successors and may upon agreement appoint a mayor or a member of a city legislative body and a county judge/executive or a member of a fiscal court as two (2) additional members of the authority for terms of two (2) years, provided that such persons may not serve on the authority after the expiration of their terms as an elected official.
- (2) Except as provided in subsection (1)(c) and (d) of this section, members of the authority shall serve for a term of four (4) years each, and until their successors are appointed and qualified, provided, however, that initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years and two (2) members for four (4) years. Upon expiration of these staggered terms, successors shall be appointed for a term of four (4) years.
- (3) A riverport authority member may be replaced by the appointing authority for inefficiency, neglect of duty, malfeasance, or conflict of interest. The appointing authority shall submit a written statement to the riverport authority setting forth the reasons for removal, and the statement shall be read at the next authority meeting, which shall be open to the general public. The member so removed shall have the right of appeal in the Circuit Court. Except as provided in subsection (1)(c) and (d) of this section no riverport authority member shall hold any official office with the appointing authority.

- (4) Notwithstanding subsection (2) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the members of the authority shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the county judge/executive with the approval of the fiscal court shall adjust the terms of the sitting members so that one-third (1/3) of the terms expire in one (1) year, one-third (1/3) expire in two (2) years, and one-third (1/3) expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years. ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the authority shall be appointed by the mayor of the consolidated local government for a term of three (3) years pursuant to the provisions of Section 1 of this Act. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the authority for the time remaining on their current terms of appointment.***

Section 33. KRS 65.570 is amended to read as follows:

- (1) Members of the authority shall serve without compensation but shall be reimbursed for any actual and necessary expenses incurred by them in the conduct of the affairs of the authority. The authority shall, upon the appointment of its members, organize and elect officers. The authority shall choose a chairman and vice chairman who shall serve for terms of one (1) year. The authority may fix a salary for the secretary-treasurer, and the secretary-treasurer shall execute an official bond to be set and approved by the authority, and the cost thereof shall be paid by the authority.
- (2) The authority may employ or retain necessary counsel, agents, employees or other persons to carry out its purposes, work and functions and may prescribe such rules and regulations as it deems necessary.
- (3) The secretary-treasurer shall keep the minutes of all meetings of the authority and shall also keep a set of books showing the receipts and expenditures of the authority. He shall preserve on file duplicate vouchers for all expenditures and shall present to the authority, upon request, complete reports of all financial transactions and the financial condition of the authority. Such books and vouchers shall at all times be subject to examination by the legislative body or bodies by whom the authority was created. He shall transmit at least once annually a detailed report of all acts and doings of the authority to the legislative body or bodies by whom the authority was created.
- (4) Notwithstanding subsection (1) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the secretary-treasurer or executive director, as the case may be, shall be appointed by and serve at the pleasure of the county judge/executive with the approval of the fiscal court as provided in KRS 67.040; fiscal court shall fix the salary. ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the secretary-treasurer or executive director, as the case may be, shall be appointed by and shall serve at the pleasure of the mayor.***

Section 34. KRS 65.680 is amended to read as follows:

As used in KRS 65.680 to 65.699:

- (1) "Assessment" means the job development assessment fee authorized by KRS 65.6851, which the governing body may elect to impose throughout the development area;
- (2) "City" means any city, ***consolidated local government***, or urban-county;
- (3) "Commencement date" means the date a development area is established, as provided in the ordinance creating the development area;
- (4) "County" means any county, ***consolidated local government***, or charter county;
- (5) "Debt charges" means the principal, including any mandatory sinking fund deposits, interest, and any redemption premium, payable on increment bonds as the payments come due and are payable and any charges related to the payment of the foregoing;
- (6) "Development area" means a contiguous geographic area, which may be within one (1) or more cities or counties, defined and created for economic development purposes by an ordinance of a city or county in which one (1) or more economic development projects are proposed to be located;
- (7) "Economic development project" means any property, asset, or improvement certified by the governing body, which certification is conclusive as:

- (a) Being for a public purpose;
 - (b) Being for economic development purposes;
 - (c) Being in or related to a development area; and
 - (d) Having an estimated life or period of usefulness of one (1) year or more, including, but not limited to, real estate, buildings, personal property, equipment, furnishings, and site improvements and reconstruction, rehabilitation, renovation, installation, improvement, enlargement, and extension of property, assets, or improvements so certified as having an estimated life or period of usefulness of one (1) year or more;
- (8) "Economic development purposes" means the development of facilities for residential, commercial, industrial, public, recreational, or other uses, or for open space, or any combination thereof, which is determined by the governing body establishing the development area as contributing to economic development;
- (9) "Financing agreement" means an agreement made between cities, counties, or a combination thereof providing for the release of increments under the authority of KRS 65.680 to 65.699;
- (10) "Governing body" means the body possessing legislative authority in a city or county;
- (11) "Increment bonds" means bonds and notes issued for the purpose of paying the costs of one (1) or more economic development projects in a development area, the payment of which is secured solely by a pledge of increments or by a pledge of increments and other sources of payment that are otherwise permitted by law to be pledged or used as a source of payment of the bonds or notes;
- (12) "Increments" means that amount of revenue due to be received by a city or county, determined by subtracting the amount of old revenues from the amount of new revenues, including assessments, if any, with respect to a development area;
- (13) "Issuer" means a city or county issuing increment bonds;
- (14) "New revenues" means the revenues received with respect to a development area in any year after the commencement date for the development area and may include all or a portion of the assessments as determined by the governing body;
- (15) "Old revenues" means the amount of revenues received with respect to a development area in the last year prior to the commencement date for the development area;
- (16) "Outstanding" means increment bonds that have been issued, delivered, and paid for, except any of the following:
- (a) Increment bonds canceled upon surrender, exchange, or transfer, or upon payment or redemption;
 - (b) Increment bonds in replacement of which or in exchange for which other bonds have been issued; or
 - (c) Increment bonds for the payment, or redemption or purchase for cancellation prior to maturity, of which sufficient moneys or investments, in accordance with the ordinance or other proceedings or any applicable law, by mandatory sinking fund redemption requirements, or otherwise, have been deposited, and credited in a sinking fund or with a trustee or paying or escrow agent, whether at or prior to their maturity or redemption, and, in the case of increment bonds to be redeemed prior to their stated maturity, notice of redemption has been given or satisfactory arrangements have been made for giving notice of that redemption, or waiver of that notice by or on behalf of the affected bond holders has been filed with the issuer or its agent;
- (17) "Revenue collector" means any official charged with collecting revenues in a development area;
- (18) "Revenues" means ad valorem revenues, occupational license fees, and assessments received by the city or county creating a development area and by each city and county that is a party to a financing agreement related to that development area;
- (19) "Special fund" means a special fund created in accordance with KRS 65.688 into which increments are to be deposited;

- (20) "Termination date" means the date on which the development area shall cease to exist, which date shall be no earlier than the date any increment bonds secured by increments from a development area are no longer outstanding; and
- (21) "Year" means January 1 to December 31 of the same calendar year.

Section 35. KRS 65.7701 is amended to read as follows:

As used in KRS 65.7703 to 65.7721, unless the context otherwise requires:

- (1) "Governmental agency" means any county, urban-county government, ***consolidated local government***, city, taxing district, special district, school district, or other political subdivision of the Commonwealth or body corporate or politic or any instrumentality of the foregoing.
- (2) "Governing body" means the board, council, commission, fiscal court, or other body or group that is authorized by law to act on behalf of a governmental agency.
- (3) "Legislation" means an order, resolution, or ordinance of the governing body.
- (4) "Notes" means notes authorized by KRS 65.7703 to 65.7721 which may be secured by taxes or revenue or taxes and revenue.
- (5) "Revenue" means all funds received by a governmental agency which are not taxes, including, but not limited to, excises, transfers, service fees, assessments, and occupational license fees.
- (6) "State local debt officer" means the officer so designated in KRS 66.045.
- (7) "Taxes" means taxes properly levied upon real or personal property.

Section 36. KRS 65.940 is amended to read as follows:

As used in KRS 65.942 to 65.956, unless the context otherwise requires:

- (1) "Acquire" means to purchase, install, equip, or improve personal property or real property pursuant to KRS 65.942 to 65.956.
- (2) "City" means any municipal corporation of any class incorporated in the Commonwealth.
- (3) "Construct" means building reconstruction, replacement, extension, repairing, betterment, development, equipment, embellishment, or improvement.
- (4) "County" means a political subdivision of the Commonwealth created and established by the laws of the Commonwealth.
- (5) "Governmental agency" means any county, urban-county government, ***consolidated local government***, city, taxing district, special district, school district, or other political subdivision of the Commonwealth or body corporate or politic or any instrumentality of the foregoing.
- (6) "Governing body" means the board, council, commission, fiscal court, or other body or group that is authorized by law to acquire property for each respective governmental agency.
- (7) "Lease" means a lease, lease purchase, lease with option to purchase, installment sale agreement, or other similar agreement entered into pursuant to KRS 65.942 to 65.956.
- (8) "Lease price" means the total of amounts designated as payments of principal under a lease.
- (9) "Net interest cost" means the total of all interest to accrue and fall due through the last payment due date on a lease, plus any discount or minus any premium included in the lease price.
- (10) "Person" means any individual, corporation, organization, government or governmental subdivision, or agency, business trust, estate, trust, partnership, association, and any other legal entity.
- (11) "Personal property" means personal property, appliances, equipment or furnishings, or an interest therein, whether movable or fixed, deemed by the governing body of a governmental agency to be necessary, useful, or appropriate to one (1) or more purposes of the governmental agency, but shall not include real property.
- (12) "Real property" means land, buildings, fixtures, and interests in real property, deemed by the governing body of the governmental agency to be necessary, useful, or appropriate to one (1) or more purposes of the governmental agency.

- (13) "Revenue" means all funds received by a governmental agency which are not taxes, including but not limited to excises, transfers, service fees, assessments, and occupational license fees.
- (14) "School district" means any county school district or independent school district organized and existing pursuant to the laws of the Commonwealth.
- (15) "Special district" means any agency, authority, or political subdivision of the Commonwealth which exercises less than statewide jurisdiction and which is organized for the purpose of performing governmental or other prescribed functions within limited boundaries. It includes all political subdivisions of the Commonwealth except a city, county, or school district.
- (16) "State local debt officer" means the officer so designated in KRS 66.045.
- (17) "Taxes" means taxes properly levied upon real or personal property.
- (18) "Taxing district" means any taxing district created under KRS 65.180 to 65.190.

Section 37. KRS 66.041 is amended to read as follows:

- (1) A city, urban-county, ***consolidated local government***, or charter county shall not incur net indebtedness to an amount exceeding the following maximum percentages on the value of taxable property within the city, urban-county, ***consolidated local government***, or charter county, as estimated by the last certified assessment previous to the incurring of the indebtedness:
 - (a) Cities, urban-counties, ***consolidated local governments***, and charter counties having a population of fifteen thousand (15,000) or more, ten percent (10%);
 - (b) Cities, urban-counties, and charter counties having a population of less than fifteen thousand (15,000) but not less than three thousand, five percent (5%); and
 - (c) Cities, urban-counties, and charter counties having a population of less than three thousand (3,000), three percent (3%).
- (2) A county, which is not an urban-county, ***consolidated local government***, or charter county, or a taxing district shall not incur net indebtedness for all purposes that exceeds an amount equal to two percent (2%) of the value of the taxable property within the county or district, as estimated by the last certified assessment previous to the incurring of the indebtedness.

Section 38. KRS 66.131 is amended to read as follows:

- (1) Bonds shall be signed on behalf of the issuer as follows:
 - (a) In the case of a city, urban-county, ***consolidated local government***, or charter county, by the chief executive officer and attested by the clerk of the governmental body, or by the other officers as are designated to sign by the legislation authorizing the bonds;
 - (b) In the case of a county, by the judge/executive or other chief executive officer and attested by the fiscal court clerk, or by the officers of the county as are designated to sign by the legislation authorizing the bonds; or
 - (c) In the case of a taxing district, by the officer of the issuer designated by the legislation authorizing the bonds.
- (2) If an officer designated to sign bonds or interest coupons pursuant to subsection (1) of this section is for any reason unable or unavailable to sign, another officer of the issuer, designated by legislation passed by the issuer, may sign instead of that officer.
- (3) All signatures required by this section may be facsimile signatures.
- (4) If an officer who has signed, manually or by facsimile signature, any bonds of an issuer ceases to be the officer before the bonds so have been actually delivered, the bonds may nevertheless be issued and delivered as though the person who has signed the bonds had not ceased to be the officer. Any bonds may be signed as provided in this section, on behalf of the issuer, by an officer who is the proper officer of the issuer on the actual date of signing of the bonds, notwithstanding the fact that at the date of the bonds or on the date of delivery of the bonds that person was or is not the officer of the issuer.

- (5) Bonds, other than fully-registered bonds, may, in the discretion of the issuer, have interest coupons attached or otherwise appertaining. The interest coupons shall be signed on behalf of the issuer by the manual or facsimile signature of at least one (1) of the officers described in subsection (1) of this section.

Section 39. KRS 67.077 is amended to read as follows:

- (1) No county ordinance shall be passed until it has been read on two (2) separate days, but ordinances may be read by title and a summary only. A proposed ordinance may be amended by the fiscal court after its first reading and prior to its adoption. All amendments shall be proposed in writing, and only by setting out in full each amended section.
- (2) No county ordinance shall be passed until it has been published pursuant to KRS Chapter 424. Prior to passage, ordinances may be published by summary. Publication shall include the time, date, and place at which the county ordinance will be considered, and a place within the county where a copy of the full text of the proposed ordinance is available for public inspection. Publication of amendments to a proposed ordinance shall be required, pursuant to KRS Chapter 424, prior to its adoption, and amendments shall be filed with the full text of the proposed ordinance that is available for public inspection. If consideration for passage is continued from the initial meeting to a subsequent date, no further publication shall be necessary if at each meeting the time, date and place of the next meeting are announced.
- (3) All county ordinances and amendments shall be published after passage and may be published in full or in summary form at the discretion of the fiscal court. If applicable, a sketch, drawing, or map, together with a narrative description written in layman's terms, may be used in lieu of metes and bounds descriptions. If published in summary form, publication shall contain notice of a place in the county where the full text of the ordinance or amendment is available for public inspection.
- (4) Traffic, building, housing, plumbing, electrical, safety, and other self-contained codes may be adopted by reference if a copy of the code is kept with the adopting ordinance and is made a part of the permanent records of the county.
- (5) The provisions of this section shall not be applicable in counties that have pursuant to KRS 67.830 adopted a charter county form of government or pursuant to KRS Chapter 67A adopted an urban-county form of government ***or pursuant to KRS Chapter 67C adopted a consolidated local government.***

Section 40. KRS 67.120 is amended to read as follows:

- (1) Except in counties containing a city of the first class ***or a consolidated local government***, the county clerk, at his option, shall be clerk of the fiscal court. He shall attend its sessions and keep a full and complete record of all its proceedings, with a proper index. For his services as clerk of the fiscal court he shall receive an annual salary fixed at a reasonable amount by the fiscal court and paid in monthly installments out of the county treasury. The salary must be fixed not later than the first Monday in May in the year in which county clerks are elected. If the county clerk chooses not to be the clerk of the fiscal court, the fiscal court may select a clerk according to the provisions of subsection (2) of this section.
- (2) ***Except in a consolidated local government***, the fiscal court of each county in this Commonwealth in which there is located a city of the first class shall have a clerk, and may have a deputy clerk and may employ a stenographer, all of whom shall attend its sessions and keep a full and correct record of all the proceedings of the court, together with a complete index, and who in addition shall perform such duties as may be required of them by the court. The fiscal court shall appoint a clerk who shall serve at the pleasure of the fiscal court. The clerk shall execute bond to be approved by the fiscal court. He shall receive an annual salary which shall be fixed by the court and paid in monthly installments out of the county levy. The court may appoint a deputy and a stenographer who shall qualify by taking the constitutional oath and who shall serve at the will of the court. The salary of the deputy clerk and the stenographer shall be fixed by the court and paid in monthly installments out of the county levy.
- (3) ***The legislative council of a consolidated local government shall have a clerk, and may have a deputy clerk and may employ a stenographer, all of whom shall attend its sessions and keep a full and correct record of all the proceedings of the council, together with a complete index, and who in addition shall perform such duties as may be required of them by the council. The legislative council shall appoint a clerk who shall serve at the pleasure of the council. The clerk shall execute bond to be approved by the council. He or she shall receive an annual salary which shall be fixed by the council. The council may appoint a deputy clerk and a stenographer, to assist in the official duties of the clerk, who shall qualify by taking the constitutional***

oath and who shall serve at the will of the council. The salaries of the deputy clerk and the stenographer shall be fixed by the council.

Section 41. KRS 67.705 is amended to read as follows:

- (1) Each county shall have a chief executive officer known as the county judge/executive. Only a resident of the county shall be eligible for election as county judge/executive. He shall be nominated and elected by the qualified voters of the county in the manner provided by law for the election of county officers. In case the office of county judge/executive becomes vacant by reason of death, resignation, or removal, it shall be filled with a person appointed by the Governor, in accordance with Section 152 of the Constitution, for the unexpired term. The Governor shall appoint a person to fill a vacancy in the office of county judge/executive not later than thirty (30) days after the date on which the vacancy occurs. If a vacancy occurs in the office of county judge/executive, the remaining members of fiscal court shall elect one (1) of their members to serve as temporary county judge/executive until the Governor fills the vacancy in the office, notwithstanding the provisions of KRS 61.080(2) to the contrary.
- (2) The county judge/executive shall receive an annual salary pursuant to the salary schedule in KRS 64.5275, except in counties that contain an urban-county form of government **or a consolidated local government**, where the county judge/executive shall receive the salary set by the legislative body.
- (3) **Except in counties containing a consolidated local government**, in no event shall the county judge/executive, justice of the peace, magistrate, or commissioners who serve on the fiscal court holding office on January 2, 1978, receive less than the total annual compensation received by that official during calendar year 1976.
- (4) **In a county containing a consolidated local government, the county judge/executive, and magistrates or commissioners may have those duties as determined by ordinance of the consolidated local government and shall receive a salary as set by the legislative council of the consolidated local government for those duties.**

Section 42. KRS 67.712 is amended to read as follows:

- (1) Whenever rights, powers, privileges, immunities and responsibilities are granted to the county judge/executive in general statutes, the same **shall be considered a grant in those counties in which a consolidated local government has been adopted pursuant to KRS Chapter 67C to the mayor of the consolidated local government, and** shall be considered a grant in those counties in which an urban-county government has been adopted pursuant to KRS Chapter 67A to the officer in whom such functions are vested under the applicable provision of the comprehensive plan of an urban-county government, if any, and otherwise to the chief executive officer of an urban-county government.
- (2) Whenever rights, powers, privileges, immunities and responsibilities are granted to the fiscal court in general statutes, the same shall **be considered a grant in those counties in which a consolidated local government has been adopted pursuant to KRS Chapter 67C to the officer or officers in whom such functions are vested pursuant to KRS 67C.103(1) and KRS 67C.105(1), respectively, of the consolidated local government, and** shall be considered a grant in those counties in which an urban-county government has been adopted pursuant to KRS Chapter 67A to the legislative body of the urban government.

Section 43. KRS 67.722 is amended to read as follows:

Except in a consolidated local government, the county judge/executive shall receive an annual expense allowance of three thousand six hundred dollars (\$3,600) for performing his duties and fulfilling his responsibilities in the administration of the local county road program. Payment shall be made quarterly in the amount of nine hundred dollars (\$900) per quarter, the first such payment to be made for the quarter ending March 31, 1978.

Section 44. KRS 67.825 is amended to read as follows:

In order to facilitate the operation of local government, to prevent duplication of services, and to promote efficient and economical management of the affairs of local government, the citizens of any county, except in a county containing **a consolidated local government**, a city of the first class, or an urban-county government, may vote to merge all units of city and county government into a charter county form of government or to consolidate any agency, subdivision, department, or subdistrict providing any services or performing any functions for a city or county. The merger or consolidation shall take place only after compliance with the procedures set forth in KRS 67.830.

Section 45. KRS 67.830 is amended to read as follows:

- (1) The fiscal court in any county, except in a county containing a ***consolidated local government***, a city of the first class, or an urban-county government, and a majority of all cities within the county may adopt an ordinance to study the question of merging the county government with all other units of local government within the county to form a charter county form of government, or consolidating any agency, subdivision, department, or subdistrict providing any services or performing any functions for a city or county.
- (2) In lieu of the adoption of an ordinance pursuant to subsection (1) of this section, a petition may be filed with the county clerk requesting a referendum be held on the question of the adoption of a charter county form of government or the consolidation of any agency, subdivision, department, or subdistrict providing any services or performing any functions for a city or county. The petition shall be signed by a number of registered voters equal to at least twenty percent (20%) of the number of county residents voting in the preceding regular election.
- (3) Within sixty (60) days of the adoption of an ordinance pursuant to subsection (1) of this section, or within sixty (60) days of a petition being filed with the county clerk pursuant to subsection (2) of this section, the fiscal court and the city legislative body of each city within the county shall jointly appoint a commission to study the question of the adoption of a charter county form of government or the consolidation of any agency, subdivision, department, or subdistrict providing any services or performing any functions for a city or county. The fiscal court shall determine the size of the membership of the commission which shall be composed of not less than twenty (20) or more than forty (40) citizens. The actual appointment of individual members to the commission shall be governed by the following provisions:
 - (a) The county shall make a number of appointments equal to fifty-five percent (55%) of the membership of the commission.
 - (b) Each city located within the county shall join together with other cities of the same classification located within the county for the purpose of making appointments to the commission. Jointly the cities shall make a number of appointments equal to forty-five percent (45%) of the membership of the commission. Each class of city within the county shall have a minimum of one (1) representative on the commission.
 - (c) If there is only one (1) city of a particular classification within a county, the city shall make a number of appointments based upon the ratio of the percentage of the population residing within that city to the countywide population.
 - (d) The county judge/executive shall serve as a voting member of the commission and preside as its chairman.
- (4) The commission shall be funded by the fiscal court and each city within the county in proportion to its ratio of membership on the commission and shall be responsible for developing a comprehensive plan for the consolidation of services and functions of cities and the county, or the formation of a charter county government that shall include, but not be limited to, the following provisions:
 - (a) A description of the form, structure, functions, powers, and name of the proposed charter county government;
 - (b) A description of the officers and their powers and duties of the proposed charter county government; and
 - (c) The procedures by which the original comprehensive plan may be amended.
- (5) The comprehensive plan shall be consistent with the provisions of the Constitution of Kentucky and shall be advertised at least ninety (90) days before a regular election at which the voters will be asked to approve or disapprove the adoption of the comprehensive plan. The question of whether the comprehensive plan shall be adopted shall be filed with the county clerk not later than the second Tuesday in August preceding the day of the next regular election.
- (6) The votes shall be counted, returns made and canvassed in accordance with the provisions of KRS Chapters 116 to 121 governing elections, and the results shall be certified by the county board of election commissioners to the county clerk. If a majority of those voting on the issue are in favor of adopting the comprehensive plan, the county board of election commissioners shall enter the fact of record and the charter county commission shall organize the charter county government or the county shall provide for the consolidation of services or functions as provided in the comprehensive plan.

Section 46. KRS 67B.010 is amended to read as follows:

The General Assembly of the Commonwealth of Kentucky determines as a legislative finding of fact that the needs of large urban areas in the field of detention, institutionalization, and rehabilitation of offenders and public wards are more specialized, acute, and distinct than the needs of smaller communities, and require programs peculiarly suited to the needs of large, urban areas, and that in order to protect, enhance, and maintain the public safety, health, and general welfare, it is necessary that ***consolidated local governments or*** fiscal courts of counties containing a city of the first class where the constitutional offices of sheriff and jailer have been consolidated, be empowered to create metropolitan correctional services departments which shall be divisions of ***the consolidated local or*** county government, and which will be vested with the duty, responsibility, and power to maintain and operate all of the correctional, detention, and rehabilitative facilities of such counties in a professional and competent manner.

Section 47. KRS 67B.020 is amended to read as follows:

As used in this chapter, the following words or terms shall have the respective meanings indicated, unless a different meaning is clearly indicated by the context:

- (1) "Department" means a metropolitan correctional services department created ***or maintained by a consolidated local government or*** the fiscal court of a county containing a city of the first class, where the constitutional offices of sheriff and jailer have been consolidated, pursuant to this chapter.
- (2) "Fiscal court" means the county judge/executive and justices of the peace of a county; or the county judge/executive and three (3) county commissioners elected pursuant to KRS 67.050 and 67.060, which exercises the legislative functions of a county as provided by the provisions of the Kentucky Revised Statutes.
- (3) "Correctional facility" means the county jail and all other detention and penal facilities of a county ***or consolidated local government***, whether for juvenile or adult offenders, and public wards, together with all rehabilitative facilities of ***such a county or consolidated local government*** for juvenile or adult offenders and for public wards, including facilities operated by private agencies under contract with the ***consolidated local government or*** fiscal court, as such facilities may be designated from time to time by the ***consolidated local government or*** fiscal court.
- (4) "Sheriff" means the sheriff of a county ***or the sheriff in a county containing a consolidated local government*** who has been duly elected by the qualified voters as provided in Section 99 of the Constitution of the Commonwealth of Kentucky.
- (5) "Jailer" means the jailer of a county ***or the jailer in a county containing a consolidated local government*** who has been duly elected by the qualified voters of a county as provided in Section 99 of the Constitution of the Commonwealth of Kentucky.
- (6) "Governmental agency" means any incorporated city, division of ***a city, or consolidated local*** government, including the United States of America, and its agencies and instrumentalities, situated within, or conducting public operations within, a county in which a metropolitan correctional services department has been duly established.
- (7) ***"Consolidated local government" means a local government established pursuant to KRS Chapter 67C.***

Section 48. KRS 67B.030 is amended to read as follows:

- (1) A metropolitan correctional services department may be established ***or maintained by ordinance of a consolidated local government or*** by order of the fiscal court of any county containing a city of the first class, in which the constitutional offices of sheriff and jailer have been consolidated as provided in Section 105 of the Constitution of the Commonwealth of Kentucky. Said department shall, upon its creation ***or maintenance***, constitute a de jure department and division of ***the consolidated local or*** county government, having and possessing all of the enumerated powers, responsibilities, and duties hereinafter specifically set forth.
- (2) Upon the creation ***or maintenance*** of a metropolitan correctional services department by the ***consolidated local government or*** fiscal court of a county containing a city of the first class, in which the constitutional offices of sheriff and jailer have been consolidated pursuant to Section 105 of the Constitution of the Commonwealth of Kentucky, all of the duties, responsibilities, and liabilities of the sheriff and jailer as set forth and contained in the Kentucky Revised Statutes, with reference to the operation and maintenance of the county jail and all county correctional facilities shall immediately be vested in the department and thereupon the sheriff and jailer shall have no further responsibility, duty and liability for the performance of said statutory

duties on a personal basis; provided, however, that said sheriff shall be required to annually inspect all county correctional facilities and render reports as hereinafter provided.

Section 49. KRS 67B.040 is amended to read as follows:

The *mayor of a consolidated local government or a* fiscal court shall, at or subsequent to the creation *or maintenance* of a metropolitan correctional services department, appoint and employ an executive director *of the metropolitan correctional services department* who shall be well educated, trained, and experienced in the administration of correctional and rehabilitative public facilities, and who, together with assistant directors, to be appointed and employed by the *mayor or* fiscal court, shall have full and complete management of the department and all of its operations. The executive director of the department, together with all assistant directors shall be directly appointed by, and shall serve at the pleasure of the *mayor or* fiscal court, and may be removed and replaced upon order of the *mayor or* fiscal court.

Section 50. KRS 67B.050 is amended to read as follows:

The department shall, subject to the approval and authorization of the *consolidated local government or* fiscal court, generally administer, operate, and maintain all county correctional facilities, including facilities operated by private agencies under contract with the *consolidated local government or* fiscal court, and formulate and implement necessary correctional and rehabilitative programs. In carrying out its duties, the department shall have and possess, subject to the approval and authorization of the *consolidated local government or* fiscal court, all powers necessary to effectuate its purposes, including, but not by way of limitation the following:

- (1) To prepare an annual budget with reference to the operations of the department for submission to the *consolidated local government or* fiscal court.
- (2) To authorize all expenditures of the department in conformity with the annual budget, as approved by the *consolidated local government or* fiscal court, all such expenditures to be submitted for *consolidated local government or* fiscal court approval as in the case of all other county *or consolidated local government* agencies and departments.
- (3) To prepare and submit not less than annually a report of all the activities, programs, and expenditures of the department to the *consolidated local government or* fiscal court.
- (4) To employ and dismiss employees as may be necessary for the proper management and operation of the department and of the correctional facilities which are governed by the department, subject to the department merit system.
- (5) To promulgate comprehensive rules, regulations, and bylaws for the regulation, administration, maintenance, and operation of the department, which rules, and regulations and bylaws shall be subject to approval by the *consolidated local government or* fiscal court.
- (6) To formulate and implement penal, correctional, and rehabilitative programs, including the power to enter into contracts with private agencies for the operation of correctional or detention facilities, all of such facilities and programs to be subject to approval by the *consolidated local government or* fiscal court.
- (7) To comply with all statutory requirements contained in the Kentucky Revised Statutes with reference to the operation, maintenance, and upkeep of all correctional facilities.
- (8) To provide for the humane care, treatment, and feeding of all inmates of all correctional facilities of the county.
- (9) To enter into contracts with private or governmental agencies regarding matters of correctional and rehabilitative import, including the operation, maintenance, and upkeep of correctional or detention facilities.
- (10) To apply for, and accept, grants in aid from any public or private agency.

Section 51. KRS 67B.060 is amended to read as follows:

Upon the creation *or maintenance* of a metropolitan correctional services department by a *consolidated local government or* county fiscal court, *the consolidated local government or* ~~said~~ fiscal court may create *or maintain* a departmental merit system, and for that purpose, establish, *maintain*, or designate an appropriate board, commission, or committee, whose duties it shall be to classify and examine applicants seeking employment as officers or employees of the department, and in addition, to promulgate rules and regulations governing the classification, qualification, examination, appointment, promotion, demotion, suspension, and other disciplinary action within the department, with reference to all personnel of the department; and in addition thereto, to hold such hearings, public

and executive, as may be reasonably required in the operation of a viable employment protection and career development merit system. All employees of the department below the rank of assistant director shall be covered by the merit system.

Section 52. KRS 67B.070 is amended to read as follows:

The sheriff of any county in which a department has been established *or maintained* shall, not less than annually, inspect all correctional facilities administered by the department, and shall make a written report to the ***consolidated local government or*** fiscal court and to the secretary of corrections regarding the general operation of all such correctional facilities, which report shall furnish in detail information regarding the number of prisoners, detainees and public wards who are inmates of each correctional facility; the offenses or causes for their incarceration; the length of stay with reference to same; and such further reports regarding rehabilitative programs instituted and being carried on by the department as may be required for a complete accounting and report.

Section 53. KRS 67C.101 is amended to read as follows:

- (1) The governmental and corporate functions vested in any city of the first class shall, upon approval by the voters of the county at a regular or special election, be consolidated with the governmental and corporate functions of the county containing the city. This single government replaces and supersedes the governments of the pre-existing city of the first class and its county.
- (2)
 - (a) A consolidated local government shall have all powers and privileges that cities of the first class and their counties are, or may hereafter be, authorized to exercise under the Constitution and the general laws of the Commonwealth of Kentucky, including but not limited to those powers granted to cities of the first class and their counties under their respective home rule powers.
 - (b) A consolidated local government shall continue to exercise these powers and privileges notwithstanding repeal or amendment of any of the laws upon which the powers and privileges are based unless expressly repealed or amended for consolidated local governments.
 - (c) In addition, a consolidated local government shall have other powers and privileges as the government may be authorized to exercise under the Constitution and general laws of the Commonwealth of Kentucky.
 - (d) *A consolidated local government is neither a city government nor a county government as those forms of government exist on the effective date of this Act, but it is a separate classification of government which possess the greater powers conferred upon, and is subject to the lesser restrictions applicable to, county government and cities of the first class under the Constitution and general laws of the Commonwealth of Kentucky.*
 - (e) *A consolidated local government shall be accorded the same sovereign immunity granted counties, their agencies, officers, and employees.*
- (3) A consolidated local government shall have power and authority to:
 - (a) Levy and collect taxes upon all property taxable for state purposes within the territorial limits of the consolidated local government not exempt by law from taxation;
 - (b) License, tax, and regulate privileges, occupations, trades, and professions authorized by law, to be uniform throughout the jurisdiction;
 - (c) Make appropriations for the support of the consolidated local government and provide for the payment of all debts and expenses of the consolidated local government and the debts and expenses of the county and city of which it is the successor;
 - (d) Issue or cause to be issued bonds and other debt instruments that counties containing a city of the first class are authorized to issue or enter into all other financial transactions as may be permitted by law;
 - (e) Purchase, lease, construct, maintain, or otherwise acquire, hold, use, and operate any property, real or personal, for any public purpose, and sell, lease, or otherwise dispose of any property, real or personal, belonging to a consolidated local government;
 - (f) Exercise the power of eminent domain for any public purpose subject to the limitations and exceptions prescribed by the Constitution and the general laws of the Commonwealth of Kentucky;

- (g) Accept federal or state funds and other sources of revenue that are applicable to counties and cities of the first class;
 - (h) Establish, erect, maintain, and operate facilities for the confinement, detention, and rehabilitation of persons convicted of the violation of the ordinances and laws of a consolidated local government or the Commonwealth of Kentucky;
 - (i) Pass and enforce by fines and penalties, if necessary, all ordinances, not inconsistent with law, as are expedient in maintaining the peace, good government, health, and welfare of the inhabitants of the county and prevent, abate, and remove nuisances;
 - (j) Collect and dispose of garbage, junk, and other refuse, and regulate the collection and disposal of garbage, junk, and other refuse by others;
 - (k) Provide for the redevelopment, renewal, or rehabilitation of blighted, deteriorated, or dilapidated areas;
 - (l) Enforce zoning regulations;
 - (m) Enter into contracts and agreements with other governmental entities and with private persons, firms, and corporations;
 - (n) Adopt procedures for collective bargaining with its employees and for the certification of exclusive bargaining agents for groups of employees in accordance with the Constitution and general laws of the Commonwealth of Kentucky and its ordinances; and
 - (o) Exercise all other powers and authorities granted to counties and cities of the first class by the general laws of the Commonwealth of Kentucky.
- (4) The powers of the consolidated local government shall be construed broadly in favor of the consolidated local government. The specific mention, or failure to mention, of particular powers in this section shall not be construed as limiting in any way the general or specific powers of a consolidated local government.
 - (5) A consolidated local government shall have power and jurisdiction throughout the total area embraced by the official jurisdictional boundaries of the county.
 - (6) A consolidated local government shall be known as ~~[Greater]~~...../.....**County Metro Government**, which shall be the **combination of the names**~~[name]~~ of the largest city in existence on the date of the adoption of the consolidated **local** government **and the county**.

Section 54. KRS 67C.103 is amended to read as follows:

- (1) The legislative authority of a consolidated local government, except as otherwise specified in KRS 67C.101 to 67C.137, shall be vested in a consolidated local government council. The members of the council shall be nominated and elected by district. There shall be only one (1) council member elected from each council district.
- (2) There shall be twenty-six (26) council districts. The initial boundaries, population, and numerical designation of the council districts shall be as specified by KRS 67C.135. The population of the council districts shall be as nearly equal as is reasonably possible. For any newly consolidated local governments whose officials take office in 2003, upon taking office, the legislative council may take action to adjust the boundaries and population of the districts in order to equalize the population of the districts which may have changed as a result of recent census information. Any changes made to alter the boundaries of council districts shall be based on the population of the county as determined by the most recent United States Census or official census estimates as provided by the United States Bureau of the Census.
- (3) Following the official publication of each decennial census by the United States Bureau of the Census for the area embraced by a consolidated local government, the council shall adopt an ordinance, if necessary, to redistrict the council districts. A redistricting ordinance shall provide for the distribution of population among the council districts as nearly equal as is reasonably possible. Every council district shall be compact and contiguous and shall respect existing neighborhood, community, and city boundaries whenever possible.
- (4) The consolidated local government council members shall serve for a term of four (4) years beginning on the first Monday in January following their election except that the initial election of council members shall be in a manner as to provide for staggered terms for council members. At the initial election of the members of a consolidated local government council, those representing even-numbered districts shall be elected for a two

(2) year term. Those representing odd-numbered districts shall be elected for a four (4) year term. Thereafter, all council members shall be elected for four (4) year terms.

- (5) The members of a consolidated local government council shall be nominated and elected from the district in which they reside in partisan elections. After the initial terms of office of the first elected council members, council members shall be elected in the same election years as other local government officials as regulated by the regular election laws of the Commonwealth and as provided in subsection (4) of this section.
- (6) No person shall be eligible to serve as a member of a consolidated local government council unless he or she is at least twenty-one (21) years old, a qualified voter, and a resident within the territory of the consolidated local government and the district that he or she seeks to represent for at least one (1) year immediately prior to the person's election. A council member shall continue to reside within the district from which he or she was elected throughout the term of office.
- (7) The presiding officer of a consolidated local government council shall be a president who shall be chosen annually by a majority vote of the entire council from among its members at the first meeting of the council in January. The council president has the right to introduce any resolution or recommend any ordinance and shall be entitled to vote on all matters.
- (8) The consolidated local government council shall upon notice meet within seven (7) days after its members have taken office, and shall thereafter hold at least two (2) regular meetings per month. ***No newspaper notice shall be required for regular or special meetings of the consolidated local government council. However, notice of all meetings of the council and all meetings of committees of the council shall be held pursuant to KRS 61.805 to 61.850.***
- (9) A majority of the members of the consolidated local government council shall constitute a quorum, but a smaller number may adjourn from day to day. The consolidated local government council may enforce the attendance of members by rules or ordinances with appropriate fines. The mayor or two-thirds (2/3) of the entire membership of the council may call a special meeting at any time. Meetings shall be held in such places in the county as are provided by ordinance, and the place of meetings shall not be changed except by an ordinance for which two-thirds (2/3) of the members of the consolidated local government council have voted.
- (10) The council shall determine its own rules and order of business, and keep and provide a public record of its proceedings. The council shall provide for the publication of all ordinances in a composite code of ordinances.
- (11) Council ordinances that prescribe penalties for their violation shall be enforced through the entire area of the consolidated local government unless:
 - (a) Otherwise provided by statute; or
 - (b) The legislative body of any city within the consolidated local government area has adopted an ordinance pertaining to the same subject matter that is the same as or more stringent than the standards set forth in the consolidated local government's ordinance.
- (12) In the case of a vacancy on the consolidated local government council by reason of death, resignation, or removal, ***the council by majority vote of the membership of the council shall elect a qualified resident of the council district not later than thirty (30) days after the date the vacancy occurs. Should the council fail to elect, by majority vote of the membership of the council, a qualified person to fill the vacancy within thirty (30) days, the mayor of the consolidated local government shall fill the vacancy by appointment of a qualified person for the unexpired term***~~[it shall be filled by appointment of the Governor, in accordance with Section 152 of the Constitution, for the unexpired term. Upon notification of the vacancy by the county clerk, the Governor shall appoint a person to fill a vacancy on the consolidated local government council not later than thirty (30) days after the date on which the vacancy occurs].~~
- (13) All legislative powers of a consolidated local government are vested in the consolidated local government council. The term "legislative power" is to be construed broadly and shall include the power to:
 - (a) Enact ordinances, orders, and resolutions, and override a veto of the mayor by a two-thirds (2/3) majority of the membership of the legislative council;
 - (b) Review the budgets of and appropriate money to the consolidated local government;
 - (c) Adopt a budget ordinance;

- (d) Levy taxes, subject to the limitations of the Constitution and the laws of the Commonwealth of Kentucky;
 - (e) Establish standing and temporary committees; and
 - (f) Make independent audits and investigations concerning the affairs of the consolidated local government.
- (14) The consolidated local government council shall be known as the legislative council of ~~Greater~~/..... **County Metro Government**, which shall be **a combination of** ~~completed by~~ the ~~names~~ ~~name~~ of the largest city in existence in the county on the date of the **adoption of the consolidated local government and the county** ~~consolidation~~.

Section 55. KRS 67C.105 is amended to read as follows:

- (1) All executive and administrative power of the government shall be vested in the office of the mayor. The term "executive and administrative power" shall be construed broadly. The mayor shall be the chief executive of a consolidated local government formed under the provisions of KRS 67C.101 to 67C.137.
- (2) The mayor shall be nominated and elected in partisan elections for a term of four (4) years in the same election years as other local government officials as regulated by the regular election laws of the Commonwealth. The mayor shall assume office on the first Monday in January following his or her election. He or she shall serve until a successor qualifies and may serve for no more than three (3) consecutive terms after which time he or she shall be prohibited from running for election or being appointed as mayor for a period of at least four (4) years.
- (3) The mayor shall be at least twenty-five (25) years old, a qualified voter, a member of his or her political party, and a resident of the territory encompassing the consolidated local government for a period of at least one (1) year prior to his or her election as mayor. The mayor shall continue to reside within the geographic boundary of the consolidated local government throughout his or her term of office.
- (4) Except as otherwise provided in KRS 67C.101 to 67C.137, the mayor shall have all the power and authority that the mayor of the city of the first class and the county judge/executive exercised under the Constitution and the general laws of the Commonwealth of Kentucky prior to the consolidation.
- (5) The mayor is authorized to supervise, administer, and control all departments and agencies as may be created by KRS 67C.101 to 67C.137 or created by ordinance. The mayor shall appoint all department and agency directors. The appointees shall serve at the pleasure of the mayor. Specifically, the mayor shall:
 - (a) Prepare and submit an annual report coinciding with the fiscal year, on the state of the consolidated local government, to be presented at a public meeting of the council;
 - (b) Submit an annual budget;
 - (c) Oversee the administration and implementation of the adopted budget ordinance;
 - (d) Enforce the ordinances of the consolidated local government;
 - (e) Supervise all officers, agents, employees, cabinets, departments, offices, agencies, functions, and duties of the consolidated local government;
 - (f) Call special meetings of the consolidated local government council;
 - (g) Appoint and remove his or her own staff at his or her own pleasure;
 - (h) Execute written contracts or obligations of the consolidated local government; and
 - (i) Approve or veto ordinances and resolutions adopted by the consolidated local government council.
- (6) In case the office of mayor becomes vacant by reason of death, resignation, or removal, ***the members of the legislative council of the consolidated local government shall by a majority vote of the membership of the council elect a qualified person to fill the vacancy in the office of the mayor not later than thirty (30) days after the date on which the vacancy occurs for the unexpired term.*** ~~It shall be filled by appointment of the Governor, in accordance with Section 152 of the Constitution, for the unexpired term. The Governor shall appoint a person to fill a vacancy in the office of mayor not later than thirty (30) days after the date on which the vacancy occurs. If a vacancy occurs in the office of mayor,~~ The members of the legislative body of the consolidated local government ~~may~~ ~~shall~~ elect one (1) of their members to serve as temporary mayor until ***they are able to hold the election to fill the vacancy for the unexpired term. If the legislative council fails to***

elect a person to fill the vacancy within thirty (30) days after the vacancy occurs, the Governor shall fill~~fills~~ *the vacancy in the office by appointment of a qualified person for the unexpired term*~~notwithstanding the provisions of KRS 61.080(2) to the contrary~~.

- (7) The mayor of a consolidated local government shall be known as the mayor of ~~Greater~~/..... **County Metro Government**, which shall be *a combination of*~~completed by~~ the *names*~~name~~ of the largest city in existence in the county on the date of the *adoption of the consolidated local government and the county*~~consolidation~~.

Section 56. KRS 67C.107 is amended to read as follows:

- (1) Upon public approval at a regular or special election of a consolidation of a city of the first class and its county, all regular employees of the city of the first class and the county shall become employees of the consolidated local government.
- (2) All rights, privileges, and protections attributed to all regular employees by a civil service or classified service system established by a city of the first class or a county containing a city of the first class shall continue in effect until changed by statute or ordinance when applicable.
- (3) A consolidated local government shall recognize and shall continue to bargain with any bargaining unit consisting of public employees recognized by either the previously existing city or county government.
- (4) All labor contracts *under renegotiation or* in existence in a city of the first class or a county containing a city of the first class on the effective date of a local government consolidation shall, *if being renegotiated, continue to be renegotiated by the consolidated local government, and if in existence*, continue in effect until the expiration of the terms of the contracts at which time new contracts shall be renegotiated between the consolidated local government and affected labor representatives.
- (5) *Upon the establishment of a consolidated local government, all rights, privileges, and protections of beneficiaries of a policemen's retirement fund and a firefighter's pension fund in a city of the first class shall continue in effect until all benefits due each beneficiary have been paid.*

Section 57. KRS 67C.109 is amended to read as follows:

~~[A consolidated local government shall be deemed a county and shall be deemed an incorporated city of the first class under the Constitution and the general laws of the Commonwealth of Kentucky.]~~ For the purpose of applying for or receiving any aid or grant-in-aid from the Commonwealth of Kentucky or the government of the United States, *a consolidated local government shall be deemed a county and shall be deemed an incorporated city of the first class under the Constitution and general laws of the Commonwealth of Kentucky.*

Section 58. KRS 67C.115 is amended to read as follows:

- (1) Upon the successful passage of the question to consolidate a city of the first class and its county, ~~all the~~ ordinances~~, regulations,~~ and *resolutions*~~orders~~ of the previously existing city of the first class and *all ordinances and resolutions of* the county shall *become effective ordinances and resolutions of*~~initially govern~~ the consolidated local government *until repealed, modified, or amended in accordance with the following order of precedence*~~along with any new ordinances, resolutions, or orders that may be enacted~~.
 - (a) *If a city ordinance conflicts with a county ordinance, the county ordinance shall prevail and shall become effective countywide; and*
 - (b) *If a city ordinance addresses a subject matter not addressed by a county ordinance, the city ordinance shall become effective countywide; and*
 - (c) *If a county ordinance addresses a subject matter not addressed by a city ordinance, the county ordinance shall become effective countywide.*

Notwithstanding paragraph (a) of this subsection and in the event a uniform land development code has not been jointly adopted by the city and county prior to the effective date of a consolidated local government, the historic preservation and landmarks ordinances, and the zoning regulations of the city adopted pursuant to KRS Chapter 100, shall prevail and become effective countywide.

- (2) *Ordinances and resolutions of either the city of the first class or its county in existence on the effective date of a local government consolidation which conflict with other provisions of this chapter shall be void. Except as provided in KRS 67C.123(2), any ordinance, resolution, or order in effect in a city of the first*

class or its county on the date a consolidated local government takes effect shall expire five (5) years from that date unless amended or reenacted by the consolidated local government.

- (3) *All ordinances of the city and county creating agencies and boards and interlocal agreements shall survive and be deemed reenacted by the council. All members may serve the balance of the terms to which they were appointed and until their successors are appointed and duly qualified according to law.*
- (4) *For purposes of this section, a conflict shall be deemed to exist between ordinances or resolutions, or the provisions of this Chapter 67C, where any rights, remedies, entitlements, or the enforcement thereof cannot reasonably be reconciled.*

~~[(2) Any ordinance, regulation, or order in effect in a city of the first class or its county on the date of the adoption of a consolidated local government shall expire five (5) years from the date the new government takes effect unless amended or reenacted by the new consolidated local government.]~~

- ~~[(3)]~~ (5) The county attorney shall serve as the legal advisor and representative to the consolidated local government *and except for those duties pertaining to fiscal court set forth in KRS 69.210, the county attorney shall retain and exercise all other duties, powers, and rights delegated to that office by law.*

~~[(4) The county attorney shall review all ordinances, resolutions, and orders in effect in the city of the first class and the county in order to identify conflicting language between the varying ordinances, resolutions, and orders. The county attorney shall present a listing of the conflicts between the ordinances, resolutions, and orders to the legislative body of the consolidated local government at its first meeting.]~~

- (6) *Wherever the words "county judge" or "county judge/executive" appear in any resolution or ordinance in existence in a city of the first class or in a county containing a city of the first class as of the effective date of the establishment of a consolidated local government, they shall be deemed to mean the mayor of the consolidated local government.*

Section 59. KRS 67C.121 is amended to read as follows:

- (1) All offices provided for in Section 99 *and 144* of the Constitution of Kentucky shall remain in existence upon the consolidation of a city of the first class with its county. However, all existing powers and duties of these offices shall be assigned to the consolidated local government. ~~[To the extent permitted by the Constitution of Kentucky, the office of county judge/executive, justices of the peace, and county commissioners may be statutorily limited in a consolidated local government.]~~
- (2) Nothing in KRS 67C.101 to 67C.137 shall alter or affect the election or term of any county court clerk, county attorney, sheriff, jailer, coroner, surveyor, or assessor. Nor shall any provision of KRS 67C.101 to 67C.137 be construed to alter or affect the powers, duties, or responsibilities of these officers as prescribed by the Constitution and laws of the Commonwealth of Kentucky. Any funding responsibilities or oversight of any constitutional officers or their employees previously exercised by the county, which shall include the approval of the annual budget of the sheriff's and the county clerk's offices, shall be transferred to the consolidated local government.

Section 60. KRS 67C.123 is amended to read as follows:

- (1) The tax structure, tax rates, and level of services in effect in the city of the first class and its county upon the adoption of a consolidated local government shall remain in effect after the adoption of the consolidated local government and shall remain the same until changed by the newly elected consolidated local government council.
- (2) *Notwithstanding the provisions of KRS 67C.115(2), all contracts, bonds, franchises and other obligations of the city of the first class and of the county in existence on the effective date of a consolidated local government shall continue in force and effect as obligations of the consolidated local government and the consolidated local government shall succeed to all rights and entitlements thereunder. All conflicts in the provisions of the contracts, bonds, franchises, or other obligations shall be resolved in a manner that does not impair the rights of any parties thereto.*

Section 61. KRS 68.130 is amended to read as follows:

A consolidated local government or the fiscal court of each county containing a city of the first class may appoint an auditor and an assistant auditor, to hold office at the pleasure of the consolidated local government or fiscal court. The auditor and assistant auditor shall each receive an annual salary to be fixed by the consolidated local government or fiscal court and paid [in monthly installments] out of the consolidated local government or county levy. They shall

each execute bond with an incorporated surety company authorized and qualified to become surety on bonds in this state, or with at least two (2) solvent and responsible individuals as surety, the bonds and sureties to be approved by the **consolidated local government or** fiscal court.

Section 62. KRS 68.140 is amended to read as follows:

The auditor and assistant auditor shall make regular audits of all accounts and records of the **consolidated local government or** fiscal court and of all other agencies whose revenue is provided in whole or in part from taxes levied or funds appropriated by the **consolidated local government or** fiscal court, and shall cause correct accounts and records to be kept of all receipts and disbursements of county funds, make periodical reports as required by the **consolidated local government or** fiscal court, and perform any other related duties imposed upon them by the **consolidated local government or** fiscal court.

Section 63. KRS 68.160 is amended to read as follows:

Upon the establishment of a consolidated local government in a county which contained a city of the first class, the mayor may, every four (4) years, appoint a purchasing agent for a term of four (4) years. The fiscal court of each county containing a city of the first class shall, every four (4) years, beginning in 1928, appoint a purchasing agent for a term of four (4) years, the term of the first purchasing agent to begin May 1, 1928.

Section 64. KRS 69.130 is amended to read as follows:

In any county containing a **consolidated local government or** city of the first class, the **consolidated local government or** fiscal court shall provide an automobile for the use of the Commonwealth's attorney to assist him **or her** in his **or her** official duties, to be paid for out of the ~~county~~ **levy of the consolidated local government or county**. The necessary expenses incurred in running, keeping and repairing the automobile for official work shall be paid out of the ~~county~~ **levy of the consolidated local government or county** upon requisition for such expenses by the Commonwealth's attorney.

Section 65. KRS 69.210 is amended to read as follows:

- (1) The county attorney shall attend the fiscal court **or consolidated local government** and conduct all business ~~in that court~~ touching the rights or interests of the county **or consolidated local government**, and when so directed by the fiscal court **or consolidated local government**, he **or she** shall institute, defend and conduct all civil actions in which the county **or consolidated local government** is interested before any of the courts of the Commonwealth.
- (2) The county attorney shall attend to the prosecution in the juvenile session of the District Court of all proceedings held pursuant to petitions filed under KRS Chapter 610 and over which the juvenile session of the District Court has jurisdiction pursuant to KRS Chapter 610.
- (3) The county attorney shall give legal advice to the fiscal court **or consolidated local government** and the several county **or consolidated local government** officers in all matters concerning any county **or consolidated local government** business within their jurisdiction. He **or she** shall oppose all unjust or illegally presented claims.
- (4) A county attorney serving in a county, **consolidated local government**, or urban-county which is part of a judicial circuit described by KRS 69.010(2), in addition to the duties in subsections (1) and (2) of this section, shall have the following duties:
 - (a) He **or she** shall attend all civil cases and proceedings in his **or her** county in which the Commonwealth is interested; and
 - (b) He **or she** shall advise the collector of money due the Commonwealth in the county **or consolidated local government** in regard to motions against delinquent collecting officers for failing to return executions, and shall prosecute the motions. In no case shall the county attorney take a fee or act as counsel in any case in opposition to the interest of the county **or consolidated local government**.

Section 66. KRS 69.320 is amended to read as follows:

In counties containing a **consolidated local government or** city of the first class, the stenographer for the county attorney shall have the same power of administering an oath as a notary public.

Section 67. KRS 70.030 is amended to read as follows:

- (1) The sheriff may appoint his *or her* own deputies and may revoke the appointment at his *or her* pleasure except where that revocation is prohibited by the provisions of KRS 70.260 to 70.273. In a county containing a ***consolidated local government*** or city of the first class with a deputy sheriff merit board, the term of office of a deputy shall continue from sheriff to sheriff unless a deputy is removed according to the provisions of KRS 70.260 to 70.273. Before any deputy executes the duties of his *or her* office, he *or she* shall take the oath required to be taken by the sheriff.
- (2) The sheriff may appoint nonsworn clerical, technical, professional, and support personnel to assist him *or her* in the performance of the duties of his *or her* office. All nonsworn personnel shall serve at the pleasure of the sheriff.
- (3) No sheriff whose county has adopted a deputy sheriff merit board under KRS 70.260 shall appoint a deputy who is a member of the immediate family of the sheriff. The term "member of the immediate family" has the meaning given in KRS 70.260.
- (4) A sheriff's office may, upon the written request of the sheriff, participate in the Kentucky Law Enforcement Foundation Fund Program authorized by KRS 15.410 to 15.510 without the county establishing a deputy sheriff merit board. This subsection shall not prohibit the sheriff from requesting the ***consolidated local government or the*** fiscal court to establish a deputy sheriff merit board.

Section 68. KRS 70.260 is amended to read as follows:

- (1) The primary legislative body of each county may enact an ordinance creating a deputy sheriff merit board, which shall be charged with the duty of holding hearings, public and executive, in disciplinary matters concerning deputy sheriffs. For the purpose of KRS 70.260 to 70.273, the primary legislative body of each county that does not have an urban-county, ***consolidated local government***, or charter county government shall be the fiscal court.
- (2) The reasonable and necessary expenses of the board, including the funds necessary to retain an attorney to advise the board on legal matters, shall be paid out of the fees and commissions collected by the sheriff. If the fees and commissions are not sufficient to pay the expenses of the board and the other expenses authorized by statute to be paid from these fees and commissions, the sheriff may negotiate with the primary legislative body to determine a method of paying all or part of the expenses of the board.
- (3) The board shall consist of five (5) members, two (2) members appointed by the county judge/executive or the chief executive officer of an urban-county government ***or the chief executive officer of a consolidated local government pursuant to the provisions of Section 1 of this Act*** with approval by the primary legislative body, two (2) members appointed by the county sheriff, and one (1) member elected by the deputy sheriffs of the county. Each board appointee shall be at least thirty (30) years of age and a resident of the county. No person shall serve on the board who is a deputy sheriff or who holds any elected public office. No person shall be appointed to the board who is a member of the immediate family of the sheriff of the county served by the board. The members of the board shall not receive a salary but shall receive reimbursement for necessary expenses.
- (4) All appointments shall be for two (2) years, and any vacancies shall be filled by the sheriff or county judge/executive, or the chief executive officer of an urban-county government ***or consolidated local government*** responsible for the appointment of the departing board member.
- (5) The board shall elect a chairman from its membership and keep an accurate record of its proceedings.
- (6) The board shall meet when a disciplinary matter concerning a deputy sheriff is brought to its attention or at other times at the discretion of the board, upon notification of its members.
- (7) Three (3) members shall constitute a quorum in all matters which may come before the board.
- (8) For the purpose of this section, "member of the immediate family" means a person's father, mother, brother, sister, spouse, son, daughter, aunt, uncle, son-in-law, or daughter-in-law.
- (9) An ordinance, adopted under subsection (1) of this section by a county ***or consolidated local government***, may exclude deputy sheriffs who serve in policy-making or confidential positions from coverage by the merit system. If the ordinance makes this exclusion, a deputy sheriff who is covered by the merit system and who accepts an appointment in a policy-making or confidential position shall be deemed to have received a leave of absence from the merit system during the incumbency of that position. If he ceases to serve in a policy-making or confidential position but continues to serve as a deputy, he shall be restored to coverage at the same

classification and rank that he held prior to his policy-making position under the merit system. A deputy who is not covered by the merit system at the time he is appointed to a policy-making or confidential position shall be deemed not to be part of the merit system and shall not be included in the merit system when he ceases to serve in that position.

Section 69. KRS 70.262 is amended to read as follows:

- (1) In any county containing a ***consolidated local government or*** city of the first class that has adopted a merit system under KRS 70.260 to 70.273, deputies subject to the merit system may organize, form, join, or participate in organizations in order to engage in lawful concerted activities for the purpose of collective bargaining or other mutual aid and protection, and to bargain collectively through a representative of their own free choice. Deputies shall also have the right to refrain from any or all of these activities but shall be subject to the lawful provisions of any collective bargaining agreement entered into under this section. Strikes by deputies of any collective bargaining unit shall be prohibited at any time.
- (2) In any county containing a ***consolidated local government or*** city of the first class that has adopted a merit system under KRS 70.260 to 70.273, the sheriff shall contract with a representative of the deputies described in subsection (1) of this section employed by the sheriff where the representative has established representation of a majority of the deputies, with respect to wages, hours, and terms and conditions of employment, including execution of a written contract incorporating any agreement reached between the sheriff and the representative. The sheriff shall not be required to bargain over matters of inherent managerial policy.

Section 70. KRS 70.320 is amended to read as follows:

- (1) The appointment of deputy constables shall be authorized only in counties containing a first or second-class city ***or a consolidated local government.*** In ~~such~~ counties ***containing a city of the first or second class or a consolidated local government,*** each constable may appoint one (1) or more deputies with the consent of the county judge/executive ***or the mayor, in a consolidated local government, as the case may be.*** The constable and his ***or her*** surety are liable on his ***or her*** bond for all the acts and omissions of his ***or her*** deputies.
- (2) Deputy constables may be removed at any time for any cause deemed sufficient by the constable by order of the county judge/executive ***or the mayor in a consolidated local government, as the case may be,*** entered after filing of a written direction by the constable.
- (3) Each deputy constable in counties containing a ***consolidated local government or*** city of the first class shall be compensated for his ***or her*** services by salary fixed by the ***consolidated local government or*** fiscal court, and paid out of the ~~county~~ ***levy of the consolidated local government or county.***

Section 71. KRS 70.542 is amended to read as follows:

- (1) Except in counties containing a ***consolidated local government or*** city of the first class, or counties containing an urban-county government, the fiscal court of any county in which there is an established county police force pursuant to KRS 70.540, may provide for the establishment or abolishment of an auxiliary county police force to perform duties within the county upon such terms and conditions as the fiscal court deems necessary and proper. The fiscal court shall prescribe the number of members comprising such auxiliary county police force, and prescribe rules and regulations that shall govern the powers and duties of the members of such auxiliary county police force, unless otherwise provided in subsection (2) of this section.
- (2) A member of an auxiliary county police force shall:
 - (a) Be appointed by the county judge/executive and serve at his ***or her*** pleasure;
 - (b) Be answerable and under the direction of the county judge/executive, except when the county judge/executive delegates such authority to the chief officer of the county police force;
 - (c) Not receive any compensation or benefits for his ***or her*** time or service, except that the fiscal court may provide for the payment of any reasonable and necessary expenses incurred by a member of the auxiliary county police force in the conduct of his ***or her*** official duties; and
 - (d) Be appointed regardless of race, color, creed or position.
- (3) Before any person is appointed as a member of an auxiliary county police force, he ***or she*** shall give bond to the county judge/executive in an amount as prescribed by the fiscal court. The fiscal court may authorize the premium therefor to be paid out of the general funds of the county.

Section 72. KRS 71.110 is amended to read as follows:

The offices of sheriff and jailer in counties containing a **consolidated local government**, a city of the first class, or an urban-county government shall be consolidated, but the office of sheriff shall be retained; and the sheriff hereafter in such counties shall perform the duties of jailer.

Section 73. KRS 72.435 is amended to read as follows:

In the event it is necessary for the coroner to order a body to be transported or exhumed, payment ~~therefor~~ shall be made by the fiscal court, **consolidated local government**, or urban-county government, whichever is appropriate, upon certification by the coroner that the services were rendered.

Section 74. KRS 72.450 is amended to read as follows:

- (1) A coroner who has possession of a dead body or a part thereof shall make a bona fide attempt to notify the spouse, if any, or next of kin of the decedent's death. In the event the coroner is unable to locate the spouse, if any, or next of kin, he **or she** may cause the body to be buried at the expense of the fiscal court, **consolidated local government**, or urban-county government, whichever is appropriate.
- (2) In the event the body is buried at public expense, the coroner shall take possession of all money or other property found on or belonging to the decedent and shall deliver same to the fiscal court, **consolidated local government**, or urban-county government, whichever is appropriate. Any money or other property found on the body of the decedent or belonging to him **or her** shall be delivered by the coroner to the fiscal court, **consolidated local government**, or urban-county government, whichever is appropriate, to help defray burial expenses. Any excess funds shall escheat to such governmental agency one (1) year thereafter.
- (3) In lieu of having an unclaimed body buried at public expense, the coroner may deliver such body or part thereof to a state medical school in accordance with the provisions of KRS 311.300 to 311.350.

Section 75. KRS 72.455 is amended to read as follows:

The fiscal court, **consolidated local government**, or urban-county government, whichever is appropriate, shall pay the expense of conducting a search for a body where such search has been ordered by the coroner.

Section 76. KRS 75.031 is amended to read as follows:

- (1) (a) Upon creation of a fire protection district or a volunteer fire department district as provided in KRS 75.010, the affairs of the district shall be conducted by the board of trustees consisting of seven (7) members, four (4) to be elected by the members of the district as hereinafter set out and three (3) to be appointed by the county judge/executive **or mayor in a consolidated local government pursuant to the provisions of Section 1 of this Act**. Two (2) members of the board of trustees shall be elected by the members of the firefighters of the district and shall be members of the district. No more than one (1) of the two (2) firefighter trustees may be an employee of the fire protection district or volunteer fire department district. Two (2) members of the board of trustees shall be property owners who own real or personal property which is subject to the fire protection tax pursuant to KRS 75.040, who personally reside in the district, and who are not active firefighters and shall be elected by the property owners of the district. Property owners voting to select representatives to the board of trustees shall have attained the age of eighteen (18). The county judge/executive of the county in which the greater part of the district is located shall, with the approval of the fiscal court, appoint three (3) members of the board of trustees. In counties containing a city of the first class, trustees appointed by the county judge/executive to serve in volunteer fire prevention districts shall reside within the boundaries of that county. **In counties governed by a consolidated local government, trustees appointed by the mayor to serve in volunteer fire prevention districts shall reside within the boundaries of the consolidated local government.** At the first election held after the district is formed, one (1) firefighter shall be elected to serve on the board of trustees for a period of one (1) year and one (1) for a period of three (3) years, and one (1) nonfirefighter property owner shall be elected to serve on the board of trustees for a period of two (2) years and one (1) for a period of four (4) years. On the expiration of the respective terms, the successor to each shall have the same qualifications as his or her predecessor and shall be elected for a term of four (4) years. The original appointed members of the board of trustees shall be appointed for terms of one (1), two (2), and three (3) years respectively. On the expiration of the respective terms, the successors to each shall be appointed for a term of three (3) years. **Upon the establishment of a consolidated local government, incumbent members shall continue to serve until the expiration of their current term of office.** In the event of a vacancy in the term of an appointed or elected trustee, the

county judge/executive shall appoint with the approval of the fiscal court a trustee for the remainder of the term, *except in a county containing a consolidated local government. In a county containing a consolidated local government, the mayor pursuant to the provisions of Section 1 of this Act shall appoint a trustee for the remainder of the term.*

- (b) An appointed trustee may be removed from office as provided by KRS 65.007.
 - (c) No person shall be an elected trustee who, at the time of his *or her* election, is not a citizen of Kentucky and has not attained the age of twenty-one (21).
 - (d) Unless otherwise provided by law, an elected firefighter trustee may be removed from office *by the mayor of a consolidated local government, or in a county not containing a consolidated local government*, by the county judge/executive of the county in which the greater part of the district is located. *An elected firefighter trustee may be removed* after a hearing with notice as required by KRS Chapter 424, for inefficiency, neglect of duty, malfeasance or conflict of interest. The hearing shall be initiated and chaired by the county judge/executive *of a county or the mayor of a consolidated local government*, who shall prepare a written statement setting forth the reasons for removal. The trustee to be removed shall be notified of his *or her* proposed removal and the reasons for the proposed removal by registered mail sent to his *or her* last known address at least ten (10) days prior to the hearing. The person proposed to be removed may employ counsel to represent him *or her*. A record of the hearing shall be made by the county judge/executive *or mayor respectively*.
 - (e) The removal of an elected firefighter trustee of a fire protection district shall be subject to the approval of the fiscal court of the county in which the greater part of the district is located *in those counties not containing a consolidated local government or the legislative council in a county containing a consolidated local government*.
 - (f) An elected firefighter trustee removed pursuant to paragraphs (c) and (d) of this subsection may appeal, within ten (10) days of the rendering of the decision of the fiscal court *or legislative council, respectively*, to the Circuit Court of the county in which the greater part of the district is located. The scope of the appeal shall be limited to whether the county judge/executive, *mayor, legislative council, or the fiscal court respectively*, abused their discretion in removing the trustee.
- (2) The elective offices of members of the board of trustees shall be filled by an election to be held once each year on the fourth Saturday of June between the hours of 11:00 a.m. and 2:00 p.m. The polls shall be located at the principal fire house in the district. The date, time, and place of the election shall be advertised in accordance with KRS 424.120. This notice shall be advertised at least thirty (30) days prior to the election date and shall include the names and addresses of the candidates to be voted on for each position of trustee. In lieu of the published notice for the election of the firefighter trustees, written notice containing the information required to be advertised may be sent by first-class mail to each member of the firefighters of the fire protection district or volunteer fire department district, addressed to the firefighter at his *or her* residence, at least thirty (30) days prior to the election date. The nominations for candidates for trustees both representing the firefighters and the property owners residing in the district shall be made in accordance with the bylaws of the department. The terms of the three (3) trustees appointed by the county judge/executive *or mayor* shall start at the same time as the terms of the elected trustees. On or before the beginning of the second fiscal or calendar year, depending on which basis the fire protection or volunteer fire department district is being operated, after June 16, 1966, all departments organized prior to June 16, 1966, shall increase their boards of trustees from three (3) to seven (7) members and elect the elective members in the manner set forth herein.
- (3) The trustees shall elect from their number a chairman, a secretary and a treasurer, the latter of whom shall give bond in an amount as shall be determined by the county judge/executive of the county in which the greater part of the fire protection district is located *or the mayor in a consolidated local government*, conditioned upon the faithful discharge of the duties of his *or her* office, and the faithful accounting for all funds which may come into his or her possession as treasurer. The premiums on the bonds shall be paid out of the funds of the district.

Section 77. KRS 76.030 is amended to read as follows:

- (1) *Except in counties containing a consolidated local government*, the business, activities, and affairs of such district shall be managed, controlled and conducted by a board composed of seven (7) members, four (4) of whom shall be appointed by the mayor of such city subject to the approval of the city legislative body, and three (3) of whom shall be appointed by the county judge/executive of such county subject to the approval of

the fiscal court, and which seven (7) members thus appointed shall constitute the board of such district. Not more than four (4) members of a seven (7) member board nor more than five (5) members of an eight (8) member board shall be affiliated with the same political party. After March 19, 1977, members shall be so selected and appointed so that no more than one (1) member resides in any one (1) state senatorial district. In a county containing a city of the first class, the county judge/executive, with approval of the fiscal court, shall appoint one (1) additional member to the board of such district who may be a resident of any state senatorial district in the county.

- (2) Each such member shall be at least twenty-five (25) years of age; each appointed by the mayor shall be a resident of such city and wherein he shall have actually resided continuously for at least three (3) years next prior to appointment; each appointed by the county judge/executive shall be a resident of such county and wherein he shall have actually resided continuously for at least three (3) years next prior to appointment. No officer or employee of such city or county, whether holding a paid or unpaid position, shall be eligible for appointment as a member of such board.
- (3) The term of each of such members shall be four (4) years, ending on July first. A member is eligible to succeed himself and shall continue in office until his successor has been appointed and qualified. Vacancies in the membership shall be filled for the unexpired portion of the term by the mayor or the county judge/executive as the case may be, subject to the same approval.
- (4) Any member of the board appointed by the mayor may be removed by the mayor, for cause, after hearing by the mayor, and after at least ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the mayor shall be final and removal results in vacancy in such office. Any member of the board appointed by the county judge/executive may be removed by the county judge/executive, for cause, after hearing by the county judge/executive, and after at least ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the county judge/executive shall be final and removal results in vacancy in such office.
- (5) The members of the board shall be paid seventy-five dollars (\$75) for each meeting of the board attended by such member, and fifty dollars (\$50) for attendance at any meeting of a committee which has been authorized or duly appointed by the board. But in no instance shall any member of said board be paid for more than one (1) meeting per day, nor more than eighteen hundred dollars (\$1800) during any fiscal year of the board, nor for more than twenty-four (24) board meetings and twenty-eight (28) committee meetings held during any fiscal year of said board.
- (6) Notwithstanding subsection (3) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the members of the board shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor shall adjust the terms of the sitting members appointed by the mayor so that the terms of two (2) members expire in one (1) year, the term of one (1) member expires in two (2) years, and the term of one (1) member expires in three (3) years; the county judge/executive with the approval of the fiscal court shall adjust the terms of the sitting members appointed by the county judge/executive so that the term of one (1) member expires in one (1) year, the term of one (1) member expires in two (2) years and the term of one (1) member expires in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years.
- (7) ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the board for the time remaining on their current term of appointment.***

Section 78. KRS 76.060 is amended to read as follows:

- (1) The board shall, in July of each year, elect from its members a chairman and a vice chairman, who shall be of different political party affiliation. It shall employ a secretary-treasurer and a chief engineer, neither of whom is a member of the board. The secretary-treasurer and the chief engineer may be removed by the board for cause, after hearing by it and after at least ten (10) days' notice in writing has been given to the secretary-treasurer or chief engineer, as the case may be, which notice shall embrace the charges preferred against him ***or her***. At the hearing he ***or she*** may be represented by counsel. The finding of the board is final. The secretary-treasurer and

the chief engineer shall each devote his *or her* entire time and attention exclusively to the services of the board. The board may employ, and remove at pleasure, professional and technical advisers, experts, and other employees, skilled or unskilled, as it deems requisite for the performance of its duties.

- (2) The board shall require the secretary-treasurer and the chief engineer each to execute a bond and may exact from such of its other officers and employees bonds as it deems expedient. All bonds shall be payable to the district in the sums as the board may fix, with approved corporate surety, and premiums therefor shall be paid by the district. The bonds shall obligate the makers thereof to faithfully perform the duties of their respective offices and positions and to fully account for and pay over all money, property, or other thing of value of the district, which may come to their hands, respectively. The board shall fix the salaries and compensation of the officers and employees it engages, which salaries and compensation, however, shall be in line with that paid by the city and county for similar services.
- (3) Notwithstanding other provisions of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the executive director, secretary-treasurer and chief engineer shall be appointed by and serve at the joint pleasure of the mayor, and the county judge/executive with the approval of the fiscal court pursuant to KRS 67.040. ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the executive director, secretary-treasurer, and chief engineer shall be appointed by and serve at the pleasure of the mayor.***

Section 79. KRS 77.065 is amended to read as follows:

- (1) The members of the fiscal court of a county shall be, and they are hereby designated as, and empowered to act as, ex officio the air pollution control board of the air pollution control district in such county.
- (2) All county officers, their assistants, clerks, deputies and employees, and all other county employees shall be ex officio officers, assistants, deputies, clerks and employees respectively of the air pollution control district in the county in which they are employed. Except as otherwise provided in this chapter, they shall perform respectively the same various duties for the air pollution control district as for the county without additional compensation, in order to carry out the provisions of this chapter.
- (3) The provisions of ***subsections (1) and (2) of this section shall not be applicable to any county containing a city of the first or second class or a consolidated local government.***
- (4) Notwithstanding any provision of this chapter to the contrary, whenever a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the county shall provide all staff support, including a secretary-treasurer and an air pollution control officer, to the air pollution control board through county officers, assistants, clerks, deputies and employees. In such case, the staff of the air pollution control board, including the secretary-treasurer and the air pollution control officer, shall be deemed county employees and shall be subject to the control of fiscal court. At the time the compact takes effect, the employees of the air pollution control district shall be transferred to the service of the county government; provided that all such employees who are in the classified service at such time shall be continued in the classified service administered by county government. ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the employees of an air pollution control district shall be deemed to be employees of the consolidated local government and the provisions of this subsection shall be applied to the consolidated local government.***

Section 80. KRS 77.070 is amended to read as follows:

- (1) In a county containing a city of the first or second class, the air pollution control board of the air pollution control district shall consist of seven (7) members, three (3) of whom shall be appointed by the county judge/executive, subject to the approval of the fiscal court, and four (4) of whom shall be appointed by the mayor of the city of the first or second class within such county. The mayoral appointments shall be subject to the approval of the legislative body of the city.
- (2) The mayor shall appoint, subject to the approval of the legislative body of the city, one (1) member for a term of one (1) year, one (1) member for a term of two (2) years, one (1) member for a term of three (3) years, and one (1) member for a term of four (4) years, and the county judge/executive, subject to the approval of the fiscal court, shall appoint one (1) member for a term of two (2) years, one (1) member for a term of three (3) years, and one (1) member for a term of four (4) years, and upon the expiration of each of said terms

respectively, and thereafter, the term of each of such members shall be four (4) years, and until their successors are appointed and qualified.

- (3) All air pollution control board members appointed pursuant to this section must be freeholders within the district; those appointed by the county judge/executive must be residents of such county, and those appointed by ~~a~~~~the~~ mayor must be residents of *their respective*~~[such]~~ city *or consolidated local government*.
- (4) Not more than four (4) of the seven (7) board members appointed pursuant to this section shall be of the same political party affiliation, nor shall an officer or employee of such city, *consolidated local government*, or county, whether holding a paid or unpaid position, be eligible for appointment to the board.
- (5) A member of the air pollution control board is eligible to succeed himself *or herself*. A vacancy in the membership shall be filled by an appointee of the mayor or of the county judge/executive as the case may be, for the unexpired portion of the term. An appointee to a vacancy shall have the same qualifications as any regularly appointed member.
- (6) Any member of the board appointed by a mayor may be removed, for cause, after a hearing, by the legislative body of such city *or consolidated local government*, and after ten (10) days notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the legislative body shall be final and removal results in vacancy in such office.
- (7) Any member of the board appointed by a county judge/executive may be removed, for cause, after a hearing, by the fiscal court of such county, and after ten (10) days notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the fiscal court shall be final and removal results in vacancy in such office.
- (8) As used in this section "mayor" means the chief executive of the city *or consolidated local government* whether the official designation of his office is mayor, city manager, or otherwise.
- (9) Notwithstanding subsections (1) and (2) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the air pollution control board shall consist of seven (7) members, four (4) of whom shall be appointed by the county judge/executive with the approval of the fiscal court and three (3) of whom shall be appointed by the mayor, with the approval of the legislative body, of the first-class city within such county. The terms of such members shall be three (3) years, and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the term of one (1) of each of their appointments expires in one (1) year, the term of one (1) of each of their appointments expires in two (2) years and the term of one (1) of each of their appointments expires in three (3) years. The term of the then remaining member who was previously appointed by the mayor shall terminate immediately and the county judge/executive with approval of the fiscal court shall appoint a member for a one (1) year term. Upon the expiration of these staggered terms, successors shall be appointed for a term of three (3) years. *Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the board for the time remaining of their current term of appointment.*

Section 81. KRS 77.115 is amended to read as follows:

- (1) The air pollution control board is hereby declared to be the governing body of an air pollution control district, and shall manage and control all the affairs and property of such district, and shall exercise all the powers of such district not otherwise delegated by this chapter. In a county where a city-county compact under KRS 79.310 to 79.330 is in effect *or in a county where a consolidated local government has been established*, the air pollution control board shall assume all of the duties and responsibilities of the hearing board appointed under KRS 77.105, and the hearing board shall be abolished.
- (2) Notwithstanding any provision of this chapter to the contrary, in a county where a city-county compact under KRS 79.310 to 79.330 is in effect *or in a county where a consolidated local government has been established*, the air pollution control board shall have regulatory authority for the district, and the city, *consolidated local government*, or county, as appropriate, shall exercise funding and administrative control of the district.

- (3) If an air pollution control board finds the need for and requires the implementation of a vehicle exhaust testing program, the program shall prohibit emissions of, regulate, or control only mobile sources of air pollutants regulated under the state program established in accordance with KRS 224.20-710 to 224.20-765.
- (4) In a county where the air pollution control board makes a finding of a need for and requires the implementation of a vehicle exhaust testing program, the board shall exempt from the program vehicles registered to military personnel on active duty whose duty station is outside of the county.

Section 82. KRS 77.127 is amended to read as follows:

- (1) In a county containing a ***consolidated local government or a*** city of the first or second class, there is established within the air pollution control district a special trust fund to be known as the "air quality trust fund" to be used for conducting and funding air quality research and development projects, special nonrecurring air quality projects, and air quality education programs approved by the air pollution control board to assist in implementing the policies and purposes of this chapter.
- (2) All money collected for the fund shall be deposited by the district into an interest-bearing capital project account maintained by the fiscal court ***or consolidated local government*** of the county in which the district is located. Money shall be distributed from the account by the finance director of the county ***or consolidated local government*** based upon written authorization from the air pollution control board. Money unexpended at the close of a fiscal year shall not lapse but shall be carried forward for future use.
- (3) The fund shall not be used to support or finance the routine day-to-day activities and responsibilities of the district.
- (4) The air pollution control board shall, by regulation, set policies and establish procedures for the receipt and disbursement of any money collected under this section and for the full disclosure of the source and use of the money.
- (5) The air pollution control board shall control and manage the fund. It shall publish in writing at its June meeting each year an accounting of the income and disbursements of the fund.
- (6) Four (4) members of the air pollution control board shall constitute a quorum for conducting business relating to the air quality trust fund. When votes are taken on matters relating to the fund, each member shall have one (1) vote, and the affirmative vote of at least a majority of the votes cast shall be necessary for the adoption of any motion, measure, or resolution.
- (7) Members of the air pollution control board shall not solicit, but may accept, money by grant, gift, donation, bequest, civil or criminal penalty, or other conveyance to be credited to the air quality trust fund, but they may not accept penalties collected under KRS 77.990 for the air quality trust fund.

Section 83. KRS 77.135 is amended to read as follows:

- (1) It shall be the duty of the secretary-treasurer of an air pollution control board of a ***consolidated local government and a*** county containing a city of the first or second class, during or before the month of May of each year to prepare and certify to the ***consolidated local government or*** fiscal court of the county and to the legislative body of the city, for their joint consideration, a preliminary budget showing the total funds which, in the judgment of the air pollution control board, will be needed for the various departments of the district, together with a statement showing the estimated balances, if any, which will be available on July 1 for expenditure during the next fiscal year following the certification of said statement, and also indicating, as nearly as may be possible, what additional funds or assets (other than appropriations) will be or will become available for expenditure during ~~that said~~ year. The board shall also furnish to ***the consolidated local government or the*** ~~said~~ fiscal court and ***the city*** ~~said~~ legislative body any other information or data available to it which ***the consolidated local government, the*** ~~said~~ fiscal court, or ***the city*** ~~said~~ legislative body may request.
- (2) Prior to the first day of each fiscal year, every air pollution control board shall prepare, for its own use and guidance, a financial budget setting forth the total amounts of funds available from all sources for expenditures during the said fiscal year, and also setting forth in detail the estimated expenditures of the board and the district during said fiscal year.
- (3) A contingent fund for unanticipated expenditures may be established in order to provide for such contingent and unanticipated needs as may arise during the district's said fiscal year.

Section 84. KRS 77.140 is amended to read as follows:

The air pollution control board of a **consolidated local government or a** county containing a city of the first or second class shall install and maintain a modern and efficient system of accounting and keep financial records. The board, however, may select and use the finance department of **the consolidated local government or**~~such~~ city to do its financial accounting and make its disbursements in ~~a~~~~such~~ manner as may be agreed upon by and between the board and the director of finance of **the consolidated local government or**~~said~~ city, which work shall be done by ~~the~~~~said~~ finance department without compensation from the board. The Auditor of Public Accounts of the Commonwealth of Kentucky, the comptroller and inspector of **the consolidated local government or the**~~such~~ city, and the county auditor of such county, respectively, shall have access to the books and records of the board, and upon the direction of the legislative body of **the consolidated local government or the**~~such~~ city ~~the~~~~said~~ comptroller and inspector, or upon the direction of the fiscal court of ~~the~~~~such~~ county, the county auditor, shall make an audit of the board's accounts and report back thereon.

Section 85. KRS 77.275 is amended to read as follows:

If any local ordinance has provided regulations similar to those in KRS 77.150 to 77.175 or to any order, regulation, or rule prescribed by the air pollution control board, and has provided for the granting of variances, and pursuant to ~~the~~~~such~~ local ordinance a variance has been granted prior to the adoption of a resolution by the fiscal court and the passage of an ordinance by the legislative body of a city of the first or second class, pursuant to KRS 77.010 to 77.060, **or the passage of an ordinance by the consolidated local government, the**~~such~~ variance shall be continued as a variance of the hearing board for the time specified therein or one (1) year, whichever is shorter, or until and unless prior to the expiration of such time the hearing board modifies or revokes such variance as provided in KRS 77.245 to 77.275.

Section 86. KRS 80.450 is amended to read as follows:

- (1) The members shall constitute the housing authority. A majority of the members shall constitute a quorum for the purpose of conducting business and exercising powers and for all other purposes. Action may be taken by the authority upon a vote of a majority of the members present, unless in any case the bylaws of the authority require a larger number. An authority shall select from among its members a chairman and a vice chairman, and it may employ a secretary (who shall be executive director), technical experts and such other officers, agents and other employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. For such legal services as it may require, an authority may call upon the chief law officer of the city or a county for which it is created, or may employ its own counsel and legal staff. An authority may delegate to one (1) or more of its agents or employees such powers or duties as it deems proper.
- (2) Notwithstanding subsection (1) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the secretary, who shall be the executive director, shall be appointed by and serve at the pleasure of the county judge/executive with the approval of the fiscal court pursuant to KRS 67.040. **Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the secretary, who shall be the executive director, shall be appointed by and shall serve at the pleasure of the mayor.**

Section 87. KRS 80.480 is amended to read as follows:

- (1) For inefficiency or neglect of duty or misconduct in office, a member may be removed by the authority appointing him, but a member shall be removed only after he **or she** has been given a copy of the charges against him **or her** at least ten (10) days prior to the hearing~~thereon~~ and has had an opportunity to be heard in person or by counsel. In the event of the removal of any member, a record of the proceedings, together with the charges and findings~~thereon~~, shall be filed as required for the certificate of appointment of ~~the~~~~such~~ member.
- (2) Notwithstanding subsection (1) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the members of the authority shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the county judge/executive with the approval of the fiscal court shall adjust the terms of the sitting members so that two (2) shall expire in one (1) year, two (2) shall expire in two (2) years and one (1) shall expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years. **Upon the establishment of a consolidated local government in a county where a city of the first class and a**

county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the authority shall be appointed by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the authority for the time remaining of their current term of appointment.

Section 88. KRS 81.028 is amended to read as follows:

- (1) Any city located in a county containing a **consolidated local government or a** city of the first class which is reclassified as a city of the second class after March 16, 2000, shall be exempt from the provisions of KRS 90.300 to 90.400, KRS 95.430 to 95.500, and KRS 95.851 to 95.991 relating to the organization and structure of civil service systems, police departments, fire departments, and pension systems in cities of the second class.
- (2) In lieu of the requirements of these statutes, any city reclassified as a city of the second class shall ensure that police and fire protection services are provided for the citizens of the city in the same manner and at least at the same level of service as was being provided prior to the reclassification.
- (3) Nothing in this section shall prevent a city from restructuring or creating a new civil service system, police department, or fire department after a reclassification to a city of the second class. Any city that restructures or creates a new civil service system, police department, or fire department may adopt any of the provisions of KRS 90.300 to 90.400, KRS 95.430 to 95.500, and KRS 95.851 to 95.991 relating to the organization and structure of civil service systems, police departments, fire departments, and pension systems in cities of the second class.
- (4) If fire protection service is being provided by a fire protection district in any city that is reclassified as a city of the second class, the reclassification shall in no way affect the operations of the fire protection district and the services it provides. If at any time after a city is reclassified as a city of the second class, the fire protection district ceases to exist or fails to adequately provide for the fire protection needs of the city, the city shall have the right to create its own fire department or secure some other means for the provision of adequate fire protection services.

Section 89. KRS 81.380 is amended to read as follows:

- (1) Any city, located in a county containing a city of the first class **or a consolidated local government**, which is located within an area which is adversely affected by a public project that ~~was [has been]~~ initiated by a city of the first class, or by action of a joint agency of a city of the first class and ~~its [the]~~ county, after June 30, 1998, or upon the expiration of the initial twelve (12) year term provided in KRS 79.310(2) of a cooperative compact which is in effect in the county pursuant to KRS 79.310 to 79.330, may by ordinance relocate the corporate boundaries of the city to an unincorporated area of the county. The ordinance shall set out by metes and bounds that unincorporated area of the county where the city will be relocated. The area designated for relocation shall not exceed the acreage within the then existing boundaries of the relocating city.
- (2) All financial assets and legal obligations of the city shall not be altered or interrupted by a relocation.
- (3) A city of the first class **or a consolidated local government** shall relinquish all priority rights or any rights pursuant to the terms of a cooperative compact for annexation to that unincorporated area which is designated for the relocation of a city as provided for in subsection (1) of this section. Any priority rights or any rights pursuant to the terms of a cooperative compact for annexation which are relinquished for the relocation of a city shall then be attached in the name of the city of the first class **or the consolidated local government** to that area which has been abandoned by the relocating city pursuant to subsection (5) of this section. The relocating city shall forward a copy of the ordinance adopted pursuant to subsection (1) of this section to the mayor of the **consolidated local government or the mayor of the** city of the first class and the county judge/executive of the county.
- (4) The right of a city to relocate is in no way meant to amend any provision of the statutes which govern the formation and operation of a cooperative compact created pursuant to KRS 79.310 to 79.330.
- (5) Upon the relocation of a city, the city clerk shall forward to the Secretary of State within one (1) year from the date of the relocation, a document listing the name of the city, the date of the relocation, the present classification of the city, and a certified copy of the ordinance adopted pursuant to subsection (1) of this section. If a city fails to comply with this subsection, it shall be barred from receiving state moneys until the city complies.

- (6) Until ninety percent (90%) of the residential properties located within the relocating city's boundaries are acquired for the public project, the boundaries of the city shall include both the old city site and the area designated for the location of the new site of the city.
- (7) After ninety percent (90%) of the residential properties have been acquired as set forth in subsection (6) of this section, the boundaries of the city shall no longer include the area where the city existed before relocation.
- (8) A city that has been relocated according to the provisions of this section may change the name of the city by the adoption of an ordinance by the city legislative body. Any person objecting to renaming the relocated city under this section may present a petition objecting to the renaming of the city by submitting the petition to the county clerk of the county in which the city is located. The petition shall be in the following form: "The registered voters living within (provide the name of the existing relocated city) hereby object to the question of the renaming of the city." If the petition is signed and dated by at least twenty-five percent (25%) of the registered voters residing in the relocated city, an election shall be held on the question of renaming the city. The county clerk shall examine the petition and verify the validity of the signatures. If a petition containing at least twenty-five percent (25%) of the registered voters residing in the relocated city is submitted to the county clerk, and certified by the county clerk as sufficient, by the second Tuesday in August, the question of renaming the relocated city shall be placed on the ballot for the next general election. The ballot shall contain at least two (2) but no more than four (4) names as potential new names for the relocated city.
- (9) Upon the act of renaming a city, the city clerk shall forward to the Secretary of State, within one (1) year from the date of the renaming, a document listing the new name of the city, the date of the renaming, the present classification of the city, and a certified copy of the ordinance adopted in accordance with KRS 83A.060. If a city fails to comply with the provisions of this subsection, it shall be barred from receiving state moneys until the city complies.

Section 90. KRS 81.050 is amended to read as follows:

- (1) ***Except as provided in KRS 67C.111(2)***, proceedings to incorporate a city shall be commenced by a petition being filed with the circuit clerk of the county in which the area to be incorporated is located. The petition shall contain:
 - (a) The signatures and addresses of:
 1. A number of registered voters equal to two-thirds (2/3) of the voters of the proposed territory, or
 2. A number of real property owners, the sum total of whose assessed value of real property is equal to at least two-thirds (2/3) of the assessed value of the real property in the proposed territory;
 - (b) A statement of the boundaries proposed and the number of residents;
 - (c) An accurate map of the proposed territory;
 - (d) A detailed statement of the reasons for incorporation including the services sought from the proposed city;
 - (e) A description of the existing facilities and services within the proposed territory; and
 - (f) A statement of the form of government under which the city will operate if incorporated.
- (2) The petition shall be docketed for hearing not less than twenty (20) days from the date of filing the petition. Notice of the filing of the petition and of its object shall be given by publication pursuant to KRS Chapter 424.

Section 91. KRS 81A.410 is amended to read as follows:

- (1) ***Except as provided in KRS 67C.111(3)***, a city legislative body may extend the city's boundaries to include any area:
 - (a) Which is adjacent or contiguous to the city's boundaries at the time the annexation proceeding is begun; and
 - (b) Which by reason of population density, commercial, industrial, institutional or governmental use of land, or subdivision of land, is urban in character or suitable for development for urban purposes without unreasonable delay.
- (2) No part of the area to be annexed shall be included within the boundary of another incorporated city.

- (3) If a city is considering the annexation of two (2) or more areas which are all adjacent to the city boundary but are not adjacent to one another, it may undertake simultaneous proceedings under the authority of KRS 81A.420 for the annexation of such areas.

Section 92. KRS 82.025 is amended to read as follows:

- (1) There shall be created a Kentucky Urban Affairs Council that shall consist of the mayors of all **consolidated local governments**, cities of the first and second classes, and urban-county governments, and the designated chief executives of charter county governments that prior to the merger of city and county governments contained a city of the second class. The **council members annually shall select from among themselves a chairman**~~{mayor of Louisville shall serve as the first chairman and subsequent chairmen shall be elected annually by the council members}~~. The council shall study all matters pertaining to urban problems, including but not limited to human resources, environmental conditions, property values, law and order, and race relations. The council shall meet at least four (4) times per year to formulate a plan to improve urban conditions for presentation to the Governor annually and the General Assembly.
- (2) The council shall be attached to the Department for Local Government for administrative purposes. The department shall be the administrative agent for the council providing staff and other services, as needed, by the council. The department shall provide adequate funding for staff services and the reasonable and necessary expenses of the council and its members for the effective performance of the council's work.

Section 93. KRS 82.085 is amended to read as follows:

- (1) The legislative body of each **consolidated local government, and of any** city of the first, second, third, fourth, fifth, and sixth class, may provide by ordinance, for reasonable differences in the rate of ad valorem taxation within different areas of the same taxing district on that class of property which includes the surface of the land. Those differences shall relate directly to differences between nonrevenue-producing governmental services and benefits giving the land urban character which are available in one or several areas of a taxing district in contrast to other areas of the same taxing district in which those services and benefits are not available.
- (2) These nonrevenue-producing governmental services and benefits shall include, but not be limited to, police protection, fire protection, streets, street lighting, sidewalks, water service, and sewer facilities.
- (3) This section shall be effective notwithstanding any other statute relating to the uniformity of ad valorem tax assessment.

Section 94. KRS 82.095 is amended to read as follows:

- (1) Any city of the fourth class located in a county containing a city of the first class **or consolidated local government**, or any city of the third class, located in a county containing a city of the first class **or consolidated local government**, which provides police, fire or garbage collection services for the residents of the city may levy a supplemental tax which shall be in addition to ad valorem property taxes.
- (2) Such supplemental tax shall be in an amount not to exceed the reasonable cost of police, fire and garbage collection services actually provided by the city. The rate of such tax shall be established by an ordinance which shall have readings at no less than two (2) different meetings of the city legislative body before passage.
- (3) The rate of such supplemental tax may be apportioned in a reasonable manner, other than an ad valorem approach, so that the recipient of police, fire or garbage collection services pays an amount based on the cost of services actually received.
- (4) Any ordinance levying a supplemental tax pursuant to subsection (2) of this section may be recalled as provided in subsections (2) and (3) of KRS 160.485, provided that the petition for recall shall be effective upon the signature of a number of registered and qualified voters as described therein equal to five percent (5%) instead of the percentage provided therein.

Section 95. KRS 82.400 is amended to read as follows:

- (1) If any person desires to offer for dedication by recorded plat any public way or easement within the ~~jurisdictional~~~~city~~ limits **of the city or a consolidated local government**, he **or she** shall file with the ~~city~~ legislative body **of the city or a consolidated local government**, a map or plat of the territory bounded, intersected, or immediately adjacent to the proposed public way or easement, showing the proposed name,

nature, and dimensions of the public way or easement offered for dedication. If the ~~city~~ legislative body **of the city or a consolidated local government** decides the proposed dedication would be beneficial to the public interest and suitable for the immediate or future acceptance of the city **or consolidated local government**, it shall approve the map or plat, and the mayor shall subscribe a certificate of approval on the map and acknowledge the execution thereof before any public officer authorized to take acknowledgments of deeds. The map or plat may then be recorded in the office of the county clerk.

- (2) Except as provided for by ordinance in a **consolidated local government, in a** city of the first class or in a county containing a city of the first class, subdivision regulations which have been adopted as provided in KRS Chapter 100, and where streets or public ways as dedicated on the final subdivision plat have been constructed, inspected, and approved in accordance with the subdivision regulations, then the procedure for filing the map or plat with the ~~city~~ legislative body **of the consolidated local government, city, or county, as the case may be**, as required in subsection (1) of this section shall be waived, and the dedicated street or public way shall automatically be deemed beneficial to the public interest and shall be, by operation of law, automatically accepted for maintenance by the **consolidated local government, city, or county, respectively**, forty-five (45) days after inspection and final approval, and shall be a public way for all purposes, KRS Chapter 83A, regarding a city's, **county's, or consolidated local government's** adoption of ordinances notwithstanding.
- (3) When any property has been opened to the unrestricted use of the general public for five (5) consecutive years, it shall be conclusively presumed to have been dedicated to the city **or consolidated local government** as a public way or easement, subject to acceptance by the city **or consolidated local government**. The city **or consolidated local government** may, at any time after the expiration of five (5) years from the time the property is opened to the public, pass an ordinance declaring it so dedicated, and accepting the dedication, whereupon it shall be a public way or easement of the city **or consolidated local government** for all purposes. The lack of an actual dedication to the city **or consolidated local government**, or of a record title on the part of the city **or consolidated local government**, shall be no defense against the collection of any tax that may be levied against property abutting thereon for the payment of the cost of any improvement constructed thereon by order of the city **or consolidated local government**. Nothing herein shall be construed to require the expiration of five (5) years to raise a presumption of dedication in any case where, under any rule of law in force in this state, a dedication would be presumed in less than five (5) years. Provided, however, that property of a railroad company shall not be presumed to be dedicated as a public way or easement under this section or any other rule of law in force in this state unless the company consents to said dedication in writing.
- (4) Any person who shall lodge for record in the county clerk's office, and any county clerk or deputy who shall receive for record or permit to be lodged for record, any plat, map, deed, or other instrument contrary to the provisions of this section, shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100) for each offense.

Section 96. KRS 82.650 is amended to read as follows:

As used in KRS 82.660 and 82.670, unless the context otherwise requires:

- (1) "Major structural change" means structural alterations and structural repairs made within any twelve (12) month period costing in excess of fifty percent (50%) of the physical value of the structure, as determined by comparison of the extent/value of the alterations involved and the replacement value of the structure at the time the plans for the alteration are approved, using the Building Officials Conference of America (BOCA) chart for construction cost; and
- (2) "Ordinary repairs" means nonstructural reconstruction or renewal of any part of an existing building for the purpose of its maintenance or decoration, and shall include, but not be limited to, the replacement or installation of nonstructural components of the building, such as roofing, siding, windows, storm windows, insulation, drywall or lath and plaster, or any other replacement that does not alter the structural integrity, alter the occupancy or use of the building, or affect by rearrangement, exitways and means of egress.
- (3) "**City**" means a city of any class or a consolidated local government but does not mean an urban-county government.

Section 97. KRS 82.700 is amended to read as follows:

As used in KRS 82.700 to 82.725:

- (1) "Local government" means **a consolidated local government, or** a city of the first or second class;

- (2) "Hearing board" means a body established by ordinance and empowered to conduct hearings pursuant to KRS 82.710 and composed of one (1) or more persons appointed by the mayor of the local government. "Hearing board" also means any hearing officers appointed by the board. Any action of a hearing officer shall be deemed to be the action of the board; and
- (3) "Nuisance code" means an ordinance or ordinances enacted by a local government pursuant to KRS 381.770 and KRS 82.705.

Section 98. KRS 91.375 is amended to read as follows:

All omitted property that should have been assessed for ad valorem taxes by cities of the first class ***or consolidated local governments*** is subject to a penalty of ten percent (10%) of the amount of the taxes, and interest at one percent (1%) per month from the date when the taxes would have been delinquent had the property been listed as required by law.

Section 99. KRS 91.560 is amended to read as follows:

- (1) The fee simple of all lands, in a city of the first class ***or in a consolidated local government***, and the full term and renewal of every leasehold carrying with it the value of the improvements thereon, shall be subject, from and after the assessment date each year, to a lien for the city taxes to be assessed thereon for the succeeding year. The lien shall be superior to homestead right and to all encumbrances, whether made before or after that date, except state taxes, and shall take precedence of dower, curtesy, remainders, reversions and other future estates.
- (2) From the beginning of any action to collect taxes against real property, a lien for each tax bill assessed against the same owner or set of joint owners shall also arise upon every tract of land or improvement still owned by him or them, with a view to the sale of less than all the tracts for the entire tax bill, subject to such marshaling of burdens as against third parties as the rules of equity require. The court may allow a purchaser or encumbrancer to release any tract from the tax lien thereon, by paying its share of the tax, interest and costs.
- (3) The tax lien on real property provided for by this section shall attach though, through error in the proceedings, the tax bill is unenforceable, in which case the lien reaching back to the date named shall support the claim of the city ***or consolidated local government*** for any taxes imposed afterward for the year in question under any curative act of the General Assembly.
- (4) The city ***or a consolidated local government*** shall have a lien on personal property as provided in the case of real property for its taxes.

Section 100. KRS 91.610 is amended to read as follows:

The city ***or a consolidated local government*** shall deduct, from the amount of its obligation to any person, the amount of the taxes, interest and penalties that such person owes or is liable for to the city ***or consolidated local government***, and shall surrender to that person the canceled tax bills therefor, which shall be a discharge of the obligation of the city ***or consolidated local government*** to that person to the amount so deducted.

Section 101. KRS 91.620 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section, the shares of stock of every incorporated bank, trust company, and guaranty or security company located in a city of the first class ***or consolidated local government*** shall be assessed for ~~city~~ taxes by the city ***or consolidated local government*** assessor, to the extent and in the proportion its business is done in the city ***or consolidated local government***.
- (2) No assessment for city ***or consolidated local government*** taxes shall be made upon the shares of stock of any incorporated bank, trust company, or guaranty or security company that pays an ad valorem tax on its real estate and a license tax in lieu of an ad valorem tax on its personal estate.

Section 102. KRS 91A.350 is amended to read as follows:

- (1) The local governing bodies of counties containing cities of the first class and the local governing bodies of the cities of the first class located therein may, by joint or separate action, establish tourist and convention commissions for the purpose of promoting convention and tourist activity. ***The local governing body of a consolidated local government may establish or maintain tourist and convention commissions for the purpose of promoting convention and tourist activity.***

- (2) ***Except in a county containing a consolidated local government***, the local governing bodies of counties containing cities of the second through sixth classes and the local governing bodies of the cities of the second through sixth classes located therein may, by joint or separate action, establish tourist and convention commissions for the purpose of promoting and developing convention and tourist activities and facilities.
- (3) The local governing bodies of two (2) or more counties may jointly establish tourist and convention commissions for the purpose of promoting convention and tourist activities and facilities.
- (4) ***The local governing bodies of two (2) or more counties, which may include a consolidated local government, may jointly establish tourist and convention commissions for the purpose of promoting convention and tourist activities and facilities.***
- (5)~~((4))~~ Tourist and convention commissions may continue to fund recreational activities or projects not related to tourism or conventions that were funded by the commission prior to July 13, 1990, at a level no greater than that provided by the commission in the 1990 fiscal year.
- (6)~~((5))~~ For the purpose of promoting recreational, convention, and tourist activity in cities and counties served by joint playground and recreation boards established under KRS 97.035; to provide the boards with the same authority to issue revenue bonds granted to cities by KRS 58.010 to 58.150 and KRS 103.200 to 103.285; and to authorize the boards to build and issue bonds for facilities located on leasehold and permithold land.

Section 103. KRS 91A.370 is amended to read as follows:

- (1) ***Except in a county containing a consolidated local government***, the commission established pursuant to subsection (1) of KRS 91A.350 shall be composed of nine (9) members to be appointed by the mayor of the largest city in the county, the county judge/executive and the Governor of the Commonwealth.
- (2) ***Except in a county containing a consolidated local government***, the mayor of the largest city in the county shall appoint three (3) commissioners in the following manner:
 - (a) One (1) commissioner from a list submitted by the local city hotel and motel association.
 - (b) One (1) commissioner from a list submitted by the chamber of commerce of the largest city in the county.
 - (c) One (1) commissioner from a list submitted by the local restaurant association or associations.
- (3) ***Except in a county containing a consolidated local government***, the county judge/executive shall, with the approval of the fiscal court, appoint three (3) commissioners in the following manner:
 - (a) One (1) commissioner from a list submitted by the local county hotel and motel association, provided that if only one (1) local hotel and motel association exists which covers both the city and county, then the local hotel and motel association shall submit a list to the county judge/executive.
 - (b) One (1) commissioner from a list submitted by the board of directors of ***the largest incorporated thoroughbred horse racing concern in the county***~~[Churchill Downs, Inc.]~~, which list shall contain only directors, officers or employees of ***that corporation***~~[Churchill Downs, Inc.]~~.
 - (c) One (1) commissioner who is a resident of the county and who has an active interest in the convention and tourist industry.
- (4) ***Except in a county containing a consolidated local government***, the Governor shall appoint three (3) commissioners in the following manner:
 - (a) One (1) commissioner from a list submitted by the State Fair Board.
 - (b) One (1) commissioner from a list submitted by the ***local countywide air board***~~[Louisville and Jefferson County Air Board]~~.
 - (c) One (1) commissioner shall be appointed, ***in those counties not containing a consolidated local government***, who is a resident of the county. ***In those counties containing a consolidated local government, one (1) commissioner shall be appointed who is a resident of the area comprising the consolidated local government.***
- (5) Vacancies shall be filled in the manner that original appointments are made.

- (6) When a list as provided in parts (2) and (3) of this section contains less than three (3) names or when a selection from such list is not made, the appointing authority shall request in writing the submission of a new list of names.
- (7) ***Except in a county containing a consolidated local government***, the commissioners shall be appointed for a term of three (3) years, provided that in making the initial appointments, the mayor, county judge/executive and Governor of the Commonwealth shall each appoint one (1) commissioner for a term of one (1) year, one (1) commissioner for a term of two (2) years, and one (1) commissioner for a term of three (3) years.
- (8) ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the commission shall have nine (9) members. Six (6) members of the commission shall be appointed by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act for a term of three (3) years. The Governor of the Commonwealth shall appoint three (3) members of the commission for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the board for the time remaining of their current term of appointment.***
- (9) The commission shall elect from its membership a chairman and a treasurer, and may employ such personnel and make such contracts as are necessary to effectively carry out the purposes of KRS 91A.350 to 91A.390. Such contracts may include but shall not be limited to the procurement of promotional services, advertising services and other services and materials relating to the promotion of tourist and convention business; provided, contracts of the type enumerated shall be made only with persons, organizations, and firms with experience and qualifications for providing promotional services and materials such as advertising firms, chambers of commerce, publishers and printers.
- ~~(10)(9)~~ The books of the commission shall be audited by an independent auditor who shall make a report to the commission, to the organizations submitting names from which commission members are selected, and to the mayor ***of a city or a consolidated local government***, the county judge/executive ***in counties not containing a consolidated local government***, and the Governor of the Commonwealth.
- ~~(11)(10)~~ Commission members appointed by the Governor shall serve at the pleasure of the Governor. Commission members appointed by the mayor ***of a city or a consolidated local government*** or the county judge/executive may be removed as provided by KRS 65.007.

Section 104. KRS 91A.390 is amended to read as follows:

- (1) The commission shall annually submit to the local governing body or bodies which established it a request for funds for the operation of the commission. The local governing body or bodies shall include the commission in the annual budget and shall provide funds for the operation of the commission by imposing a transient room tax, not to exceed three percent (3%) of the rent for every occupancy of a suite, room, or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodations businesses. In addition to the three percent (3%), the local governing body may impose a special transient room tax not to exceed one percent (1%) for the sole purpose of meeting the operating expenses of a convention center. A transient room tax imposed by an urban-county government shall not exceed four percent (4%) of the rent for every occupancy of a suite, room, or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or like or similar accommodations businesses. Transient room taxes shall not apply to the rental or leasing of an apartment supplied by an individual or business that regularly holds itself out as exclusively providing apartments. Apartment means a room or set of rooms, in an apartment building, fitted especially with a kitchen and usually leased as a dwelling for a minimum period of thirty (30) days or more. The local governing body or bodies that have established a commission by joint or separate action shall enact an ordinance for the enforcement of the tax measure enacted pursuant to this section and the collection of the proceeds of this tax measure on a monthly basis.
- (2) All moneys collected pursuant to this section and KRS 91A.400 shall be maintained in an account separate and unique from all other funds and revenues collected, and shall be considered tax revenue for the purposes of KRS 68.100 and KRS 92.330.

- (3) A portion of the money collected from the imposition of this tax, as determined by the, tax levying body, upon the advice and consent of the tourist and convention commission, may be used to finance the cost of acquisition, construction, operation, and maintenance of facilities useful in the attraction and promotion of tourist and convention business. The balance of the money collected from the imposition of this tax shall be used for the purposes set forth in KRS 91A.350. Proceeds of the tax shall not be used as a subsidy in any form to any hotel, motel, or restaurant. Money not expended by the commission during any fiscal year shall be used to make up a part of the commission's budget for its next fiscal year.
- (4) An urban-county government may impose an additional tax, not to exceed one percent (1%) of the room rents included in this subsection. This additional tax shall be collected and administered in the same manner as the regular tax with the exception that this additional tax shall be used for the purpose of funding the purchase of development rights program provided for under KRS 67A.845.
- (5) Local governing bodies which have formed multicounty tourist and convention commissions as provided by KRS 91A.350(3) may impose an additional tax, not to exceed one percent (1%) of the room rents. This additional tax, if approved by each governing body, shall be collected and administered in the same manner as the regular tax, with the exception that this additional tax shall be used for the purpose of funding regional efforts relating to the promotion of tourist and convention business and convention centers. In no event shall any revenues collected as provided for under KRS 91A.350(3) be utilized for the construction, renovation, maintenance, or additions to any convention center that is located outside the boundaries of the Commonwealth of Kentucky.
- (6) The commission, with the approval of the tax levying body, may borrow money to pay its obligations that cannot be paid at maturity out of current revenue from the transient room tax, but shall not borrow a sum greater than can be repaid out of the revenue anticipated from the transient room tax during the year the money is borrowed. The commission may pledge its securities for the repayment of any sum borrowed.
- (7) The fiscal court or legislative body of a ***consolidated local government or*** city establishing a commission pursuant to KRS 91A.350(1) or (2) and, in its own name, a commission established pursuant to of KRS 91A.350(1) is authorized and empowered to issue revenue bonds pursuant to KRS Chapter 58 for public projects. Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any cost for the acquisition of real estate, the construction of buildings and appurtenances, the preparation of plans and specifications, and legal and other services incidental to the project or to the issuance of the bonds. The payment of the bonds, with interest, may be secured by a pledge of and a first lien on all of the receipts and revenue derived, or to be derived, from the rental or operation of the property involved. Bond and interest obligations issued pursuant to this section shall not constitute an indebtedness of the county, ***consolidated local government,*** or city. All bonds sold under the authority of this section shall be subject to competitive bidding as provided by law, and shall bear interest at a rate not to exceed that established for bonds issued for public projects under KRS Chapter 58.
- (8) A commission established pursuant to KRS 91A.350(3) is authorized and empowered to issue revenue bonds in its own name, payable solely from its income and revenue, pursuant to KRS Chapter 58 for revenue bonds for public projects. Bonds issued for the purposes of KRS 91A.350 to 91A.390, may be used to pay any cost for the acquisition of real estate, the construction of buildings and appurtenances, the preparation of plans and specifications, and legal and other services incidental to the project or to the issuance of the bonds. The payment of the bonds, with interest, may be secured by a pledge of and a first lien on all of the receipts and revenue derived, or to be derived, from the rental or operation of the property involved. Bond and interest obligations issued pursuant to this section shall not constitute an indebtedness of the county. All bonds sold pursuant to this section shall be subject to competitive bidding as provided by law, and shall not bear interest at rates exceeding those for bonds issued for public projects under KRS Chapter 58.

Section 105. KRS 91A.392 is amended to read as follows:

- (1) In addition to the three percent (3%) transient room tax authorized by KRS 91A.390 and the one percent (1%) transient room tax authorized by KRS 153.440, ***a consolidated local government, or*** the fiscal court in a county containing a city of the first or second class, except those counties that are included in a multicounty tourist and convention commission under KRS 91A.350, may levy an additional transient room tax not to exceed two percent (2%) of the rent for every occupancy of a suite, room, or rooms charged by all persons, companies, corporations, or other similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or similar accommodations businesses.

- (2) All money collected from the tax authorized by this section shall be applied toward the retirement of bonds issued pursuant to KRS 91A.390(7) to finance in part the expansion or construction or operation of a governmental or nonprofit convention center or fine arts center useful to the promotion of tourism located in the central business district of the **consolidated local government or the** city of the first or second class located in the county.
- (3) After the retirement of the bonds provided for in this section, the additional transient room tax levied pursuant to this section shall be void, and the **consolidated local government or** fiscal court shall take action to repeal the ordinance which levied the tax.

Section 106. KRS 96.030 is amended to read as follows:

No exclusive privilege shall be acquired through the sale of a franchise under KRS 96.010 by a **consolidated local government or a** city of the first class. The sale of a franchise to one (1) person by a **consolidated local government or** a city of the first class shall not prevent a subsequent sale of a similar franchise to another person.

Section 107. KRS 96.040 is amended to read as follows:

- (1) If a city of the first class **or a consolidated local government** desires to own or operate a utility being operated under a franchise, and the city **or consolidated local government** takes the necessary steps within two (2) years before the expiration of the franchise, and offers to purchase, at a fair valuation, the plant of the company which is then rendering the service, the city **or consolidated local government** shall be under no obligation to sell, renew or continue the franchise.
- (2) The fair valuation of the plant shall be determined by three (3) persons; one (1) to be selected by the city **or consolidated local government**, one (1) to be selected by the owners of the plant, and the third to be selected by these two (2). The plant shall be valued as a going concern, but no allowance shall be made for future growth.

Section 108. KRS 96.230 is amended to read as follows:

Whenever any city of the first class **or consolidated local government** owns, through its commissioners of the sinking fund **or revenue commission, respectively**, all the shares of capital stock in any corporation engaged in supplying water to ~~the city and~~ its inhabitants, the city **or consolidated local government** shall control, manage and operate the plant of the corporation, its franchise, and all its other property, in the manner provided in KRS 96.240 to 96.310. The provisions of KRS 96.230 to 96.310 shall not affect the status of the stock as part of the assets of the sinking fund **or revenue commission, respectively**.

Section 109. KRS 96.240 is amended to read as follows:

The mayor **of a consolidated local government which is formed upon the consolidation of a city of the first class with its county, and which receives upon the consolidation from the city of the first class the shares of capital stock in any corporation engaged in supplying water to the area comprising the consolidated local government**, shall appoint, subject to the **provisions of Section 1 of this Act, six (6)** ~~approval of the city legislative body, four (4)~~ persons no more than **three (3)** ~~two (2)~~ of whom shall be members of the same political party, who with the mayor as an ex officio member shall constitute a body corporate known as the "board of waterworks" ~~and if the board of waterworks operates mains and lines and serves in excess of fifty thousand (50,000) customers outside the corporate limits of a city of the first class but in the county in which the city is located, the county judge/executive shall appoint two (2) persons, who shall be of different political parties, to serve on and be members of the board of waterworks~~. Each appointee shall be at least thirty (30) years of age and shall be a resident of the **county containing a consolidated local government** ~~city, if appointed by the mayor, or of the county, if appointed by the county judge/executive~~, and be the owner in his **or her** own right of real estate situated in the **consolidated local government** ~~city if appointed by the mayor, or in the county if appointed by the county judge/executive~~. At least one (1) such appointee shall be qualified, as specified in KRS 96.250, to serve as president of the board. No officer or employee of the **consolidated local government** ~~city~~, whether holding a paid or unpaid office, shall be eligible for appointment to the board. Of the persons first appointed **two (2)** ~~one (1)~~ shall be appointed ~~for a term of one (1) year, one (1)~~ for a term of two (2) years, **two (2)** ~~one (1)~~ for a term of three (3) years, and **two (2)** ~~one (1)~~ for a term of four (4) years and such terms shall expire on the date of the annual meeting of the board of waterworks. Their successors shall be appointed in the same manner, but for terms of four (4) years each. ~~At such time as the board of waterworks serves on a retail basis in excess of fifty thousand (50,000) customers outside the corporate limits of a city of the first class, the president of the board shall notify the county judge/executive who shall immediately appoint two~~

~~(2) members as hereinabove provided, one (1) for a term of two (2) years and one (1) for a term of four (4) years; and their successors shall be appointed by the county judge/executive for terms of five (5) years each.~~ Appointees shall be eligible to succeed themselves. All vacancies shall be filled for the unexpired term by appointment in the same manner. Each member shall hold his office until his *or her* successor has been appointed and qualified. The oath of office of each member shall be filed with the board of *the revenue commission of the consolidated local government*~~[sinking fund commissioners]~~.

Section 110. KRS 96.260 is amended to read as follows:

The board of waterworks shall be vested with all the authority and privileges, exercise all the franchises, and have possession, control and management of all the property, of the corporation of which the *consolidated local government or* city owns all the stock. It may make contracts and sue and be sued, but only in the name of the corporation.

Section 111. KRS 96.270 is amended to read as follows:

The *consolidated local government*~~[city]~~ shall have, through its board of waterworks, the use free of charge of all the water necessary for its fire department, police department, public buildings *principally occupied by its employees*~~[and school board, and for sprinkling its public highways]~~, parks,~~[and]~~ parkways, *its property principally used for public purposes, all of its agencies, and any waterfront parks located within the boundaries of the consolidated local government*. It shall in turn exempt from taxation for *consolidated local government*~~[city]~~ purposes all the property of which it has the control through its board of waterworks. Nothing in this section shall affect the right and duty of the board of waterworks to fix and collect reasonable rates for the use of water furnished to any other person, whether by assessment or meter measurement.

Section 112. KRS 96.280 is amended to read as follows:

The~~[city]~~ legislative body *of the consolidated local government* may, by ordinance, fix reasonable conditions upon which the board of waterworks may cut into the public ways of the *consolidated local government*~~[city]~~.

Section 113. KRS 96.290 is amended to read as follows:

All the existing obligations of the waterworks corporation and all the obligations created by the board of waterworks in the management and operation of the properties and in the performance of its duties, shall be discharged out of the property and rents, earnings and incomes of the waterworks. The *consolidated local government*~~[city]~~ shall not be liable as a municipal corporation for such obligations.

Section 114. KRS 96.310 is amended to read as follows:

The board of waterworks may establish and enforce reasonable rules and regulations for its own government. The board shall make a quarterly financial statement, showing its liabilities, receipts and expenditures, and deliver a copy to the *consolidated local government*~~[city]~~ legislative body *for introduction and inclusion into*~~[to be spread upon]~~ the minutes of the legislative body. The books and accounts of the board shall at all times be open to inspection by the mayor and the commissioners of the sinking fund *or revenue commission, respectively*, through their agents.

Section 115. KRS 96.550 is amended to read as follows:

As used in KRS 96.550 to 96.900, unless the context requires otherwise:

- (1) "Acquire" shall mean and include construct, acquire by purchase, by lease, devise, gift, or the exercise of the right of eminent domain in the manner now or hereafter provided by law for the exercise thereof and acquisition by any other mode.
- (2) "Board" shall mean a board of public utilities established pursuant to KRS 96.740.
- (3) "Bonds" shall mean either general obligation bonds or revenue bonds.
- (4) "Constitution" shall mean the Constitution of Kentucky.
- (5) "Electric plant" shall mean and include any plant, works, systems, facilities and properties (including poles, wires, stations, transformers, and any and all equipment and machinery), together with all parts thereof and appurtenances thereto, used or useful in the generation, production, transmission or distribution of energy.
- (6) "Energy" shall mean and include any and all electric energy no matter where or how generated, produced, transmitted or conveyed.

- (7) "Electric service" shall mean the furnishing of electric power and energy for any purpose for which electric power and energy can be used.
- (8) "General obligation bonds" shall mean direct or general obligations of any municipality, issued within the limits and subject to the provisions of Sections 157 and 158 of the Constitution.
- (9) "Governing body" shall mean the board, council, commission, fiscal court, or other general governing body of the municipality.
- (10) "Governmental agency" includes the United States, the President, the federal works agency, the federal lending agency, Tennessee Valley Authority, or any other similar agency, instrumentality or corporation of the United States, or of Kentucky or any political subdivision thereof, created by or pursuant to any Act of Congress or by state legislation.
- (11) "Improve" shall mean and include construct, reconstruct, improve, extend, enlarge, alter, better and repair.
- (12) "Improvement" shall mean any improvement, extension, betterment or addition to any electric plant.
- (13) "Law" shall mean any statute of this state.
- (14) "Mayor" shall mean the mayor of any class city unless there be a city manager, then it shall mean city manager, or the county judge/executive of any county. ***"Mayor" shall also mean the mayor of a consolidated local government.***
- (15) "Municipality" shall mean any county, city, ***consolidated local government***, ~~town or village~~ or municipal corporation of any and every class in the Commonwealth of Kentucky.
- (16) "Revenue bonds" shall mean obligations payable solely from the revenues derived from the operation of an electric plant and such bonds shall not constitute an indebtedness of any municipality within the meaning of the provisions or limitations of the Constitution.
- (17) "Net revenues" shall mean revenues remaining after payments of (a) all payments provided for herein to be made to the state, county, school or other taxing district; (b) the payments of salaries, and premiums on bonds of officers and employees of the board; and (c) all other ordinary and necessary operating expenses of the board in the operation of the electric plant including reserves for depreciation.

Section 116. KRS 96A.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires, the following words or terms shall mean as follows:

- (1) "City" means any incorporated city in the Commonwealth;
- (2) "County" means any county in the Commonwealth wherein there is located an incorporated city and for the purpose of this chapter shall also mean a county which has adopted an urban-county government ***or consolidated local government***;
- (3) "State" means the Commonwealth;
- (4) "Transit authority" or "authority" means a transit authority created pursuant to this chapter;
- (5) "Board" means the board of a transit authority;
- (6) "Public body" means any city or county of the Commonwealth;
- (7) "Governing body" means, as to a county, the fiscal court thereof; ***as to a consolidated local government, the legislative council thereof***; and as to a city, the legislative body thereof, howsoever the same may be denominated according to law;
- (8) "Proceedings" means, in the case of a county, a resolution of its fiscal court; and in the case of a city ***or consolidated local government***, an ordinance adopted and made effective according to law by its governing body;
- (9) "Joint proceedings" relates only to the establishment of a transit authority by two (2) or more public bodies acting in concert or by agreement, and means the proceedings, taken collectively, by the governing bodies of the public bodies, participating in the creation and establishment of a transit authority;

- (10) "Appointing authority" means, as to a county, the county judge/executive thereof; and as to any city *or consolidated local government*, the elected chief *executive* officer ~~thereof~~, whether designated as its mayor or ~~the chairman of its board of trustees or~~ otherwise;
- (11) "Area" or "transit area" means the geographical area which may be encompassed from time to time within the lawful boundaries of such cities and counties as may be involved in the creation and establishment of an authority; and of any cities or counties within any single unified metropolitan area which may subsequently become participants as provided in this chapter;
- (12) "Mass transit," or "mass transportation," means the transportation of persons and their baggage within or without a transit area, but shall not include the for-hire operation of a taxicab, or industrial bus as defined by KRS Chapter 281;
- (13) "Human service transportation delivery" means the same as defined in KRS 281.014;
- (14) "Delivery area" means the same as defined in KRS 281.014; and
- (15) "Broker" means the same as defined in KRS 281.014.

Section 117. KRS 96A.040 is amended to read as follows:

- (1) The business, activities and affairs of a transit authority shall be managed, controlled and conducted by a board consisting of members appointed as follows:
 - (a) If the authority is established by one (1) city alone, or by a county alone, the members shall be eight (8) in number and shall be appointed by the appointing authority of such city or county;
 - (b) If the authority is established by joint proceedings of two (2) public bodies, the membership shall be eight (8) in number, four (4) of whom shall be appointed by the appointing authority of each of such public bodies;
 - (c) If an authority is created and established by joint proceedings of more than two (2) public bodies, the membership shall be eight (8) in number, plus one (1) additional member for each participating public body in excess of two (2), and the members thereof shall be appointed by the appointing authorities of the participating public bodies in such manner as may be set forth in the joint proceedings; and
 - (d) If an authority is created and established, and subsequently one (1) or more other public bodies are permitted to join therein, the membership of the board may be enlarged, with the concurrence and approval of the governing bodies of the public bodies theretofore participating, by not more than one (1) additional member for each additional public body so permitted to join the authority.
- (2) No officer or employee of any public body represented in the creation, establishment, or enlargement of an authority shall be eligible for appointment to the board.
- (3) After the effective date of the creation of an authority as provided in this chapter, the appointing authority or the appointing authorities, as the case may be, shall, in such manner as may be specified in the proceedings or joint proceedings, appoint at least two (2) members for terms of one (1) year, at least two (2) members for terms of two (2) years, at least two (2) members for terms of three (3) years, and the remaining number for terms of four (4) years; such terms to expire, in each instance, on June 30 and thereafter until a successor is appointed and accepts appointment. Upon the expiration of these initial staggered terms, successors shall be appointed by the respective appointing authorities, for terms of four (4) years, and until successors are appointed and accept their appointments. Members shall be eligible for reappointment.
- (4) Any member of the board may be removed by his or her appointing authority for inefficiency, neglect of duty, malfeasance, conflict of interest, or want of mental or physical capacity to serve. Any appointing authority exercising the power to remove a member of the board shall submit to the board a written statement setting forth the reasons for removal. Notice shall be given to the member named in such statement; a hearing, if requested, shall be conducted within thirty (30) days before the members of the board who are not the subject of such removal proceedings; a record of the hearing shall be made by the secretary-treasurer of the board; and the member named in such removal notice may appeal any adverse decision, within ten (10) days after the rendering thereof, to the Circuit Court of any county which is served in whole or in part by the facilities of the transit authority, such appeal to be perfected by filing with the clerk of such court a copy of the removal proceedings certified by the secretary-treasurer of the board. The court, upon application of the member removed, may in its discretion order that the original record of the proceedings be filed with the clerk as the basis for such appeal. There shall be a right of appeal to the Court of Appeals.

- (5) Members of the board shall be allowed reasonable expenses necessarily incurred by them in the conduct of the affairs of the authority. Compensation may be paid to members of the board if so provided in the proceedings or joint proceedings, subject to such limitations as may be set forth therein.
- (6) Notwithstanding subsection (3) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the terms of two (2) of each of their appointments expire in one (1) year, the term of one (1) of each of their appointments expire in two (2) years and the term of one (1) of each of their appointments expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years. ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the board for the time remaining of their current term of appointment.***

Section 118. KRS 96A.070 is amended to read as follows:

- (1) The board shall, within sixty (60) days after the appointment of its entire initial membership, and thereafter in July of each year, elect from its members a chairman and a vice chairman. It may, in its discretion, employ an executive director and a secretary-treasurer, neither of whom shall be a member of the board; provided, however, if the creation and establishment of the authority is shown by the provisions of the proceedings or joint proceedings to have been undertaken only on a stand-by basis, the board may defer the employment of an executive director and may, on an interim basis, designate a secretary-treasurer from its own membership.
- (2) The board may, in its discretion, employ necessary legal counsel and other agents and employees to carry out its work and functions, and may from time to time prescribe and alter such rules and regulations as it may deem necessary.
- (3) The executive director, if and when employed in the discretion of the board, shall be experienced and knowledgeable in the field of transportation; and if and when employed, such executive director shall be the chief executive officer of the authority, having such powers and duties as the board may prescribe. Such executive director may recommend the establishment or alteration of rules and regulations, and of rates and charges for use of the services and facilities of the mass transportation system of the authority; but action in such respects, and in the issuance of revenue bonds or mortgage bonds of the authority, and in requesting the issuance of general obligation bonds by other public bodies for the benefit of the authority, and in authorizing leases of the properties of the authority for financing purposes, shall be taken by the board, or by the executive committee of the board if properly thereunto authorized.
- (4) The secretary-treasurer shall keep the minutes of all meetings of the board, and shall also keep a set of books showing the receipts and expenditures of the board. He ***or she*** shall preserve on file duplicate vouchers for all expenditures and shall present to the board, upon request, complete reports of all financial transactions and the financial condition of the board. Such books and vouchers shall at all times be subject to examination by the governing body of any public body by which the authority was created or enlarged. He ***or she*** shall transmit at least once annually a detailed report of all acts and doings of the board to the public body or bodies by whom the board was created. He ***or she*** shall cause all moneys of the authority coming into his ***or her*** hands to be deposited in one (1) or more financial institutions, as designated from time to time by the board.
- (5) The board shall require its secretary-treasurer, and its executive director, if and when such executive director shall be employed, each to execute bond in favor of the authority, in such respective penal sums as the board may fix, in favor of the authority, and conditioned upon faithful performance of the duties of such offices and full accounting to the authority. Each such bond shall be with corporate surety, provided by a corporate surety company qualified to transact business in Kentucky and approved, in each instance, by the board. The board may in like manner require similar bonds, with corporate surety, to be given by other officers, agents and employees in such manner and in such penal sums, as it may specify from time to time. Premiums payable to sureties upon such bonds shall be paid by the authority and may be chargeable as an operating expense of the authority.

- (6) The board shall fix the salaries, wages or other compensation of the officers, agents and employees whom it may engage from time to time; in each case within such limitations, if any, as may be prescribed in the proceedings or joint proceedings set forth in the establishment of the authority, or as such proceedings may be amended; but such salaries, wages or other compensation shall constitute obligation of the authority only, and shall be payable from the authority's revenues and any other available resources, and shall not constitute obligations of any city or county participating in the creation and establishment, or subsequent enlargement, of the authority.
- (7) The board may, by resolution duly adopted and spread at large upon its public records, establish an executive committee, composed of such members of the board as may be specified in such resolution, and may authorize such executive committee to exercise in intervals between board meetings any powers of the board except those powers which are expressly required by this chapter or by other controlling provisions of law to be exercised by the board.
- (8) The board may create such other committees of its members as it may deem necessary or proper; but the same shall be advisory in nature and shall report to the board or to the executive committee, and shall not be authorized to take any independent action except in such advisory capacity.
- (9) Notwithstanding other provisions of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the executive director and a secretary-treasurer or any individual, corporation or partnership, either by contract or employment, who serves as executive director or secretary-treasurer in the management of the affairs of the board, shall be appointed by and serve at the joint pleasure of the mayor, and the county judge/executive with the approval of fiscal court pursuant to KRS 67.040. *Upon the establishment of a consolidated local government in a county in which a city of the first class and a county containing the city have had in effect a cooperative compact under KRS 79.310 to 79.330, an executive director or secretary-treasurer shall be appointed by and shall serve at the pleasure of the mayor.*

Section 119. KRS 97.035 is amended to read as follows:

- (1) If two (2) or more political subdivisions determine to jointly establish, maintain and conduct a park and recreation system or systems, which may include but shall not be limited to the establishment, maintenance, and conduct of zoos and museums, the legislative bodies of such counties, cities or other districts involved may by ordinance, order, or resolution approve a plan for the establishment of such joint project and for the creation of a joint board representative of the subdivisions involved, and possessed with all the powers and duties of KRS 97.010 to 97.050. This subsection authorizes the creation of a joint board by any two (2) or more cities or any city and county for purposes of establishment, maintenance, and conduct of zoos and the creation of another joint board for purposes of establishment, maintenance, and conduct of museums.
- (2) *Except in a county containing a consolidated local government*, such board shall consist of not less than five (5) members. The plan shall provide for distribution of membership and all participating governmental units shall have representation thereon. The members of the board shall be appointed by the county judge/executive, mayor of the city or governing body of the district, as the case may be, for terms of four (4) years to serve at the pleasure of the appointing authority. Vacancies shall be filled for unexpired terms by appointment of the authority appointing the member whose office is vacant. The terms of office of such members shall be staggered as provided by order or resolution of the political subdivisions concerned. Members of the board shall serve without compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties.
- (3) The board shall be a body corporate for all purposes, and shall elect from its membership a chairman, secretary, and treasurer. The treasurer shall execute a bond conditioned on the faithful performance of his *or her* duties sufficient in amount to cover funds coming into his *or her* hands. The premium on such bond shall be paid from board funds.
- (4) Any park, playground, or recreation system operated jointly by two (2) or more political subdivisions as provided in KRS 97.010 (2), on June 19, 1958, shall be governed by this section.
- (5) Notwithstanding subsections (1), (2) and (3) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, such city and county shall by joint action create a joint city/county department to maintain and conduct a park and recreational system or systems. In such event, the board shall be dissolved as a corporate entity and all assets and liabilities of the board shall be transferred to the joint department. An advisory board may be established by joint agreement of such city

and county. *Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the joint department shall become a department of the consolidated local government and all assets and liabilities of the joint department shall be transferred to the consolidated local government. An advisory board may be established or maintained by a consolidated local government. Members of the advisory board shall be appointed pursuant to the provisions of Section 1 of this Act and shall serve at the pleasure of the mayor of the consolidated local government.*

Section 120. KRS 98.300 is amended to read as follows:

In each county containing a city of the first class, the fiscal court of ~~the said~~ county may, by resolution, establish a department of welfare to be governed by the provisions of KRS 98.300 to 98.390. ***A consolidated local government may by resolution or ordinance establish or maintain a department of welfare to be governed by the provisions of KRS 98.300 to 98.390.*** Such department shall function from a date specified in such resolution ***or ordinance***. The department shall consist of a director of welfare and such assistants and other employees as are necessary for the efficient performance of the welfare services of the county.

Section 121. KRS 98.310 is amended to read as follows:

The director shall be appointed by the fiscal court ***except in those counties containing a consolidated local government, in which case the director shall be appointed by the mayor.*** The director shall be trained and experienced in public welfare administration. Subject to rules and regulations approved by the fiscal court ***or the consolidated local government, respectively,*** the director shall have full charge of the department, with power to employ and dismiss employees subject to the limitations of KRS 98.370. The director shall prepare for submission to and approval of the fiscal court ***or the consolidated local government, respectively,*** an annual budget, authorize expenditures in conformity with the budget and prepare an annual report of the activities and expenditures of the department for submission to the fiscal court ***or the consolidated local government, respectively.*** Before entering upon the discharge of his ***or her*** duties, the director shall give a bond approved by the fiscal court ***or the consolidated local government, respectively,*** and the fiscal court ***or the consolidated local government, respectively,*** may, in its discretion, require bonds for other employees within the department.

Section 122. KRS 98.350 is amended to read as follows:

The fiscal court, ***except in a county containing a consolidated local government, in which case it shall be the mayor pursuant to the provisions of Section 1 of this Act,*** shall appoint a bipartisan county welfare advisory board of not less than five (5) nor more than nine (9) residents of the county. The members shall be appointed in such a manner that the term of at least one (1) member shall expire annually. Any vacancy shall be filled for the unexpired term in the same manner as the original appointment. Members of the county welfare advisory board shall serve without compensation. The county welfare advisory board shall suggest rules and regulations to the county director of welfare with respect to the organization of the county department of welfare, and shall advise the director and the fiscal court ***or consolidated local government, respectively, as [with respect]*** to budget estimates, policies and other problems of welfare activities.

Section 123. KRS 99.595 is amended to read as follows:

- (1) "Administering agency" means the agency delegated responsibility by the legislative body to implement the provisions of KRS 99.595 to 99.605 and 132.452.
- (2) "Commercial facility" means any structure the primary purpose and use of which is the operation of a commercial business enterprise and which is twenty-five (25) years old or older.
- (3) "Existing residential building" means a residential building which has been in existence for at least twenty-five (25) years and use of which is to provide independent living facilities for one (1) or more persons.
- (4) "Legislative body" means the board of aldermen in a city of the first class operating under KRS Chapter 83, the city council in a city operating pursuant to KRS 83A.130, the city commission in a city operating pursuant to KRS 83A.140, the board of commissioners in a city operating pursuant to KRS 83A.150, the fiscal court in a county, ***the legislative council in a consolidated local government operating pursuant to KRS Chapter 67C,*** and the legislative body in an urban-county government operating pursuant to KRS Chapter 67A.
- (5) "Local government" means a county, municipal, ***consolidated local government,*** or urban-county government.

- (6) "Rehabilitation" means the process of returning an existing structure to a state of utility through repair or alteration which makes possible an efficient contemporary use.
- (7) "Repair" means the reconstruction or renewal of any part of an existing structure for the purpose of maintenance.
- (8) "Restoration" means the process of accurately recovering the form and details of a structure and its setting as it appeared at a particular period of time by removal of later work or by the replacement of missing earlier work.
- (9) "Stabilization" means the process of applying measures designed to reestablish a weather resistant enclosure and the structural stability of an unsafe or deteriorated property while maintaining the essential form as it exists.
- (10) "Assessment or reassessment moratorium" means the act of deferring the value of the improvements from the taxable assessment of qualifying units of real property for a maximum period of five (5) years.

Section 124. KRS 99.615 is amended to read as follows:

The following words or terms shall have the following meanings wherever used in KRS 99.610 to 99.680 unless a different meaning is clearly indicated by the context:

- (1) "Act" means KRS 99.610 to 99.680 which may be called the "Local Development Authority Act";
- (2) "Technical advisory council" means that committee appointed under the terms of KRS 99.655;
- (3) "Price advisory council" means that committee appointed under the terms of KRS 99.680;
- (4) "Agency" means a development authority established by this statute in and for cities of the first and second class, ***a consolidated local government***, and each county governed under the statutes permitting the establishment of urban-county governments;
- (5) "Bonds" means any bonds, notes, interim certificates, debentures or other obligations issued by an agency pursuant to the provisions and purposes of KRS 99.610 to 99.680;
- (6) "Project area" means any area or specific property designated by an agency or any area or specific property actually acquired or formally proposed for acquisition by an agency, for historical or open space preservation purposes or for the development permitted by KRS 99.610 to 99.680;
- (7) "City" means any city of the first or second class, ***a consolidated local government***, or ***a*** county governed under the urban-county government statute, in which an agency has been established;
- (8) "Development" means the acquisition, planning, designing, clearance, renovation or rehabilitation of existing improvements, development and disposal, or any combination thereof, of a project area, including the preparation of such project area for the development of residential, commercial, industrial, public, recreational, open space or other uses, including the preservation of existing residential, commercial, industrial, public, recreational, open spaces or other uses valued locally for their economic or historical importance as may be appropriate or necessary, in the opinion of the board of commissioners of an agency;
- (9) "Subdevelopment" means the actual construction, renovation or rehabilitation of improvements to real property including the installation of or improvement to existing utilities, curbs, gutters, sidewalks, storm sewers and other necessary works and improvements, consistent with the established development plan for each specific project area in order to market, through private enterprise, said improvements to individuals, commercial business and industry;
- (10) "Development plan" means the plan for the development as defined, of all or any part of a project area;
- (11) "Mayor" means the mayor of a first or second class city, ***of a consolidated local government***, or of an urban-county government as established by law;
- (12) "Governing board" means a board of aldermen or commissioners, ***a legislative council in a consolidated local government***, or a common or urban-county council of a city as herein defined, as the case may be;
- (13) "Project" means any undertaking within a project area and any such undertaking which may be included in, and financed by, a single or separate financing agreement or bond issue;
- (14) "Persons and families of lower income" means persons and families who lack the amount of income which is necessary (as determined by standards established by the agency) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding;

- (15) "Residential housing project" means a specific work or improvement undertaken primarily to provide or to rehabilitate dwelling accommodations for persons and families of lower income, including the acquisition, construction and rehabilitation of land, buildings and improvements and such other facilities as may be incidental or appurtenant thereto.

Section 125. KRS 99.620 is amended to read as follows:

There is hereby authorized, created and established in cities of the first and second class, ***consolidated local governments***, and counties governed under the urban-county government statutes, upon adoption of a resolution so declaring by a majority of the governing board of said cities, ***consolidated local governments***, or counties, an agency to be known by the name of the city, ***the consolidated local government***, or in the case of an urban-county government, the largest city in such county and the name of the county itself, separated by the word "and," and the words "Development Authority." Said agency shall exist for each such city, ***consolidated local government***, or county with the powers, duties, and functions hereinafter provided.

Section 126. KRS 99.660 is amended to read as follows:

A city, ***consolidated local government***, or urban-county shall have the power to aid an agency in any manner provided for aid by public bodies to urban renewal and community development agencies by KRS 99.410.

Section 127. KRS 99.700 is amended to read as follows:

- (1) It is hereby found:

- (a) That there exists in many cities and in counties containing a city of the first class ***or consolidated local government*** in this Commonwealth blighted and deteriorated properties in neighborhoods which cause the deterioration of those and contiguous neighborhoods and constitute a serious and growing menace which is injurious to the public health, safety, morals and general welfare of the residents of the Commonwealth, and are beyond remedy and control solely by regulatory process in the exercise of the police power;
- (b) That the existence of blighted and deteriorated properties within neighborhoods, and the growth and spread of blight and deterioration or the threatened deterioration of other neighborhoods and properties:
 1. Contribute substantially and increasingly to the spread of disease and crime, and to losses by fire and accident;
 2. Necessitate expensive and disproportionate expenditures of public funds for the preservation of the public health and safety, for crime prevention, correction, prosecution, and punishment, for the treatment of juvenile delinquency, for the maintenance of adequate police, fire and accident protection, and for other public services and facilities;
 3. Constitute an economic and social liability;
 4. Substantially impair or arrest the sound growth of the community;
 5. Retard the provision of decent, safe, and sanitary housing accommodations;
 6. Depreciate assessable values;
 7. Cause an abnormal exodus of families from these neighborhoods; and
 8. Are detrimental to the health, the well-being and the dignity of many residents of these neighborhoods;
- (c) That this menace cannot be effectively dealt with by private enterprise without the aids provided herein;
- (d) That the benefits which would result from eliminating the blighted properties that cause the blight and deterioration of neighborhoods will accrue to the inhabitants of the neighborhoods in which these conditions exist and to the inhabitants of this Commonwealth generally.

- (2) It is hereby declared:

- (a) That it is the policy of this Commonwealth to protect and promote the health, safety, and welfare of the people of the Commonwealth by eliminating the blight and deterioration of neighborhoods through the elimination of blighted and deteriorated properties within these neighborhoods;

- (b) That the elimination of such blight and deterioration and the preparation of the properties for sale or lease, for development or redevelopment, constitute a public use and purpose for which public money may be expended and private property acquired and are governmental functions in the interest of the health, safety, and welfare of the people of the Commonwealth;
- (c) That the necessity in the public interest for the provisions enacted herein is hereby declared to be a legislative determination.

Section 128. KRS 99.705 is amended to read as follows:

Unless the context otherwise requires:

- (1) "Blighted" or "deteriorated" property means any vacant structure or vacant or unimproved lot or parcel of ground in a predominantly built-up neighborhood:
 - (a) Which because of physical condition or use is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with the city, or in counties containing a city of the first class **or consolidated local government**, with the ~~city or county~~ housing, building, plumbing, fire or related codes;
 - (b) Which because of physical condition, use or occupancy is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, excavations, and unsafe fences or structures;
 - (c) Which because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by the housing code of the city or county containing a city of the first class **or consolidated local government**, has been designated by the department responsible for enforcement of the code as unfit for human habitation;
 - (d) Which is a fire hazard, or is otherwise dangerous to the safety of persons or property;
 - (e) From which the utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use;
 - (f) Which by reason of neglect or lack of maintenance has become a place for accumulation of trash and debris, or a haven for rodents or other vermin;
 - (g) Which has been tax delinquent for a period of at least three (3) years; or
 - (h) Which has not been rehabilitated within the time constraints placed upon the owner by the appropriate code enforcement agency.
- (2) "Redevelopment" means the planning or replanning, design or redesign, acquisition, clearance, development and disposal or any combination of these, of a property in the preparation of such property for residential and related uses, as may be appropriate or necessary.
- (3) "Residential and related use" shall mean residential property for sale or rental and related uses; including, but not limited to, park and recreation areas, neighborhood community service, and neighborhood parking lots.
- (4) "Vacant property review commission" means a commission established by ordinance to review vacant properties to make a written determination of blight and deterioration.

Section 129. KRS 99.710 is amended to read as follows:

- (1) If the legislative body of **a consolidated local government**, a city, or **a** county containing a city of the first class finds and declares that there exists in the **consolidated local government**, city, or county containing a city of the first class blighted or deteriorated properties and that there is need in the city or county ~~containing a city of the first class~~ for the exercise of powers, functions and duties conferred by KRS 99.705 to 99.730, the legislative body may adopt the provisions of KRS 99.705 to 99.730 by ordinance.
- (2) The ordinance adopting the provisions of KRS 99.705 to 99.730 shall also establish a vacant property review commission which shall certify properties as blighted or deteriorated to the legislative body. The ordinance shall specify the duties of, the number of members that will serve on, the requirements of membership, and the makeup of the commission. Members shall be appointed by the mayor and approved by the legislative body. No officer or employee of the **consolidated local government**, city, or county containing a city of the first class whose duties include enforcement of ~~city or county~~ housing, building, plumbing, fire or related codes shall be appointed to the commission.

Section 130. KRS 99.720 is amended to read as follows:

- (1) The legislative body shall not institute eminent domain proceedings pursuant to KRS 99.705 to 99.730 unless the commission has certified that the property is blighted or deteriorated. A property which has been referred to the commission by a city agency, or *by* an agency in a county containing a city of the first class *or consolidated local government*, as blighted or deteriorated may only be certified to the legislative body as blighted or deteriorated after the commission has determined:
 - (a) That the owner of the property or designated agent has been sent an order by the appropriate city, *consolidated local government*, or county agency to eliminate the conditions which are in violation of local codes or law;
 - (b) That the property is vacant;
 - (c) That the property is blighted and deteriorated;
 - (d) That the commission has notified the property owner or designated agent that the property has been determined to be blighted or deteriorated and the time period for correction of such condition has expired and the property owner or agent has failed to comply with the notice; and
 - (e) That, in counties containing a city of the first class, *consolidated local governments*, and cities that are within a planning unit established pursuant to KRS Chapter 100, the planning commission has determined that the reuse of the property for residential and related use is in keeping with the comprehensive plan.
- (2) The findings required by subsection (1) of this section shall be in writing and included in the report to the legislative body.
- (3) The commission shall notify the owner of the property or a designated agent that a determination of blight or deterioration has been made and that failure to eliminate the conditions causing the blight shall render the property subject to condemnation by the city, *consolidated local government*, or county under KRS 99.705 to 99.730. Notice shall be mailed to the owner or designated agent by certified mail, return receipt requested. However, if the address of the owner or a designated agent is unknown and cannot be ascertained by the commission in the exercise of reasonable diligence, copies of the notice shall be posted in a conspicuous place on the property affected. The written notice sent to the owner or his agent shall describe the conditions that render the property blighted and deteriorated, and shall demand abatement of the conditions within ninety (90) days of the receipt of such notice.
- (4) An extension of the ninety (90) day time period may be granted by the commission if the owner or designated agent demonstrates that such period is insufficient to correct the conditions cited in the notice.

Section 131. KRS 99.730 is amended to read as follows:

No officer or employee of the city or county containing a city of the first class *or consolidated local government*, or of the vacant property review commission, who in the course of his *or her* duties is required to participate in the determination of property blight or deterioration or the issuance of notices on code violations which may lead to a determination of blight or deterioration, shall acquire any interest in any property declared to be blighted or deteriorated. If any such officer or employee owns or has financial interest, direct or indirect, in any property certified to be blighted or deteriorated, he *or she* shall immediately disclose, in writing, such interest to the commission and to the legislative body and such disclosure shall be entered in the minutes of the commission and of the legislative body. Failure to so disclose such interest shall constitute misconduct in office. No payment shall be made to any officer or employee for any property or interest therein acquired by the city, *consolidated local government*, or county containing a city of the first class from such officer or employee unless the amount of such payment is fixed by court order in eminent domain proceedings, or unless payment is unanimously approved by the legislative body.

Section 132. KRS 99A.010 is amended to read as follows:

As used in this chapter unless the context otherwise requires:

- (1) "Corporation" means the Kentucky Housing Corporation;
- (2) "Executive director" means the executive director of the Kentucky Housing Corporation;

- (3) "Insurer" means any company qualified to write mortgage guaranty insurance in accordance with Subtitle 23 of KRS Chapter 304;
- (4) "Local government" means a county, city, ***consolidated local government***, or urban-county;
- (5) "Mortgage" shall mean a first mortgage on real estate, in fee simple, or on a leasehold under a lease for not less than ninety-nine (99) years which is renewable, or under a lease having a period of not less than fifty (50) years to run from the date the mortgage was executed;
- (6) "Mortgage guaranty fund" means the fund created pursuant to KRS 99A.080;
- (7) "Mortgagee" means the original lender under a mortgage and his successors and assigns;
- (8) "Mortgagor" means the original borrower under a mortgage and his successors and assigns;
- (9) "Rehabilitation" means the process of returning a structure to a state of utility through repair or alteration which makes possible an efficient contemporary use while preserving those portions or features of the property which are significant to historical, architectural, and cultural values;
- (10) "Rehabilitation loan" means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit, made for the purpose of financing:
 - (a) The rehabilitation of an existing residential building;
 - (b) The rehabilitation of such a structure and the refinancing of the outstanding indebtedness on such structure and the real property on which the structure is located; or
 - (c) The rehabilitation of such a structure and the purchase of the structure and the real property on which it is located; and
- (11) "Residential building" means a building in which sleeping accommodations or sleeping accommodations and cooking facilities as a unit are provided except when classified as an institution under the Kentucky Building Code.

Section 133. KRS 100.111 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Administrative official" means any department, employee, or advisory, elected or appointed body which is authorized to administer any provision of the zoning regulation, subdivision regulations, and if delegated, any provision of any housing or building regulation or any other land use control regulation;
- (2) "Agricultural use" means the use of a tract of at least five (5) contiguous acres for the production of agricultural or horticultural crops, including but not limited to livestock, livestock products, poultry, poultry products, grain, hay, pastures, soybeans, tobacco, timber, orchard fruits, vegetables, flowers or ornamental plants, including provision for dwellings for persons and their families who are engaged in the above agricultural use on the tract, but not including residential building development for sale or lease to the public, and shall also include, regardless of the size of the tract of land used, small wineries licensed under KRS 243.155, and farm wineries licensed under the provisions of KRS 243.156;
- (3) "Board" means the board of adjustment unless the context indicates otherwise;
- (4) "Citizen member" means any member of the planning commission or board of adjustment who is not an elected or appointed official or employee of the city, ~~or~~ county, ***or consolidated local government***;
- (5) "Commission" means planning commission;
- (6) "Conditional use" means a use which is essential to or would promote the public health, safety, or welfare in one (1) or more zones, but which would impair the integrity and character of the zone in which it is located, or in adjoining zones, unless restrictions on location, size, extent, and character of performance are imposed in addition to those imposed in the zoning regulation;
- (7) "Conditional use permit" means legal authorization to undertake a conditional use, issued by the administrative official pursuant to authorization by the board of adjustment, consisting of two (2) parts:
 - (a) A statement of the factual determination by the board of adjustment which justifies the issuance of the permit; and
 - (b) A statement of the specific conditions which must be met in order for the use to be permitted;

- (8) "Development plan" means written and graphic material for the provision of a development, including any or all of the following: location and bulk of buildings and other structures, intensity of use, density of development, streets, ways, parking facilities, signs, drainage of surface water, access points, a plan for screening or buffering, utilities, existing manmade and natural conditions, and all other conditions agreed to by the applicant;
- (9) "Fiscal court" means the chief body of the county with legislative power, whether it is the fiscal court, county commissioners, or otherwise;
- (10) "Housing or building regulation" means the Kentucky Building Code, the Kentucky Plumbing Code and any other building or structural code promulgated by the Commonwealth or by its political subdivisions;
- (11) "Legislative body" means the chief body of the city *or consolidated local government* with legislative power, whether it is the board of aldermen, the general council, the common council, the city council, the board of commissioners, or otherwise; at times it also implies the county's fiscal court;
- (12) "Mayor" means the chief elected official of the city *or consolidated local government* whether the official designation of his office is mayor or otherwise;
- (13) "Nonconforming use or structure" means an activity or a building, sign, structure or a portion thereof which lawfully existed before the adoption or amendment of the zoning regulation, but which does not conform to all of the regulations contained in the zoning regulation which pertain to the zone in which it is located;
- (14) "Planning operations" means the formulating of plans for the physical development and social and economic well-being of a planning unit, and the formulating of proposals for means of implementing the plans;
- (15) "Planning unit" means any city,~~or~~ county, *or consolidated local government*, or any combination of cities, counties, or parts of counties, *or parts of consolidated local governments* engaged in planning operations;
- (16) "Plat" means the map of a subdivision;
- (17) "Political subdivision" means any city,~~or~~ county, *or consolidated local government*;
- (18) "Several" means two (2) or more;
- (19) "Public facility" means any use of land whether publicly or privately owned for transportation, utilities, or communications, or for the benefit of the general public, including, but not limited to, libraries, streets, schools, fire or police stations, county buildings, municipal buildings, recreational centers including parks, and cemeteries;
- (20) "Street" means any vehicular way;
- (21) "Structure" means anything constructed or made, the use of which requires permanent location in or on the ground or attachment to something having a permanent location in or on the ground, including buildings and signs;
- (22) "Subdivision" means the division of a parcel of land into three (3) or more lots or parcels except in a county containing a city of the first, second or third class or in an urban-county government *or consolidated local government* where a subdivision means the division of a parcel of land into two (2) or more lots or parcels; for the purpose, whether immediate or future, of sale, lease, or building development, or if a new street is involved, any division of a parcel of land; provided that a division of land for agricultural use and not involving a new street shall not be deemed a subdivision. The term includes resubdivision and when appropriate to the context, shall relate to the process of subdivision or to the land subdivided; any division or redivision of land into parcels of less than one (1) acre occurring within twelve (12) months following a division of the same land shall be deemed a subdivision within the meaning of this section;
- (23) "Unit" means planning unit; and
- (24) "Variance" means a departure from dimensional terms of the zoning regulation pertaining to the height, width, or location of structures, and the size of yards and open spaces where such departure meets the requirements of KRS 100.241 to 100.247.

Section 134. KRS 100.121 is amended to read as follows:

- (1) At any time, the legislative bodies of cities and the fiscal court of the county containing the cities may enter into an agreement to form a joint planning unit by combining planning operations in order that they may carry out a joint city-county planning program. Combinations may include any combination of cities with their county or parts thereof; provided, however, that no self-excluded city in such county may form an independent planning unit.
- (2) When a planning unit includes a county and a city of the first class ***or consolidated local government created pursuant to KRS Chapter 67C***, then all other cities within the county shall also be parts of the unit.

Section 135. KRS 100.127 is amended to read as follows:

- (1) All agreements for joint or regional planning units shall be in writing, and shall describe the boundaries of the area involved, and shall contain all details which are necessary for the establishment and administration of the planning unit in regard to planning commission organization, preparation of plans, and aids to plan implementation. The agreement shall be adopted as an ordinance by the legislative bodies which are parties to the agreement in accordance with the procedures for the adoption of an ordinance pursuant to KRS Chapters 67, 67A, ***67C***, 83, and 83A, and filed in the office of the county clerk of all counties which are parties to the agreement or which contain a city which is a party to the agreement. The county clerk may charge a fee of two and one-half dollars (\$2.50) for the filing of the agreement. Combination under this subsection shall be permitted notwithstanding the fact that the governmental units are also involved in area planning under KRS 147.610 to 147.705. Combined planning operations shall be jointly financed, and the agreement shall state the method of proration of financial support.
- (2) Agreements for planning units shall be in existence as long as at least two (2) of the original signators are operating under the combination despite the fact that other signators have withdrawn from the unit. In addition, any enlargement of a unit may be accomplished under the existing agreement by filing a copy of the agreement in the office of the county clerk of all member counties along with a statement as to when it was admitted to the unit. The clerk may charge a fee of two and one-half dollars (\$2.50) for the filing.
- (3) If the planning unit, or any part thereof, has adopted regulations for historical districts under KRS 100.201 and 100.203, the planning agreement may provide for the creation of a three (3) or five (5) member board to advise the zoning administrator regarding issuance of permits in such districts, the board being guided by the standards and restrictions of the community's comprehensive plan and by the historical district regulations adopted by the planning unit.
- (4) ***Notwithstanding any other provisions of this section, when a planning unit includes a county with a consolidated local government created pursuant to KRS Chapter 67C, a planning agreement is not required.***

Section 136. KRS 100.137 is amended to read as follows:

- (1) ***Except in a consolidated local government***, counties with a population of 300,000 or more inhabitants shall be a planning unit and shall have a planning commission which commission shall be composed of three (3) members, who are nonresidents of the largest city of the county, appointed by the county judge/executive of such county; three (3) members who are residents of the largest city of the county appointed by the mayor of that city; and the mayor of the largest city, or his designee; the county judge/executive, or his designee; the director of works of the largest city in the county, and the county road engineer. The county judge/executive and the mayor together shall ensure that three (3) of the six (6) appointees are citizens who have no direct financial interest in the land development and construction industry. If the commission appoints a citizen member to fill a vacancy, the commission shall ensure that the balance is maintained. All ten (10) members of the planning commission shall be required to disclose any personal or family commercial interest relevant to land use, new development supply, or new development construction. The disclosure shall be a written, signed statement of the general nature of the member's interest. The disclosure shall be filed with the commission's records under KRS 100.167 and shall be available for public inspection during regular business hours. A member shall not vote on an issue in which the member or member's family has an interest. The willful failure of a member to disclose an interest, or a member's voting on an issue in which the member or member's family has a known interest, shall subject the member to removal proceedings under KRS 100.157.
- (2) ***A county with a consolidated local government created pursuant to KRS Chapter 67C shall be a planning unit and shall have a planning commission which shall include eight (8) members who are residents of the planning unit, approved by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act. The membership of the planning commission shall also include the mayor of the***

consolidated local government, or his or her designee, and the director of public works of the consolidated local government or the county engineer as determined by the mayor. The mayor shall ensure that four (4) of the eight (8) appointees are citizens who have no direct financial interest in the land development and construction industry. If the commission appoints a citizen member to fill a vacancy, the commission shall ensure that the balance is maintained. All ten (10) members of the planning commission shall be required to disclose any personal or family commercial interest relevant to land use, new development supply, or new development construction. The disclosure shall be a written, signed statement of the general nature of the member's interest. The disclosure shall be filed with the commission's records pursuant to KRS 100.167 and shall be available for public inspection during regular business hours. A member shall not vote on an issue in which the member or member's family has an interest. The willful failure of a member to disclose an interest, or a member's voting on an issue in which the member or member's family has a known interest, shall subject the member to removal proceedings pursuant to KRS 100.157.

- (3) In counties containing a city of the first class *or a consolidated local government*, all legislation implementing or amending the plan or amended plan which affects cities of the first through fourth classes shall be enacted by such cities and all other legislation implementing the plan or amended plan shall be enacted by the fiscal court *or, in the case of a consolidated local government, by the consolidated local government.*
- ~~(4)(3)~~ In all other counties the establishment of a planning unit is optional, but any planning unit established in other counties shall comply with the remaining provisions of this chapter.

Section 137. KRS 100.141 is amended to read as follows:

Except in counties containing a consolidated local government, the mayor of each city entitled to one or more members and the county judge/executive of each county shall appoint the members of the planning commission with the approval of their respective legislative bodies.

Section 138. KRS 100.157 is amended to read as follows:

- (1) Any member of a planning commission may be removed by the appropriate appointing authority for inefficiency, neglect of duty, malfeasance, or conflict of interest. Any appointing authority who exercises the power to remove a member of the planning commission shall submit a written statement to the commission setting forth the reasons for removal, and the statement shall be read at the next meeting of the planning commission, which shall be open to the general public. The member so removed shall have the right of appeal in the Circuit Court.
- (2) Notwithstanding subsection (1) of this section, and KRS 100.143, when a city of the first class and a county containing such city have in effect a compact pursuant to KRS 79.310 to 79.330, the terms of the appointed members on the commission shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the terms of one (1) of each of their appointments expire in one (1) year, the term of one (1) of each of their appointments expire in two (2) years and the term of one (1) of each of their appointments expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years.
- (3) *Notwithstanding subsections (1) and (2) of this section, and KRS 100.143, upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the terms of the appointed citizen members of the planning commission shall be for three (3) years and until their successors are appointed and qualified, and the term of office of members appointed shall be staggered. Members appointed to the planning commission prior to consolidation of a city of the first class and the county containing the city pursuant to KRS Chapter 67C shall continue to serve as members of the planning commission for the consolidated local government, and shall serve the remainder of the terms for which the members were appointed and until their successors are appointed and qualified pursuant to KRS 100.137(2).*

Section 139. KRS 100.201 is amended to read as follows:

- (1) Except as provided in subsection ~~(3)(2)~~ of KRS 100.137, when the planning commission and legislative bodies have adopted the statement of goals and objectives, and the planning commission has additionally adopted at least the land use element for the planning unit, the various legislative bodies and fiscal courts of the cities and counties, which are members of the unit, may enact interim zoning or other kinds of growth

management regulations which shall have force and effect within their respective jurisdictions for a period not to exceed twelve (12) months, during which time the planning commission shall complete the remaining elements of the comprehensive plan as prescribed by KRS 100.187. Interim regulations shall become void upon the enactment of permanent regulations as provided in subsection (2) of this section, or after twelve (12) consecutive months from the date such interim regulations are enacted, whichever occurs first.

- (2) When all required elements of the comprehensive plan have been adopted in accordance with the provisions of this chapter, then the legislative bodies and fiscal courts within the planning unit may enact permanent land use regulations, including zoning and other kinds of growth management regulations to promote public health, safety, morals, and general welfare of the planning unit, to facilitate orderly and harmonious development and the visual or historical character of the unit, and to regulate the density of population and intensity of land use in order to provide for adequate light and air. In addition, land use and zoning regulations may be employed to provide for vehicle parking and loading space, as well as to facilitate fire and police protection, and to prevent the overcrowding of land, blight, danger, and congestion in the circulation of people and commodities, and the loss of life, health, or property from fire, flood, or other dangers. Land use and zoning regulations may also be employed to protect airports, highways, and other transportation facilities, public facilities, schools, public grounds, historical districts, central business districts, prime agricultural land, and other natural resources; to regulate the use of sludge from water and waste water treatment facilities in projects to improve soil quality; and to protect other specific areas of the planning unit which need special protection by the planning unit.
- (3) Land use and zoning regulations may include the designation of specifically defined areas to be known as urban residential zones, in which:
 - (a) The majority of the structures were in use prior to November 22, 1926; and
 - (b)
 1. The entire area embodies the distinctive characteristics of a type, period, or method of construction; or
 2. The entire area represents a significant and distinguishable entity whose components may lack individual distinction.

The usage of structures within an urban residential zone may be regulated on a structure-by-structure basis, permitting a mixture of uses in the zone, including single-family and multi-family residential, retail, and service establishments, which stabilizes and protects the urban residential character of the area. The regulation of the usage of any structure shall be guided by the architecture, size, or traditional use of the building.

Section 140. KRS 100.202 is amended to read as follows:

- (1) Subject to KRS ~~100.137(3)~~~~100.137(2)~~, nothing in this chapter shall preclude the legislative bodies and fiscal courts of cities and counties comprising a planning unit from enacting a land use regulation which places all property within their respective jurisdictions in a single zone and addressing all land use proposals therein as conditional use permits.
- (2) The text of any land use regulation enacted pursuant to this section need not comply with the provisions of KRS 100.203, and may provide that the planning commission shall assume all powers and duties of a board of adjustment as provided in KRS 100.217 to 100.263. Any appeal from an action of the planning commission in granting or denying a variance or conditional use permit shall be taken pursuant to KRS 100.347(2).

Section 141. KRS 100.205 is amended to read as follows:

Except as provided in KRS ~~100.137(3)~~~~100.137(2)~~, nothing contained in this chapter shall be construed or implied as requiring the legislative bodies of cities and counties comprising the same joint planning unit to adopt identical zoning regulations. Nor shall the adoption or amendment of a zoning regulation by the legislative body of any city or county contained within a joint planning unit be made contingent on the adoption or amendment of such zoning regulation by the legislative body of any other city or county within the planning unit.

Section 142. KRS 100.208 is amended to read as follows:

- (1) Any city, county, ***consolidated local government***, or urban-county government which is part of a planning unit may provide, by ordinance, for:
 - (a) The voluntary transfer of the development rights permitted on one (1) parcel of land to another parcel of land;

- (b) Restricting or prohibiting further development of the parcel from which development rights are transferred; and
 - (c) Increasing the density or intensity of development of the parcel to which such rights are transferred.
- (2) The ordinance shall designate and show on the zoning map areas from which development rights may be transferred and areas to which such rights may be transferred and used for development. These zones may be designated as separate use districts or as overlaying other zoning districts.
 - (3) Any city within a county that adopts an ordinance providing for the transfer of development rights, may also adopt a transfer of development rights ordinance and the county and city by adoption of mutual provisions may provide for the transfer of development rights on land located in one to land located in another.
 - (4) "Transferable development rights" means an interest in real property that constitutes the right to develop and use property under the zoning ordinance which is made severable from the parcel to which the interest is appurtenant and transferable to another parcel of land for development and use in accordance with the zoning ordinance. Transferable development rights may be transferred by deed from the owner of the parcel from which the development rights are derived and upon the transfer shall vest in the grantee and be freely alienable. The zoning ordinance may provide for the method of transfer of these rights and may provide for the granting of easements and reasonable regulations to effect and control transfers and assure compliance with the provisions of the ordinance.

Section 143. KRS 100.209 is amended to read as follows:

- (1) When a city which has adopted zoning or other land use regulations pursuant to this chapter proposes to annex unincorporated or accept the transfer of incorporated territory, it may amend its comprehensive plan and official zoning map to incorporate and establish zoning or other land use regulations for the property proposed for annexation or transfer prior to adoption of the ordinance of annexation or transfer. If the city elects to follow this procedure, the planning commission shall hold a public hearing, after the adoption of the ordinance stating the city's intention to annex or transfer property and prior to final action upon the ordinance of annexation or transfer, for the purpose of adopting the comprehensive plan amendment and making its recommendations as to the zoning or other land use regulations which will be effective for the property upon its annexation or transfer. Notice setting forth the time, date, location, and purpose of the public hearing shall be published as required by KRS Chapter 424 and shall be given to the owners of all properties within the area proposed for annexation or transfer and to adjoining property owners in accordance with KRS 100.212(2). The city legislative body shall take final action upon the planning commission's recommendations prior to adoption of the ordinance of annexation or transfer and shall include in the ordinance of annexation or transfer a map showing the zoning or other land use regulations which will be effective for the annexed or transferred property. If the city elects not to follow the procedure provided for in this section prior to the adoption of the ordinance of annexation or transfer, the newly annexed or transferred territory shall remain subject to the same land use restrictions, if any, as applied to it prior to annexation or transfer until those restrictions are changed by zoning map amendments or other regulations in accordance with this chapter.
- (2) When a city is created or when a city of the fifth or sixth class is reclassified to a city of the fourth class or higher in a county containing a city of the first class *or a consolidated local government*, and the intent is to regulate land use within the confines of the city, the process for adopting or amending the comprehensive plan and adopting zoning or other land use regulations shall be as provided for in this chapter. Until such actions have been taken, the properties within the city shall remain subject to the land use restrictions, if any, as applied prior to the creation or reclassification of the city.

Section 144. KRS 100.211 is amended to read as follows:

- (1) A proposal for a zoning map amendment may originate with the planning commission of the unit, with any fiscal court or legislative body which is a member of the unit, or with an owner of the property in question. Regardless of the origin of the proposed amendment, it shall be referred to the planning commission before adoption. The planning commission shall then hold at least one (1) public hearing after notice as required by this chapter and make findings of fact and a recommendation of approval or disapproval of the proposed map amendment to the various legislative bodies or fiscal courts involved. The findings of fact and recommendation shall include a summary of the evidence and testimony presented by the proponents and opponents of the proposed amendment. A tie vote shall be subject to further consideration by the planning commission for a period not to exceed thirty (30) days, at the end of which if the tie has not been broken, the application shall be

forwarded to the fiscal court or legislative body without a recommendation of approval or disapproval. It shall take a majority of the entire legislative body or fiscal court to override the recommendation of the planning commission and it shall take a majority of the entire legislative body or fiscal court to adopt a zoning map amendment whenever the planning commission forwards the application to the fiscal court or legislative body without a recommendation of approval or disapproval due to a tie vote. Unless a majority of the entire legislative body or fiscal court votes to override the planning commission's recommendation, such recommendation shall become final and effective and if a recommendation of approval was made by the planning commission, the ordinance of the fiscal court or legislative body adopting the zoning map amendment shall be deemed to have passed by operation of law.

- (2) A proposal to amend the text of any zoning regulation which must be voted upon by the legislative body or fiscal court may originate with the planning commission of the unit or with any fiscal court or legislative body which is a member of the unit. Regardless of the origin of the proposed amendment, it shall be referred to the planning commission before adoption. The planning commission shall hold at least one (1) public hearing after notice as required by KRS Chapter 424 and make a recommendation as to the text of the amendment and whether the amendment shall be approved or disapproved and shall state the reasons for its recommendation. In the case of a proposed amendment originating with a legislative body or fiscal court, the planning commission shall make its recommendation within sixty (60) days of the date of its receipt of the proposed amendment. It shall take an affirmative vote of a majority of the fiscal court or legislative body to adopt the proposed amendment.
- (3) Procedures prescribed in KRS 100.207 applicable to the publication of notice also shall apply to any proposed amendment to a zoning regulation text or map; provided that:
 - (a) Any published notice shall include the street address of the property in question, or if one is not available or practicable due to the number of addresses involved, a geographic description sufficient to locate and identify the property, and the names of two (2) streets on either side of the property which intersect the street on which the property is located; and
 - (b) When the property in question is located at the intersection of two (2) streets, the notice shall designate the intersection by name of both streets rather than name the two (2) streets on either side of the property.
- (4) When a property owner proposes to amend the zoning map of any planning unit other than a planning unit containing a city of the first class *or a consolidated local government*, the provisions of KRS 100.212 shall apply in addition to the requirements and procedures prescribed in subsection (3) of this section.
- (5) When a property owner proposes to amend the zoning map of any planning unit comprising any portion of a county containing a city of the first class *or a consolidated local government*, the provisions of KRS 100.214 shall apply in addition to the requirements and procedures prescribed in subsection (3) of this section.
- (6) In addition to the public notice requirements prescribed in subsection (3) of this section, when the planning commission, fiscal court, or legislative body of any planning unit originates a proposal to amend the zoning map of that unit, notice of the public hearing before the planning commission, fiscal court, or legislative body shall be given at least thirty (30) days in advance of the hearing by first class mail to an owner of every parcel of property the classification of which is proposed to be changed. Records by the property valuation administrator may be relied upon to determine the identity and address of said owner.
- (7) The fiscal court or legislative body shall take final action upon a proposed zoning map amendment within ninety (90) days of the date upon which the planning commission takes its final action upon such proposal.

Section 145. KRS 100.212 is amended to read as follows:

When in any planning unit except for a planning unit containing a city of the first class *or a consolidated local government*, a hearing is scheduled on a proposal by a property owner to amend any zoning map, the following notice shall be given in addition to any other notice required by statute, local regulation, or ordinance:

- (1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed for fourteen (14) consecutive days immediately prior to the hearing. Posting shall be as follows:
 - (a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place, and date of hearing shall be in letters at least one (1) inch in height; and

- (b) The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission; and
- (2) Notice of the hearing shall be given at least fourteen (14) days in advance of the hearing by first class mail, with certification by the commission secretary or other officer of the planning commission that the notice was mailed to an owner of every parcel of property adjoining the property the classification of which is proposed to be changed. It shall be the duty of the person or persons proposing the map amendment to furnish to the planning commission the names and addresses of the owners of all adjoining property. Records maintained by the property valuation administrator may be relied upon conclusively to determine the identity and address of the owner. If the property is in condominium or cooperative forms of ownership, the person notified by mail shall be the president or chairman of the owner group which administers property commonly owned by the condominium or cooperative owners. A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address.
- (3) If the property the classification of which is proposed to be changed adjoins property in a different planning unit, or property which is not part of any planning unit, notice of the hearing shall be given at least fourteen (14) days in advance of the hearing, by first-class mail to certain public officials, as follows:
 - (a) If the adjoining property is part of a planning unit, notice shall be given to that unit's planning commission; or
 - (b) If the adjoining property is not part of a planning unit, notice shall be given to the mayor of the city in which the property is located or, if the property is in an unincorporated area, notice shall be given to the judge/executive of the county in which the property is located.

Section 146. KRS 100.214 is amended to read as follows:

When in any planning unit containing any portion of a county containing a city of the first class *or a consolidated local government* a hearing is scheduled on a proposal by a property owner to amend any zoning map the following notice shall be given in addition to any other notice required by statute by local regulation or ordinance to be given:

- (1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed thirty (30) days immediately prior to the hearing. Posting shall be as follows:
 - (a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place and date of hearing shall be in letters at least one (1) inch in height; and
 - (b) The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission;
- (2) Notice of the hearing shall be given at least thirty (30) days in advance of the hearing by first class mail, with certification by the commission secretary or other officer of the planning commission that the notice was mailed, to the mayor and city clerk of any city of the fifth or sixth class so affected, to an owner of every parcel of property adjoining at any point the property the classification of which is proposed to be changed, to an owner of every parcel of property directly across the street from said property, and to an owner of every parcel of property which adjoins at any point the adjoining property or the property directly across the street from said property; provided, however, that no first-class mail notice, required by this subsection, shall be required to be given to any property owner whose property is more than five hundred (500) feet from the property which is proposed to be changed. It shall be the duty of the person or persons proposing the map amendment to furnish to the planning commission the names and addresses of the owners of all property as described in this subsection. Records maintained by the property valuation administrator may be relied upon conclusively to determine the identity and address of said owner. In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairman of the owner group which administers property commonly owned by the condominium or cooperative owners. A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address;
- (3) If the hearing has been scheduled for a time during normal working hours, and if, within fifteen (15) days of the scheduled date of the hearing the planning commission shall receive a petition from two hundred (200) property owners living within the planning unit requesting that the hearing be rescheduled for a time after normal working hours, then the planning commission shall reschedule the hearing for a time after normal working hours on a date no earlier than the date of the original hearing. The planning commission shall then

publish notice of the new hearing time and date according to the provisions of KRS 100.211, except that notice shall occur at least seven (7) days prior to the public hearing. The sign required by subsection (1) of this section shall be changed to reflect the new hearing time and date at least seven (7) days prior to the public hearing. The persons who receive mail notice according to the provisions of subsection (2) of this section shall again be notified in the same manner of the new hearing time and date at least seven (7) days prior to the hearing. The hearing time shall not be changed more than once by the procedures of this section except in the event of intervening emergency which requires the cancellation of a hearing; and

- (4) Notice by mail shall include a list of the names and addresses of each person so notified, and a description of the procedure by which those notified can petition for a change in the hearing time.

Section 147. KRS 100.217 is amended to read as follows:

- (1) Before any zoning regulation may have legal effect within the planning unit, a board or boards of adjustment shall be appointed for the planning unit as stated in the agreement under which the unit operates. The agreement may provide for additional boards of adjustment with jurisdiction of a particular city or area within the planning unit. Provided, that the jurisdiction of the boards of adjustment so established shall be clearly defined as to territorial limits, that all territory within the planning unit is within the jurisdiction of some board of adjustment so established and that no territory is subject to the jurisdiction of more than one (1) board of adjustment, except as provided in KRS 100.203(5). ***In a county containing a consolidated local government where a planning agreement is not required, there shall be one (1) board of adjustment which shall be established by ordinance of the consolidated local government. Until such time as the consolidated local government establishes and appoints a board of adjustment pursuant to this subsection, the existing board of adjustment for the county shall serve as the board of adjustment for the entire planning unit.***
- (2) A board of adjustment shall consist of either three (3), five (5), or seven (7) members, all of whom must be citizen members, and not more than two (2) of whom may be citizen members of the planning commission.
- (3) The mayor shall be the appointing authority for cities, and the county judge/executive shall be the appointing authority for counties, subject to the approval of their respective legislative bodies. ***The mayor shall be the appointing authority for a consolidated local government pursuant to the provisions of Section 1 of this Act.***
- (4) The term of office for the board of adjustment shall be four (4) years, but the term of office of members first appointed shall be staggered so that a proportionate number serve one (1), two (2), three (3), and four (4) years respectively.
- (5) Vacancies on the board of adjustment shall be filled within sixty (60) days by the appropriate appointing authority. If the authority fails to act within that time, the planning commission shall fill the vacancy. When a vacancy occurs other than through expiration of the term of office, it shall be filled for the remainder of that term.
- (6) All members of boards of adjustment shall, before entering upon their duties, qualify by taking the oath of office prescribed by Section 228 of the Constitution of the Commonwealth of Kentucky before any judge, county judge/executive, notary public, clerk of a court, or justice of the peace within the district or county in which he resides.
- (7) Reimbursement for expenses or compensation or both may be authorized for members on a board of adjustment.
- (8) Any member of a board of adjustment may be removed by the appropriate appointing authority for inefficiency, neglect of duty, malfeasance, or conflict of interest. Any appointing authority who exercises the power to remove a member of the board of adjustment shall submit a written statement to the commission setting forth the reasons for removal, and the statement shall be read at the next meeting of the board of adjustment, which shall be open to the general public. The member so removed shall have the right of appeal from the removal to the Circuit Court of the county in which he resides.
- (9) Notwithstanding subsection (4) of this section, when a city of the first class and a county containing such city have in effect a compact pursuant to KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, if the board is not reorganized pursuant to subsection (1) of this section, the mayor, and county judge/executive with approval of the fiscal court, shall adjust the terms of the sitting members to provide that the terms of one-third (1/3) plus one (1) of the members expire in one (1) year, the terms of one-third (1/3) of the members in two (2) years and the terms of one-third (1/3) of the members expire in three (3) years. Upon expiration of

these staggered terms, successors shall be appointed for a term of three (3) years. *Notwithstanding subsection (4) of this section, upon the establishment of a consolidated local government in a county where a city of the first class and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. Upon expiration of the terms of incumbent members, their successors shall be appointed to three (3) year terms which are staggered.*

- (10) Each board of adjustment annually shall elect a chairman, vice chairman, and secretary and any other officers it deems necessary, and any officer shall be eligible for reelection at the expiration of his term.

Section 148. KRS 100.237 is amended to read as follows:

The board shall have the power to hear and decide applications for conditional use permits to allow the proper integration into the community of uses which are specifically named in the zoning regulations which may be suitable only in specific locations in the zone only if certain conditions are met:

- (1) The board may approve, modify, or deny any application for a conditional use permit. If it approves such permit it may attach necessary conditions such as time limitations, requirements that one (1) or more things be done before the request can be initiated, or conditions of a continuing nature. Any such conditions shall be recorded in the board's minutes and on the conditional use permit, along with a reference to the specific section in the zoning regulation listing the conditional use under consideration. The board shall have power to revoke conditional use permits, or variances for noncompliance with the condition thereof. Furthermore, the board shall have a right of action to compel offending structures or uses removed at the cost of the violator and may have judgment in personam for such cost.
- (2) Granting of a conditional use permit does not exempt the applicant from complying with all of the requirements of building, housing, and other regulations.
- (3) In any case where a conditional use permit has not been exercised within the time limit set by the board, or within one (1) year, if no specific time limit has been set, such conditional use permit shall not revert to its original designation unless there has been a public hearing. "Exercised," as set forth in this section, shall mean that binding contracts for the construction of the main building or other improvement have been let; or in the absence of contracts that the main building or other improvement is under construction to a substantial degree, or that prerequisite conditions involving substantial investment under contract, in development, are completed. When construction is not a part of the use, "exercised" shall mean that the use is in operation in compliance with the conditions as set forth in the permit.
- (4) The administrative official shall review all conditional use permits, except those for which all conditions have been permanently satisfied, at least once annually and shall have the power to inspect the land or structure where the conditional use is located in order to ascertain that the landowner is complying with all of the conditions which are listed on the conditional use permit. If the landowner is not complying with all of the conditions listed on the conditional use permit, the administrative official shall report the fact in writing to the chairman of the board of adjustment. The report shall state specifically the manner in which the landowner is not complying with the conditions on the conditional use permit, and a copy of the report shall be furnished to the landowner at the same time that it is furnished to the chairman of the board of adjustment. The board shall hold a hearing on the report within a reasonable time, and notice of the time and place of the hearing shall be furnished to the landowner at least one (1) week prior to the hearing. If the board of adjustment finds that the facts alleged in the report of the administrative official are true and that the landowner has taken no steps to comply with them between the date of the report and the date of the hearing, the board of adjustment may authorize the administrative official to revoke the conditional use permit and take the necessary legal action to cause the termination of the activity on the land which the conditional use permit authorizes.
- (5) Once the board of adjustment has completed a conditional use permit and all the conditions required are of such type that they can be completely and permanently satisfied, the administrative official, upon request of the applicant, may, if the facts warrant, make a determination that the conditions have been satisfied, and enter the facts which indicate that the conditions have been satisfied and the conclusion in the margin of the copy of the conditional use permit which is on file. Thereafter said use, if it continues to meet the other requirements of the regulations, will be treated as a permitted use.
- (6) When an application is made for a conditional use permit for land located within or abutting any residential zoning district, written notice shall be given at least fourteen (14) days in advance of the public hearing on the

application to the applicant, administrative official, the mayor and city clerk of any city of the fifth or sixth class so affected, within any county containing a city of the first class *or a consolidated local government*, an owner of every parcel of property adjoining the property to which the application applies and such other persons as the local zoning ordinance, regulations, or board of adjustment bylaws shall direct. Written notice shall be by first class mail with certification by the board's secretary or other officer that the notice was mailed. It shall be the duty of the applicant to furnish to the board the name and address of an owner of each parcel of property as described in this subsection. Records maintained by the property valuation administrator may be relied upon conclusively to determine the identity and address of said owner. In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairperson of the owner group which administers property commonly owned by the condominium or cooperative owners. A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address.

- (7) When any property within the required notification area for a public hearing upon a conditional use permit application is located within an adjoining city, county, or planning unit, notice of the hearing shall be given at least fourteen (14) days in advance of the hearing, by first-class mail to certain public officials, as follows:
 - (a) If the adjoining property is part of a planning unit, notice shall be given to that unit's planning commission; or
 - (b) If the adjoining property is not part of a planning unit, notice shall be given to the mayor of the city in which the property is located or, if the property is in an unincorporated area, notice shall be given to the judge/executive of the county in which the property is located.

Section 149. KRS 100.253 is amended to read as follows:

- (1) The lawful use of a building or premises, existing at the time of the adoption of any zoning regulations affecting it may be continued, although such use does not conform to the provisions of such regulations, except as otherwise provided herein.
- (2) The board of adjustment shall not allow the enlargement or extension of a nonconforming use beyond the scope and area of its operation at the time the regulation which makes its use nonconforming was adopted, nor shall the board permit a change from one nonconforming use to another unless the new nonconforming use is in the same or a more restrictive classification, provided, however, the board of adjustment may grant approval, effective to maintain nonconforming-use status, for enlargements or extensions, made or to be made, of the facilities of a nonconforming use, where the use consists of the presenting of a major public attraction or attractions, such as a sports event or events, which has been presented at the same site over such period of years and has such attributes and public acceptance as to have attained international prestige and to have achieved the status of a public tradition, contributing substantially to the economy of the community and state, of which prestige and status the site is an essential element, and where the enlargement or extension was or is designed to maintain the prestige and status by meeting the increasing demands of participants and patrons.
- (3) Any use which has existed illegally and does not conform to the provisions of the zoning regulations, and has been in continuous existence for a period of ten (10) years, and which has not been the subject of any adverse order or other adverse action by the administrative official during said period, shall be deemed a nonconforming use. Thereafter, such use shall be governed by the provisions of subsection (2) of this section.
- (4) The provisions of subsection (3) of this section shall not apply to counties containing a city of the first class, a city of the second class, *a consolidated local government*, or *an* urban-county government.

Section 150. KRS 100.277 is amended to read as follows:

- (1) All subdivision of land shall receive commission approval.
- (2) No person or his agent shall subdivide any land, before securing the approval of the planning commission of a plat designating the areas to be subdivided, and no plat of a subdivision of land within the planning unit jurisdiction shall be recorded by the county clerk until the plat has been approved by the commission and the approval entered thereon in writing by the chairman, secretary, or other duly authorized officer of the commission.
- (3) No person owning land composing a subdivision, or his agent, shall transfer or sell any lot or parcel of land located within a subdivision by reference to, or by exhibition, or by any other use of a plat of such subdivision, before such plat has received final approval of the planning commission and has been recorded. Any such instrument of transfer or sale shall be void and shall not be subject to be recorded unless the subdivision plat

subsequently receives final approval of the planning commission, but all rights of such purchaser to damages are hereby preserved. The description of such lot or parcel by metes and bounds in any instrument of transfer or other document used in the process of selling or transferring same shall not exempt the person attempting to transfer from penalties provided or deprive the purchaser of any rights or remedies he may otherwise have. Provided, however, any person, or his agent, may agree to sell any lot or parcel of land located within a subdivision by reference to an unapproved or unrecorded plat or by reference to a metes and bounds description of such lot and any such executory contract of sale or option to purchase may be recorded and shall be valid and enforceable so long as the subdivision of land contemplated therein is lawful and the subdivision plat subsequently receives final approval of the planning commission.

- (4) Any street or other public ground which has been dedicated shall be accepted for maintenance by the legislative body after it has received final plat approval by the planning commission. Any street that has been built in accordance with specific standards set forth in subdivision regulations or by ordinance shall be, by operation of law, automatically accepted for maintenance by a legislative body forty-five (45) days after inspection and final approval.
- (5) Any instrument of transfer, sale or contract that would otherwise have been void under this section and under any of its subsections previously, is deemed not to have been void, but merely not subject to be recorded unless the subdivision plat subsequently receives final approval of the planning commission. This subsection shall not apply to instruments of transactions affecting property in counties containing cities of the first class, *in consolidated local governments created pursuant to KRS Chapter 67C*, or in urban-counties created pursuant to KRS Chapter 67A.

Section 151. KRS 100.324 is amended to read as follows:

- (1) All other provisions of this chapter to the contrary notwithstanding, public utilities operating under the jurisdiction of the Public Service Commission, except as specified in KRS 100.987 and subsection (5) of this section, or the Department of Vehicle Regulation or Federal Power Commission, any municipally-owned electric system, and common carriers by rail shall not be required to receive the approval of the planning unit for the location or relocation of any of their service facilities. Service facilities include all facilities of such utilities and common carriers by rail other than office space, garage space, and warehouse space and include office space, garage space, and warehouse space when such space is incidental to a service facility. The Public Service Commission and the Department of Vehicle Regulation shall give notice to the planning commission of any planning unit of any hearing which affects locations or relocations of service facilities within that planning unit's jurisdiction.
- (2) The nonservice facilities excluded in subsection (1) of this section must be in accordance with the zoning regulations.
- (3) Upon the request of the planning commission, the public utilities referred to in this section shall provide the planning commission of the planning unit affected with information concerning service facilities which have been located on and relocated on private property.
- (4) Any proposal for acquisition or disposition of land for public facilities, or changes in the character, location, or extent of structures or land for public facilities, excluding state and federal highways and public utilities and common carriers by rail mentioned in this section, shall be referred to the commission to be reviewed in light of its agreement with the comprehensive plan, and the commission shall, within sixty (60) days from the date of its receipt, review the project and advise the referring body whether the project is in accordance with the comprehensive plan. If it disapproves of the project, it shall state the reasons for disapproval in writing and make suggestions for changes which will, in its opinion, better accomplish the objectives of the comprehensive plan. No permit required for construction or occupancy of such public facilities shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its report, whichever occurs first.
- (5) Every utility which proposes to construct an antenna tower for cellular telecommunications services or personal communications services within a county containing a city of the first class *or a consolidated local government* shall submit the proposal to the planning commission of the affected planning unit. The planning commission shall review the proposal in light of its agreement with the comprehensive plan and locally-adopted zoning regulations and shall, within sixty (60) days from the date the proposal is submitted, make its final decision and advise the utility in writing whether the proposed construction is in accordance with the comprehensive plan and locally-adopted zoning regulations. If the planning commission fails to issue a final

decision within sixty (60) days, it is presumed to have approved the proposal, and may not later appeal a decision of the Public Service Commission under KRS 278.650(3). If the planning commission disapproves of the proposed construction, it shall state the reasons for disapproval in its written decision and may make suggestions which, in its opinion, better accomplish the objectives of the comprehensive plan and the locally-adopted zoning regulations. No permit for construction of a cellular or personal communications services antenna tower, including any certificate of convenience and necessity required to be issued by the Kentucky Public Service Commission, shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its final decision on the utility proposal, whichever occurs first.

Section 152. KRS 100.331 is amended to read as follows:

Except in counties containing a consolidated local government, fiscal courts are granted all the legislative powers granted to all cities for purposes of adopting regulations and legislation proposed under this chapter.

Section 153. KRS 100.347 is amended to read as follows:

- (1) Any person or entity claiming to be injured or aggrieved by any final action of the board of adjustment shall appeal from the action to the Circuit Court of the county in which the property, which is the subject of the action of the board of adjustment, lies. Such appeal shall be taken within thirty (30) days after the final action of the board. All final actions which have not been appealed within thirty (30) days shall not be subject to judicial review. The board of adjustment shall be a party in any such appeal filed in the Circuit Court.
- (2) Any person or entity claiming to be injured or aggrieved by any final action of the planning commission shall appeal from the final action to the Circuit Court of the county in which the property, which is the subject of the commission's action, lies. Such appeal shall be taken within thirty (30) days after such action. Such action shall not include the commission's recommendations made to other governmental bodies. All final actions which have not been appealed within thirty (30) days shall not be subject to judicial review. Provided, however, any appeal of a planning commission action granting or denying a variance or conditional use permit authorized by KRS 100.203(5) shall be taken pursuant to this subsection. In such case, the thirty (30) day period for taking an appeal begins to run at the time the legislative body grants or denies the map amendment for the same development. The planning commission shall be a party in any such appeal filed in the Circuit Court.
- (3) Any person or entity claiming to be injured or aggrieved by any final action of the legislative body of any city, county, ***consolidated local government,*** or urban-county government, relating to a map amendment shall appeal from the action to the Circuit Court of the county in which the property, which is the subject of the map amendment, lies. Such appeal shall be taken within thirty (30) days after the final action of the legislative body. All final actions which have not been appealed within thirty (30) days shall not be subject to judicial review. The legislative body shall be a party in any such appeal filed in the Circuit Court.
- (4) The owner of the subject property and applicants who initiated the proceeding shall be made parties to the appeal. Other persons speaking at the public hearing are not required to be made parties to such appeal.
- (5) For purposes of this chapter, final action shall be deemed to have occurred on the calendar date when the vote is taken to approve or disapprove the matter pending before the body.

Section 154. KRS 100.401 is amended to read as follows:

It is the intent of KRS 100.401 to 100.419 to strengthen the enforcement of binding elements which have been approved as part of a land use development plan in a county containing a city of the first class ***or consolidated local government.*** This is intended to be done by extending to a planning commission in counties containing a city of the first class ***or consolidated local government*** the authority to issue remedial orders and impose civil fines in order to provide an equitable, expeditious, effective, and inexpensive method of ensuring compliance with approved land use plans as they apply to binding element agreements. KRS 100.401 to 100.419 is intended and shall be construed to provide an additional or supplemental means of obtaining compliance with local zoning ordinances and nothing contained in KRS 100.401 to 100.419 shall prohibit the enforcement of local zoning ordinances by any other means authorized by law.

Section 155. KRS 100.403 is amended to read as follows:

As used in KRS 100.401 to 100.419, unless the context otherwise requires:

- (1) "Land use enforcement officer" in a county containing a city of the first class ***or consolidated local government*** means ~~an [a zoning enforcement] officer~~ ***authorized [employed]*** by a planning commission ***to enforce binding elements.***

- (2) "Land use ordinance" in a county containing a city of the first class ***or consolidated local government*** means an official action of a local government body which is a regulation of a general and permanent nature relating to the use and development of land within the jurisdictional boundary of the planning commission. It is enforceable as a local law and shall include any provision of a code of ordinances adopted by a local government which embodies all or part of an ordinance.
- (3) "Local government" means a county containing a city of the first class ***or consolidated local government*** and all cities of the first through fourth classes within ~~the~~***that*** county.
- (4) "Binding element" in a county containing a city of the first class ***or consolidated local government*** means a binding requirement, provision, restriction, or condition imposed by a planning commission or its designee, or a promise or agreement made by an applicant in writing in connection with the approval of a land use development plan or subdivision plan.

Section 156. KRS 100.405 is amended to read as follows:

- (1) The planning commission in counties containing a city of the first class ***or a consolidated local government*** may issue remedial orders and impose civil fines as a method of enforcing a binding element when a violation of that binding element has been classified as a civil offense in accordance with this section.
- (2) Subject to the limitations set forth in subsections (1) and (3) of this section, if a local government elects to enforce a binding element as a civil offense, it shall do so by ordinance, which shall provide:
 - (a) That a violation of the binding element is a civil offense; and
 - (b) A maximum civil fine that may be imposed for each violation of a binding element.
- (3) No local government shall classify the violation of a binding element as a civil offense if the violation would also constitute an offense under any provision of the Kentucky Revised Statutes, including specifically, and without limitation, any provision of the Kentucky Penal Code and any moving motor vehicle offense.

Section 157. KRS 100.985 is amended to read as follows:

In addition to the definitions set forth in KRS 100.111, the following definitions shall apply to KRS 100.985 to 100.987:

- (1) "Cellular antenna tower" means a tower constructed for, or an existing facility that has been adapted for, the location of transmission or related equipment to be used in the provision of cellular telecommunications services or personal communications services;
- (2) "Cellular telecommunications service" means a retail telecommunications service that uses radio signals transmitted through cell sites and mobile switching stations;
- (3) "Co-location" means locating two (2) or more transmission antennas or related equipment on the same cellular antenna tower;
- (4) "Personal communication service" has the meaning as defined in 47 U.S.C. sec. 332(c);
- (5) "Uniform application" means an application for a certificate of convenience and necessity issued under KRS 278.020 submitted by a utility to the Public Service Commission to construct an antenna tower for cellular telecommunications services of personal communications service in a jurisdiction, that has adopted planning and zoning regulations in accordance with this chapter, except for any county that contains a city of the first class ***or a consolidated local government***; and
- (6) "Utility" has the meaning as defined in KRS 278.010(3).

Section 158. KRS 100.987 is amended to read as follows:

- (1) A planning unit as defined in KRS 100.111 and legislative body or fiscal court that has adopted planning and zoning regulations, except for a county that contains a city of the first class ***or a consolidated local government*** as provided under KRS 278.650, may plan for and regulate the siting of cellular antenna towers in accordance with locally adopted planning or zoning regulations in this chapter by officially registering with the Public Service Commission. The registration shall be in the form of an official resolution adopted by the local planning commission. Nothing in this section shall require a planning unit and legislative body or fiscal court to plan for and regulate the siting of cellular antenna towers.

- (2) Every utility or a company that is engaged in the business of providing the required infrastructure to a utility that proposes to construct an antenna tower for cellular telecommunications services or personal communications services within the jurisdiction of a planning unit that has adopted planning and zoning regulations in accordance with this chapter, except for a county that contains a city of the first class *or a consolidated local government* as provided under KRS 278.650, and that has officially registered with the Public Service Commission shall:
- (a) Submit a copy of the utility's completed uniform application to the planning commission of the affected planning unit to construct an antenna tower for cellular or personal telecommunications services within five (5) days of applying to the Public Service Commission for a certificate of necessity and convenience as required by KRS 278.020(1). The uniform application shall include a grid map that shows the location of all existing cellular antenna towers and that indicates the general position of proposed construction sites for new cellular antenna towers within an area that includes:
 - 1. All of the planning unit's jurisdiction; and
 - 2. A one-half (1/2) mile area outside of the boundaries of the planning unit's jurisdiction, if that area contains either existing or proposed construction sites for cellular antenna towers;
 - (b) Include in any contract with an owner of property upon which a cellular antenna tower is to be constructed, a provision that specifies, in the case of abandonment, a method that the utility will follow in dismantling and removing a cellular antenna tower including a timetable for removal; and
 - (c) Comply with any local ordinances concerning land use, subject to the limitations imposed by 47 U.S.C. sec. 332(c), KRS 278.030, 278.040, and 278.280.
- (3) Commencing from the time that a utility files a uniform application with the Public Service Commission, all information contained in the uniform application and any updates, except for information that specifically identifies the proposed location of the cellular antenna tower then being reviewed by the applying utility, shall be deemed confidential and proprietary within the meaning of KRS 61.878. The Public Service Commission and the local planning commission shall deny any public request for the inspection of this information, whether submitted under Kentucky's Open Records Act or otherwise, except when ordered to release the information by a court of competent jurisdiction. Any person violating this subsection shall be guilty of official misconduct in the second degree as provided under KRS 522.030.
- (4) After receiving the uniform application to construct a cellular antenna tower, the planning commission shall:
- (a) Review the uniform application in light of its agreement with the comprehensive plan and locally adopted zoning regulations;
 - (b) Make its final decision to approve or disapprove the uniform application; and
 - (c) Advise the utility and the Public Service Commission in writing of its final decision within sixty (60) days commencing from the date that the uniform application is received by the planning commission or within a date certain specified in a written agreement between the local planning commission and the utility. If the planning commission fails to issue a final decision within sixty (60) days and if there is no written agreement between the local planning commission and the utility to a specific date for the planning commission to issue a decision, it is presumed that the local planning commission has approved the utility's uniform application.
- (5) (a) If the planning commission disapproves of the proposed construction, it shall state the reasons for disapproval in its written decision and may make suggestions which, in its opinion, better accomplish the objectives of the comprehensive plan and the locally adopted zoning regulations. No permit for construction of a cellular or personal communications services antenna tower, including any certificate of convenience and necessity required to be issued by the Kentucky Public Service Commission, shall be issued until the planning commission approves the uniform application or the sixty (60) day time period has expired, whichever occurs first. If a planning commission rejects the uniform application to construct an antenna tower, the Public Service Commission may override the decision of the planning commission and issue a certificate of convenience and necessity for construction of the cellular or personal communications services antenna tower, if it determines that there is no acceptable alternate site and that the public convenience and necessity requires the proposed construction.

- (b) Any party, other than the applying utility, that is aggrieved by the final action of a planning commission under this section, may intervene in the action to the Public Service Commission, but this appeal shall not automatically postpone action by the Public Service Commission.
- (6) The planning commission may require the utility to make a reasonable attempt to co-locate additional transmitting or related equipment on any new or existing towers, if there is available space on the tower and the co-location does not interfere with the structural integrity of the tower and does not require the owner of the tower to make substantial alterations to the tower. A planning commission may provide the location of existing cellular antenna towers on which the commission deems the applying utility can successfully co-locate its transmitting and related equipment. If the local planning commission requires the utility to attempt co-location, the utility shall provide the local planning unit with a statement indicating that the utility has:
 - (a) Successfully attempted to co-locate on towers designed to host multiple wireless service providers' facilities or existing structures such as a telecommunications tower or another suitable structure capable of supporting the utility's facilities, and that identifies the location of the tower which the applying utility will co-locate its transmission and related facilities on; or
 - (b) Unsuccessfully attempted to co-locate on towers designed to host multiple wireless service provider's facilities or existing structures such as a telecommunications tower or another suitable structure capable of supporting the utility's facilities and that:
 - 1. Identifies the location of the towers which the applying utility attempted to co-locate on; and
 - 2. Lists the reasons why the co-location was unsuccessful in each instance.
- (7) The local planning commission may deny a uniform application to construct a cellular antenna tower based on a utility's unwillingness to attempt to co-locate additional transmitting or related equipment on any new or existing towers.
- (8) In the event of co-location, a utility shall be considered the primary user of the tower, if the utility is the owner of the antenna tower and if no other agreement exists that prescribes an alternate arrangement between the parties for use of the tower. Any other entity that co-locates transmission or related facilities on a cellular antenna tower shall do so in a manner that does not impose additional costs or operating restrictions on the primary user.

Section 159. KRS 108.060 is amended to read as follows:

A civil service system for employees of the district may be established by the council in accordance with the plan outlined for cities of the first class *or a consolidated local government* under KRS 90.110 to 90.230.

Section 160. KRS 132.012 is amended to read as follows:

As used in this section and in KRS 91.285, unless the context otherwise requires:

- (1) "Abandoned urban property" means any vacant structure or vacant or unimproved lot or parcel of ground in a predominantly developed urban area which has been vacant or unimproved for a period of at least one (1) year and which:
 - (a) Because it is dilapidated, unsanitary, unsafe, vermin infested, or otherwise dangerous to the safety of persons, it is unfit for its intended use; or
 - (b) By reason of neglect or lack of maintenance has become a place for the accumulation of trash and debris, or has become infested with rodents or other vermin; or
 - (c) Has been tax delinquent for a period of at least three (3) years.
- (2) For purposes of local taxation in cities of the first class *or consolidated local governments*, there shall be a classification of real property known as abandoned urban property. The legislative body of a city of the first class *or consolidated local government* may levy a rate of taxation on abandoned urban property higher than the prevailing rate of taxation on other real property in the city *or consolidated local government*. The limitation upon tax rates established by KRS 132.027 shall not apply to the rate of taxation on abandoned urban property.

Section 161. KRS 132.015 is amended to read as follows:

The property valuation administrator shall maintain lists of all real property additions and real property deletions to the property tax rolls for the county, **consolidated local government**, or urban-county, and each city, school district, and special district in the county, **consolidated local government**, or urban-county, and shall certify such lists to the Revenue Cabinet, the city clerk of each city in the county which elects to use the annual county assessment as provided for in KRS 132.285, the treasurer or chief officer of each special district in the county, and the chief administrative officer of the urban-county **and the consolidated local government** at the time he files his recapitulation of property assessed on the tax roll with the Revenue Cabinet.

Section 162. KRS 132.017 is amended to read as follows:

- (1) (a) That portion of a tax rate levied by an ordinance, order, resolution, or motion of a county fiscal court, district board of education or legislative body of a city, urban-county government, **consolidated local government**, or other taxing district subject to recall as provided for in KRS 68.245, 132.023, 132.027 and 160.470, shall go into effect forty-five (45) days after its passage. If during the forty-five (45) days next following the passage of the order, resolution, or motion, a petition signed by a number of registered and qualified voters equal to ten percent (10%) of the voters voting in the last presidential election is presented to the county clerk or his authorized deputy protesting against passage of the ordinance, order, resolution, or motion, the ordinance, order, resolution, or motion shall be suspended from going into effect until after the election referred to in subsection (2) of this section. When the petition is presented to the county clerk or his authorized deputy, the officer shall immediately notify the presiding officer of the appropriate fiscal court, district board of education, ~~or~~ legislative body of a city, **consolidated local government**, ~~or~~ urban-county government, or other taxing district, as the case may be. Each sheet of the petition shall contain the names, residence addresses, and Social Security numbers or dates of birth of voters in but one (1) voting precinct, and each sheet shall state the name, number, or designation of the precinct and, where applicable, the name, designation, or number of the district or ward wherein the precinct is situated. The county clerk shall make the conclusive determination of whether the petition contains enough signatures of qualified voters to suspend the effect of the order or resolution.
- (b) The county fiscal court, district board of education, or legislative body of a city, urban-county government, **consolidated local government**, or other taxing district may cause the cancellation of the election by reconsidering the ordinance, order, resolution, or motion and amending the ordinance, order, resolution, or motion to levy a tax rate which will produce no more revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 from real property. The action by the county fiscal court, district board of education, legislative body of a city, urban-county government, **consolidated local government**, or other taxing district shall be valid only if taken within fifteen (15) days following the date of the presentation of the petition.
- (2) (a) If an election is necessary under the provisions of subsection (1) of this section, the county fiscal court, ~~or~~ legislative body of a city, urban-county government, **consolidated local government**, or other taxing district shall cause to be submitted to the voters of the county, district, **consolidated local government**, or urban-county at the next regular election, the question as to whether the property tax rate shall be levied. The question shall be submitted to the county clerk not later than the second Tuesday in August preceding the regular election. The question shall be so framed that the voter may by his vote answer "for" or "against." If a majority of the votes cast upon the question oppose its passage, the order, resolution, or motion shall not go into effect. If a majority of the votes cast upon the question favor its passage, the order, resolution, or motion shall go into effect.
- (b) If an election is necessary for a school district under the provisions of subsection (1) of this section, the district board of education may cause to be submitted to the voters of the district in a called common school election not less than twenty (20) days nor more than thirty (30) days from the date the signatures on the petition are validated by the county clerk, or at the next regular election, at the option of the district board of education, the question as to whether the property tax rate shall be levied. If the election is held in conjunction with a regular election, the question shall be submitted to the county clerk not later than the second Tuesday in August preceding the regular election. The question shall be so framed that the voter may by his vote answer "for" or "against." If a majority of the votes cast upon the question oppose its passage, the order, resolution, or motion shall not go into effect, and the property tax rate which will produce four percent (4%) more revenues from real property, exclusive of revenue from new property as defined in KRS 132.010, than the amount of revenue produced by the compensating tax

rate defined in KRS 132.010, shall be levied without further approval by the county fiscal court, district board of education, or legislative body of a city, ***consolidated local government***, urban-county government, or other taxing district, as the case may be. If a majority of the votes cast upon the question favor its passage, the order, resolution, or motion shall go into effect. The cost of a called common school election shall be borne by the school district causing the election to be held.

- (3) Notwithstanding any statutory provision to the contrary, if a city, county, school district, or other taxing district has not established a final tax rate as of September 15, due to the recall provisions of this section, KRS 68.245, 132.027, or 160.470, regular tax bills shall be prepared as required in KRS 133.220 for all districts having a tax rate established by that date; and a second set of bills shall be prepared and collected in the regular manner, according to the provisions of KRS Chapter 132, upon establishment of final tax rates by the remaining districts.
- (4) If a second billing is necessary, the collection period shall be extended to conform with the second billing date.
- (5) All costs associated with the second billing shall be paid by the taxing district or districts requiring the second billing.

Section 163. KRS 132.018 is amended to read as follows:

- (1) If the tax rate applicable to real property levied by a county fiscal court, district board of education, or legislative body of a city, ***consolidated local government***, urban-county government, or other taxing district is reduced as a result of reconsideration by the county fiscal court, district board of education, or legislative body of a city, ***consolidated local government***, urban-county government, or other taxing district under the provisions of KRS 132.017(1)(b), the tax rate applicable to personal property levied under the provisions of KRS 68.248(1), 132.024(1), 132.029(1), and 160.473(1) shall be reduced by the respective county fiscal court, district board of education, or legislative body of a city, ***consolidated local government***, urban-county government, or other taxing district to an amount which will produce the same percentage increase in revenue from personal property as the percentage increase in revenue from real property resulting from the reduced tax rate applicable to real property.
- (2) If the tax rate applicable to real property levied by a county fiscal court, district board of education, or legislative body of a city, ***consolidated local government***, urban-county government, or other taxing district is reduced, under the provisions of KRS 132.017(2)(b), as a result of a majority of votes cast in an election being opposed to such a rate, the tax rate applicable to personal property levied by the respective county fiscal court, district board of education, or legislative body of a city, ***consolidated local government***, urban-county government, or other taxing district shall be reduced, without further action by the levying body, to an amount which will produce the same percentage increase in revenue from personal property as the percentage increase in revenue from real property resulting from the reduced tax rate applicable to real property.

Section 164. KRS 132.023 is amended to read as follows:

- (1) No taxing district, other than the state, counties, school districts, cities, ***consolidated local governments***, and urban-county governments, shall levy a tax rate which exceeds the compensating tax rate defined in KRS 132.010, until the taxing district has complied with the provisions of subsection (2) of this section.
- (2)
 - (a) A taxing district, other than the state, counties, school districts, cities, ***consolidated local governments***, and urban-county governments, proposing to levy a tax rate which exceeds the compensating tax rate defined in KRS 132.010, shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district, or, in the event the taxing district has no office, or the office is not suitable for a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.
 - (b) The taxing district shall advertise the hearing by causing to be published at least twice in two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches, the following:
 1. The tax rate levied in the preceding year, and the revenue produced by that rate;
 2. The tax rate proposed for the current year and the revenue expected to be produced by that rate;
 3. The compensating tax rate and the revenue expected from it;

4. The revenue expected from new property and personal property;
 5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
 6. A time and place for the public hearing which shall be held not less than seven (7) days, nor more than ten (10) days, after the day that the second advertisement is published;
 7. The purpose of the hearing; and
 8. A statement to the effect that the General Assembly has required publication of the advertisement and the information contained therein.
- (c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property in the taxing district, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.
- (d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The taxing district may set reasonable time limits for testimony.
- (3) (a) That portion of a tax rate levied by an action of a tax district, other than the state, counties, school districts, cities, ***consolidated local governments***, and urban-county governments which will produce revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 shall be subject to a recall vote or reconsideration by the taxing district, as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.
- (b) The taxing district, other than the state, counties, school districts, cities, ***consolidated local governments***, and urban-county governments shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a tax rate which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, cause to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches the following:
1. The fact that the taxing district has adopted a rate;
 2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 is subject to recall; and
 3. The name, address, and telephone number of the county clerk of the county in which the taxing district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.

Section 165. KRS 132.275 is amended to read as follows:

Each gas, water, electric light and telephone company operating in a county containing a city of the first class ***or consolidated local government*** shall furnish to the property valuation administrator a list showing the names and addresses of all persons, firms, or corporations receiving service from such utilities, and thereafter on every Monday, said utility companies shall furnish to said property valuation administrator a report containing the names of all persons, firms, or corporations who have, during the week immediately preceding, ordered gas, water, electric light or telephone service to be installed, removed or discontinued, with the addresses at which the services were ordered to be installed, removed or discontinued. Such information shall be treated as confidential and shall be used by said property valuation administrator only for the purpose of making accurate records; Provided, however, That said property valuation administrator shall permit the city assessor of said city of the first class ***or consolidated local government*** and any other taxing bodies of the various governments to examine said records for official purposes only, and said units of government shall treat said information as confidential.

Section 166. KRS 132.400 is amended to read as follows:

Before entering upon the duties of office, the property valuation administrator shall execute a bond conditioned upon the faithful performance of the duties of the office with a surety to be approved by the Revenue Cabinet. In counties containing a city of the first class ***or consolidated local government***, the bond shall be in the sum of one hundred

thousand dollars (\$100,000); in counties containing a city of the second class, fifty thousand dollars (\$50,000); in all other counties, twenty thousand dollars (\$20,000).

Section 167. KRS 132.590 is amended to read as follows:

- (1) The compensation of the property valuation administrator shall be based on the schedule contained in subsection (2) of this section as modified by subsection (3) of this section. The compensation of the property valuation administrator shall be calculated by the Revenue Cabinet annually. Should a property valuation administrator for any reason vacate the office in any year during his term of office, he shall be paid only for the calendar days actually served during the year.
- (2) The salary schedule for property valuation administrators provides for nine (9) levels of salary based upon the population of the county in the prior year as determined by the United States Department of Commerce, Bureau of the Census annual estimates. To implement the salary schedule, the cabinet shall, by November 1 of each year, certify for each county the population group applicable to each county based on the most recent estimates of the United States Department of Commerce, Bureau of the Census. The salary schedule provides four (4) steps for yearly increments within each population group. Property valuation administrators shall be paid according to the first step within their population group for the first year or portion thereof they serve in office. Thereafter, each property valuation administrator, on January 1 of each subsequent year, shall be advanced automatically to the next step in the salary schedule until the maximum salary figure for the population group is reached. If the county population as certified by the cabinet increases to a new group level, the property valuation administrator's salary shall be computed from the new group level at the beginning of the next year. A change in group level shall have no effect on the annual change in step. Prior to assuming office, any person who has previously served as a property valuation administrator must certify to the Revenue Cabinet the total number of years, not to exceed four (4) years, that the person has previously served in the office. The cabinet shall place the person in the proper step based upon a formula of one (1) incremental step per full calendar year of service:

SALARY SCHEDULE

County Population by Group	Steps and Salary for Property Valuation Administrators			
Group I	Step 1	Step 2	Step 3	Step 4
0-4,999	\$45,387	\$46,762	\$48,137	\$49,513
Group II				
5,000-9,999	49,513	50,888	52,263	53,639
Group III				
10,000-19,999	53,639	55,014	56,389	57,765
Group IV				
20,000-29,999	55,702	57,765	59,828	61,891
Group V				
30,000-44,999	59,828	61,891	63,954	66,017
Group VI				
45,000-59,999	61,891	64,641	67,392	70,143
Group VII				
60,000-89,999	66,017	68,768	71,518	74,269
Group VIII				
90,000-499,999	68,080	71,518	74,957	78,395
Group IX				

500,000 and up	72,206	75,644	79,083	82,521
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- (3) (a) For calendar year 2000, the salary schedule in subsection (2) of this section shall be increased by the amount of increase in the annual consumer price index as published by the United States Department of Commerce for the year ended December 31, 1999. This salary adjustment shall take effect on July 14, 2000, and shall not be retroactive to the preceding January 1.
- (b) For each calendar year beginning after December 31, 2000, upon publication of the annual consumer price index by the United States Department of Commerce, the annual rate of salary for the property valuation administrator shall be determined by applying the increase in the consumer price index to the salary in effect for the previous year. This salary determination shall be retroactive to the preceding January 1.
- (c) In addition to the step increases based on service in office, each property valuation administrator shall be paid an increase of six hundred eighty-seven dollars and sixty-seven cents (\$687.67) for each forty (40) hour training unit successfully completed. This amount shall be increased by the consumer price index adjustments prescribed in paragraphs (a) and (b) of this subsection. Each training unit shall be approved and certified by the Kentucky Revenue Cabinet. Each unit shall be available to property valuation administrators in each office based on continuing service in that office.
- (4) Notwithstanding any provision contained in this section, no property valuation administrator holding office on July 14, 2000, shall receive any reduction in salary or reduction in adjustment to salary otherwise allowable by the statutes in force on July 14, 2000.
- (5) Deputy property valuation administrators and other authorized personnel may be advanced one (1) step in grade upon completion of twelve (12) months' continuous service. The Revenue Cabinet may make grade classification changes corresponding to any approved for cabinet employees in comparable positions, so long as the changes do not violate the integrity of the classification system. Subject to availability of funds, the cabinet may extend cost-of-living increases approved for cabinet employees to deputy property valuation administrators and other authorized personnel, by advancement in grade.
- (6) Beginning with the 1990-1992 biennium, the Revenue Cabinet shall prepare a biennial budget request for the staffing of property valuation administrators' offices. An equitable allocation of employee positions to each property valuation administrator's office in the state shall be made on the basis of comparative assessment work units. Assessment work units shall be determined from the most current objective information available from the United States Bureau of the Census and other similar sources of unbiased information. Beginning with the 1996-1998 biennium, assessment work units shall be based on parcel count per employee. The total sum allowed by the state to any property valuation administrator's office as compensation for deputies, other authorized personnel, and for other authorized expenditures shall not exceed the amount fixed by the Revenue Cabinet. However, each property valuation administrator's office shall be allowed as a minimum such funds that are required to meet the federal minimum wage requirements for two (2) full-time deputies.
- (7) Beginning with the 1990-1992 biennium each property valuation administrator shall submit by June 1 of each year for the following fiscal year to the Revenue Cabinet a budget request for his office which shall be based upon the number of employee positions allocated to his office under subsection (6) of this section and upon the county and city funds available to his office and show the amount to be expended for deputy and other authorized personnel including employer's share of FICA and state retirement, and other authorized expenses of the office. The Revenue Cabinet shall return to each property valuation administrator, no later than July 1, an approved budget for the fiscal year.
- (8) Each property valuation administrator may appoint any persons approved by the Revenue Cabinet to assist him in the discharge of his duties. Each deputy shall be more than twenty-one (21) years of age and may be removed at the pleasure of the property valuation administrator. The salaries of deputies and other authorized personnel shall be fixed by the property valuation administrator in accordance with the grade classification system established by the Revenue Cabinet and shall be subject to the approval of the Revenue Cabinet. The Personnel Cabinet shall provide advice and technical assistance to the Revenue Cabinet in the revision and updating of the personnel classification system, which shall be equitable in all respects to the personnel classification systems maintained for other state employees. Any deputy property valuation administrator employed or promoted to a higher position may be examined by the Revenue Cabinet in accordance with standards of the Personnel Cabinet, for the position to which he is being appointed or promoted. No state funds available to any property valuation administrator's office as compensation for deputies and other authorized personnel or for other authorized expenditures shall be paid without authorization of the Revenue Cabinet prior

to the employment by the property valuation administrator of deputies or other authorized personnel or the incurring of other authorized expenditures.

- (9) Each county fiscal court shall annually appropriate and pay each fiscal year to the office of the property valuation administrator as its cost for use of the assessment, as required by KRS 132.280, an amount determined as follows:

Assessment Subject to

County Tax of:

At Least	But Less Than	Amount
----	\$100,000,000	\$0.005 for each \$100 of the first \$50,000,000 and \$0.002 for each \$100 over \$50,000,000.
\$100,000,000	150,000,000	\$0.004 for each \$100 of the first \$100,000,000 and \$0.002 for each \$100 over \$100,000,000.
150,000,000	300,000,000	\$0.004 for each \$100 of the first \$150,000,000 and \$0.003 for each \$100 over \$150,000,000.
300,000,000	---	\$0.004 for each \$100.

- (10) The total sum to be paid by the fiscal court to any property valuation administrator's office under the provisions of subsection (9) of this section shall not exceed the limits set forth in the following table:

Assessed Value of Property Subject to

County Tax of:

At Least	But Less Than	Limit
----	\$700,000,000	\$25,000
\$700,000,000	1,000,000,000	35,000
1,000,000,000	2,000,000,000	50,000
2,000,000,000	2,500,000,000	75,000
2,500,000,000	5,000,000,000	100,000
5,000,000,000	-----	175,000

This allowance shall be based on the assessment as of the previous January 1 and shall be used for deputy and other personnel allowance, supplies, maps and equipment, travel allowance for the property valuation administrator and his deputies and other authorized personnel, and other authorized expenses of the office.

- (11) Annually, after appropriation by the county of funds required of it by subsection (9) of this section, and no later than August 1, the property valuation administrator shall file a claim with the county for that amount of the appropriation specified in his approved budget for compensation of deputies and assistants, including employer's shares of FICA and state retirement, for the fiscal year. The amount so requested shall be paid by the county into the State Treasury by September 1, or paid to the property valuation administrator and be submitted to the State Treasury by September 1. These funds shall be expended by the Revenue Cabinet only for compensation of approved deputies and assistants and the employer's share of FICA and state retirement in the appropriating county. Any funds paid into the State Treasury in accordance with this provision but unexpended by the close of the fiscal year for which they were appropriated shall be returned to the county from which they were received.

- (12) After submission to the State Treasury or to the property valuation administrator of the county funds budgeted for personnel compensation under subsection (11) of this section, the fiscal court shall pay the remainder of the county appropriation to the office of the property valuation administrator on a quarterly basis. Four (4) equal payments shall be made on or before September 1, December 1, March 1, and June 1 respectively. Any unexpended county funds at the close of each fiscal year shall be retained by the property valuation administrator, except as provided in KRS 132.601(2). During county election years the property valuation administrator shall not expend in excess of forty percent (40%) of the allowances available to his office from county funds during the first five (5) months of the fiscal year in which the general election is held.
- (13) The provisions of this section shall apply to urban-county governments *and consolidated local governments*. In an urban-county government *and a consolidated local government*, all the rights and obligations conferred on fiscal courts *or consolidated local governments* by the provisions of this section shall be exercised by the urban-county government *or consolidated local government*.
- (14) When an urban-county form of government is established through merger of existing city and county governments as provided in KRS Chapter 67A *or when a consolidated local government is established through merger of existing city and county governments as provided by KRS Chapter 67C*, the annual county assessment shall be presumed to have been adopted as if the city had exercised the option to adopt as provided in KRS 132.285, and the annual amount to be appropriated to the property valuation administrator's office shall be the combined amount that is required of the county under this section and that required of the city under KRS 132.285, except that the total shall not exceed one hundred thousand dollars (\$100,000) for any urban-county government *or consolidated local government* with an assessment subject to countywide tax of less than three billion dollars (\$3,000,000,000), one hundred twenty-five thousand dollars (\$125,000) for an urban-county government *or consolidated local government* with an assessment subject to countywide tax between three billion dollars (\$3,000,000,000) and five billion dollars (\$5,000,000,000), and two hundred thousand dollars (\$200,000) for an urban-county government *or consolidated local government* with an assessment subject to countywide tax in excess of five billion dollars (\$5,000,000,000). For purposes of this subsection, the amount to be considered as the assessment for purposes of KRS 132.285 shall be the amount subject to taxation for full urban services.
- (15) Notwithstanding the provisions of subsection (9) of this section, the amount appropriated and paid by each county fiscal court to the office of the property valuation administrator for 1996 and subsequent years shall be equal to the amount paid to the office of the property valuation administrator for 1995, or the amount required by the provisions of subsections (9) and (10) of this section, whichever is greater.

Section 168. KRS 132.635 is amended to read as follows:

The provisions of KRS 132.590 and 132.630 shall apply to urban-county governments *and consolidated local governments*. In an urban-county government *and in a consolidated local government*, all the rights and obligations conferred on fiscal courts by the provisions of KRS 132.590 and 132.630, shall be exercised by the urban-county government *or consolidated local government, as the case may be*.

Section 169. KRS 133.240 is amended to read as follows:

- (1) The county clerk shall be allowed thirty cents (\$0.30) for calculating the state, county and school tax and preparing a tax bill for each individual taxpayer for the sheriff or collector under the provisions of KRS 133.220, and one dollar (\$1) for each tax bill made in case of an omitted assessment.
- (2) The county clerk shall present his account to the fiscal court, verified by his affidavit, together with his receipt from the sheriff for the tax bills and his receipt from the Revenue Cabinet for the recapitulation sheets. If found correct, the court shall allow the account, and order one-half (1/2) of it paid out of the ~~county~~ levy and the other one-half (1/2) out of the State Treasury. The county clerk shall certify the allowance to the Finance and Administration Cabinet, which shall draw a warrant on the State Treasurer in favor of the county clerk for the state's one-half (1/2).
- (3) The above county allowance shall likewise be paid to the county clerk for calculation of the state, county, city, *consolidated local government*, urban-county government, *and* school and special district tax for each individual motor vehicle taxpayer, based upon certification from the Revenue Cabinet of the number of accounts as of January 1 each year.

Section 170. KRS 134.140 is amended to read as follows:

- (1) The sheriff, by virtue of his office, shall be collector of all state, county, ***consolidated local government***, and district taxes, unless the payment thereof is, by law, especially directed to be made to some other officer. Where provision is not otherwise made for the collection of taxes, the assessment or proportion thereof allocable to a local taxing district shall be certified to the clerk of the court of the county ***or the clerk of the consolidated local government*** which constitutes or in which such taxing district is located, for collection as provided by law.
- (2) The sheriff shall not receive or receipt for any taxes until the tax bills have been delivered to him by the county clerk, as provided in KRS 133.220 and 133.230.
- (3)
 - (a) The sheriff, except in urban-county governments, may, and at the direction of the fiscal court ***or a consolidated local government*** shall, invest any tax revenues held in his possession from the time of collection until the time of distribution to the proper taxing authorities pursuant to KRS 134.300, 134.320 and 160.510. Investments by the sheriff shall be restricted to those permitted by KRS 66.480.
 - (b) At the time of his monthly distribution of taxes to the district board of education, the sheriff shall pay to the board of education that part of his investment earnings for the month which is attributable to the investment of school taxes, but this subsection shall not be construed to prohibit the sheriff from obtaining his expenses not to exceed the rate of four percent (4%) of the earned monthly investment income for the administration of this investment fund.
 - (c) In those counties where the sheriff pays his fees and commissions to the county and the salaries and expenses of his office are paid by the county, the sheriff shall pay to the county treasurer the investment earnings, other than those paid to the board of education in compliance with subsection (3)(b) of this section, at the time of his monthly distribution of taxes to the county.
 - (d) In those counties where the office of sheriff is funded in whole or in part by fees and commissions, the sheriff may use investment earnings, other than those which must be paid to the board of education in compliance with subsection (3)(b) of this section, to pay lawful expenses of his office, and the remainder shall be paid to the fiscal court ***or a consolidated local government*** at the time of the sheriff's annual settlement for county, ***consolidated local government***, and district taxes and excess fees.

Section 171. KRS 134.380 is amended to read as follows:

- (1) The secretary may act in the name of and in behalf of the state and in the name of and in behalf of any and all counties, ***consolidated local government***, school, and other taxing districts in the state to institute and prosecute any action or proceeding for the collection of delinquent taxes and the assessment of omitted property. If the cabinet assumes the duties of collecting the delinquent taxes assessed under the authority of KRS Chapter 132, it shall have all the powers, rights, duties, and authority conferred generally upon the cabinet by the Kentucky Revised Statutes, including, but not limited to, Chapters 131, 134, and 135.
- (2) Field agents, accountants, and attorneys of the cabinet shall prosecute all actions and proceedings under the direction of the secretary. Field agents, accountants, attorneys, and all other employees of the cabinet engaged in the prosecution of the actions shall not be hired by personal service contract. The secretary shall prosecute diligently, or cause to be prosecuted by field agents, accountants, and attorneys employed by him, the collection of all delinquent taxes due the state.
- (3) Nothing contained in this chapter shall prevent the secretary of revenue from assessing any property in accordance with the provisions of KRS 136.020, 136.030, or 136.050, or KRS 136.120 to 136.180.
- (4) The cabinet may require the use of any reports, forms, or databases necessary to administer the law in connection with the collection of delinquent taxes. The cabinet shall require an index to be kept of all certificates of delinquency.

Section 172. KRS 134.590 is amended to read as follows:

- (1) When it appears to the appropriate agency of state government that money has been paid into the State Treasury for ad valorem taxes when no taxes were in fact due or for taxes of any kind paid under a statute held unconstitutional, the agency of state government which administers the tax shall refund the money, or cause it to be refunded, to the person who paid the tax. No refund or credit shall be authorized to a person who has made payment of the tax due on any tract of land unless the entire tax due the state on the land has been paid.

- (2) No refund shall be made unless an application for refund is made within two (2) years from the time payment was made. No refund for ad valorem taxes, except those held unconstitutional, shall be made unless the taxpayer has properly followed the administrative remedy procedures established through the protest provisions of KRS 131.110, the appeal provisions of KRS 133.120, the correction provisions of KRS 133.110 and 133.130, or other administrative remedy procedures.
- (3) When it has been determined that city, urban-county, county, school district, ***consolidated local government***, or special district ad valorem taxes have been paid to a city, urban-county, county, school district, ***consolidated local government***, or special district when no taxes were due or the amount paid was in excess of the amount finally determined to be due, the taxes shall be refunded to the person who paid the tax.
- (4) Refunds of ad valorem taxes shall be authorized by the mayor or chief finance officer of any city, ***consolidated local government***, or urban-county government for the city, ***consolidated local government***, or urban-county government or for any special district for which the city, ***consolidated local government***, or urban-county government is the levying authority, by the county judge/executive of any county for the county or special district for which the fiscal court is the levying authority, or by the chairman or finance officer of any district board of education.
- (5) Upon proper authorization, the sheriff or collector shall refund the taxes from current tax collections held by the sheriff or collector. If there are no such funds, refunds shall be made by the finance officer of the district. The sheriff or collector shall receive credit for any refunds made by the sheriff or collector on the next collection report to the district.
- (6) No refund shall be made unless an application is made within two (2) years from the date payment was made. If the amount of taxes due is in litigation, the application for refund shall be made within two (2) years from the date the amount due is finally determined. No refund for ad valorem taxes, except those held unconstitutional, shall be made unless the taxpayer has properly followed the administrative remedy procedures established through the protest provisions of KRS 131.110, the appeal provisions of KRS 133.120, the correction provisions of KRS 133.110 and 133.130, or other administrative remedy procedures.
- (7) Notwithstanding other statutory provisions, for property subject to a tax rate that is set each year based on the certified assessment, any loss of ad valorem tax revenue suffered by a taxing district due to the issuance of refunds may be recovered by making an adjustment in the tax rate for the following tax year.

Section 173. KRS 153.440 is amended to read as follows:

In addition to the three percent (3%) transient room tax authorized by KRS 91A.390, fiscal courts in counties containing cities of the first class ***or consolidated local governments*** may levy an additional transient room tax not to exceed one percent (1%) of the rent for every occupancy of a suite, room or rooms, charged by all persons, companies, corporations or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations' businesses. All moneys collected from the tax authorized by this section shall be turned over to the Kentucky Center for the Arts Corporation, and shall be used to defray operating costs of the Kentucky Center for the Arts.

Section 174. KRS 153.460 is amended to read as follows:

- (1) As used in this section:
 - (a) "Multipurpose arena" means a facility whose principal use includes, but is not limited to, the exhibition of collegiate basketball competition;
 - (b) "Restaurant" means any facility operated for profit which has minimum seating capacity of fifty (50) people at tables and which receives at least fifty percent (50%) of its gross annual income from the sale of food.
- (2) Fiscal courts in counties containing cities of the first class ***or consolidated local governments*** may levy:
 - (a) A ten percent (10%) surcharge on all tickets sold by a multipurpose arena located in the county and constructed after April 9, 1980; and
 - (b) A one-fourth of one percent (0.25%) tax on gross receipts from the sale of food and beverages of all restaurants located in the county.
- (3) All moneys collected from the surcharge on tickets and the restaurant tax shall be placed in a fund to be used to defray operating expenses of any such multipurpose arena.

Section 175. KRS 161.710 is amended to read as follows:

- (1) The local retirement systems merged with the state retirement system under the provisions of Acts 1938 (1st Ex. Sess.), Ch. 1, 49, shall be discontinued. The payment of all benefits to members on the retired roll at the time of discontinuance shall become the obligation of the school district in which the local system was operated prior to its discontinuance. The method of determining and paying refundable deposits due members of the local system shall be as provided in Acts 1938 (1st Ex. Sess.), Ch. 1, 49.
- (2) Payments to annuitants in cities of the first class *or in areas formerly constituting a city of the first class which have been consolidated with their county* shall not exceed the amount being received by them at the time the local retirement system is discontinued. The sum that remains after the death of all annuitants shall be used by the local board of education for general school purposes.
- (3) The local board of education shall continue to invest the funds transferred to it for the benefit of the existing annuitants as long as such annuitants live. Such investment shall be governed by Acts 1934, Ch. 65, Art. IX, except that the local board of education is substituted for the board of trustees of the local retirement system. The local board of education shall keep all funds transferred to it by the local retirement system and all income from the investment of such funds in a separate fund to be known as the annuity fund. The local board of education may pay from the fund any reasonable expenses necessary for the fund's administration and general management. The local board of education shall safeguard the fund by requiring such additional surety bond of the treasurer as it deems necessary, by providing for an annual audit by a reputable auditing firm, by spreading on the minutes of the board of education at least annually a report of investments, assets, and liabilities, and the names, addresses, and annuities of annuitants, and by making such an appropriation to the fund from local school revenues as will guarantee the full and complete discharge of all obligations to annuitants.

Section 176. KRS 162.300 is amended to read as follows:

County boards of education and boards of education of independent districts not embracing a city of any class may obtain buildings for school purposes by proceeding under the provisions of KRS 162.120 to 162.290. When applied to such boards of education, KRS 162.120 to 162.290 shall be so read that the term:

- (1) "City" means "county", *including a county containing a consolidated local government*, or "urban-county," as the case may be;
- (2) "City clerk" means "county clerk" or the appropriate record keeping officer in an urban-county government *or a consolidated local government*;
- (3) "Governing body of the city" means "fiscal court" or the governing body of an urban-county government *or a consolidated local government*, as the case may be;
- (4) "Mayor" means "county judge/executive," ~~[-or-]~~ "chief executive officer of the urban-county government," *or "mayor of a consolidated local government,"* as the case may be;
- (5) "Ordinance" means either "ordinance" or "resolution."

Section 177. KRS 172.200 is amended to read as follows:

- (1) Upon the adoption of this optional plan, in counties other than those containing a city of the first class *or consolidated local government*, the Circuit Judge shall appoint one (1) member of the county's bar, and the members of the county's bar shall, by majority vote, elect another of their number, which two (2) attorneys shall, with the county attorney of the county, constitute and be designated as "Trustees, County Law Library." In counties containing a city of the first class *or consolidated local government*, the Chief Circuit Judge shall appoint one (1) member of the county's bar; the members of the county's bar shall, by majority vote, elect another of their number; the fiscal court *or consolidated local government pursuant to the provisions of Section 1 of this Act* shall appoint one (1) member, and one (1) member shall be appointed by the Commonwealth's attorney, which four (4) attorneys shall, with the county attorney of the county, constitute and be designated as "Trustees, County Law Library *"or in a county containing a consolidated local government, "Trustees,/.....County Law Library," which shall be a combination of the names of the largest city in existence on the date of the approval of the consolidated local government and the county.*"
- (2) The trustees shall serve for a term of two (2) years or until their successors are elected or qualified.

- (3) The trustees shall be in charge of the county law library, and they shall make purchases of the various state and federal case reports, textbooks, legal encyclopedia, and all other books usually incident to or customarily found in law libraries, or necessary to the protection of the rights of litigants, and they shall cause same to be properly arranged in the county law library, directing the ex officio librarian in the exercise of his duties.
- (4) The trustees shall exercise their absolute discretion in the purchase of books, pamphlets, periodicals, and other materials, and in the appointment and compensation of personnel to assist the ex officio librarian in the handling of materials and in the maintenance of the library, but the trustees shall not contract for any such purchases and appointments so as to create an indebtedness greater than the anticipated revenue for the following eighteen (18) months, the anticipated revenue being based upon the preceding eighteen (18) months' revenue, and any indebtedness of the county law library fund shall not be considered in any way an indebtedness of the county, but shall be an indebtedness of the county law library fund only, and all creditors must look only to the county law library fund for satisfaction of their indebtedness.
- (5) The trustees shall designate one (1) of their number as treasurer and he shall be accountable for the receipt, deposit, and disbursement of all sums received for the operation of the county law library. He shall be bonded by a corporate bond, the cost of which shall be paid out of the receipts of the library fund. He shall deposit all sums received by him as treasurer in a regular banking depository, and he shall pay for all purchases made by the trustees by check or draft, keeping a true and accurate account of all sums received and expended by him. He shall annually file a written report with the Circuit Judge of the county showing all sums received by him, together with the court from which they were received, and an itemized statement of all expenditures made by him. The treasurer shall turn all funds over to his successor, together with a full inventory of the county law library, and together with a full and complete itemized statement of all outstanding accounts.

Section 178. KRS 173.105 is amended to read as follows:

- (1) The fiscal court of any county containing a population of over two hundred thousand (200,000) and a city of the first class, may contract with the board of trustees of the free public library of any such city for the purpose of granting to the residents and schools of such county the same privileges afforded by such library to residents and schools in the city.
- (2) Notwithstanding any provisions of Kentucky Revised Statutes to the contrary, when the fiscal court of any county containing a population of over two hundred thousand (200,000) and a city of the first class have in effect a compact under KRS 79.310 to 79.330, the city and county shall by joint action create a joint city/county department for the purpose of providing a free public library. In such event, the board of trustees shall be dissolved as a corporate entity and all assets and liabilities of the board of trustees shall be transferred to the joint department. An advisory board may be established by joint agreement of such city and county. ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the joint department shall become a department of the consolidated local government and all assets and liabilities of the joint department shall be transferred to the consolidated local government. An advisory board may be established or maintained by a consolidated local government. Members of the advisory board shall be appointed pursuant to the provisions of Section 1 of this Act and shall serve at the pleasure of the mayor of the consolidated local government.***
- (3) If the fiscal court enters into a contract pursuant to subsection (1) of this section, then the county judge/executive shall have the authority to appoint one-half (1/2) of the positions on the board of trustees of the free public library. Appointments shall be made for four (4) year terms. Each appointee must be at the time of his ***or her*** appointment a taxpayer and qualified voter in the county.
- (4) The county judge/executive shall make the appointments authorized by subsection (3) of this section in the following manner. On March 31 of 1978 and March 31 of 1980, he ***or she*** shall appoint persons to fill two (2) of the vacancies which occur. On March 31 of 1979 and March 31 of 1981, he ***or she*** shall appoint a person to fill one (1) vacancy which occurs. He ***or she*** shall continue to make the appointments to these positions when a vacancy occurs or a term expires, subject to subsection (5) of this section.
- (5) If the contract between the fiscal court and a free public library terminates or ceases to be in effect, the county judge/executive shall no longer have the authority to appoint persons as trustees to the board of the free public library and the mayor may terminate the appointment of trustees appointed by the county judge/executive and appoint persons to fill their unexpired terms.

- (6) The fiscal court may annually appropriate money out of the county treasury to the maintenance and support of the library.
- (7) Money so appropriated by the fiscal court may be expended by the board of trustees of the free public library in the establishment of branch stations in the county outside the city of the first class, under regulations of the board of trustees.

Section 179. KRS 173.106 is amended to read as follows:

In a county where the county and a city of the first class have in effect a compact under KRS 79.310 to 79.330 and have created a joint city/county library department, the county clerk, when he *or she* receives an application for vehicle registration pursuant to KRS 186.030, shall present the person making the application an opportunity to make a voluntary contribution for the support of the free public library. If the applicant chooses to donate to the library, he or she shall include the donation in the fee. The clerk shall pay the donations to the library department in the same fashion as taxes are paid pursuant to KRS 134.815 and shall be entitled to the same commission as that payable on county taxes pursuant to KRS 134.805. *Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, and have created a joint city/county library department, the county clerk shall continue the procedure by which persons may make voluntary contributions for the support of the free public library. The donations shall be transferred to the consolidated local government for the maintenance of the library department in the same manner as moneys are transferred pursuant to KRS 134.815 and the county clerk shall be entitled to the same commission as that payable on taxes pursuant to KRS 134.805.*

Section 180. KRS 173.107 is amended to read as follows:

Any library established or maintained pursuant to the provisions of KRS 173.310 to 173.410 shall not, upon becoming a city of the first class, *or a consolidated local government*, or a county containing a city of the first class, have its tax levy or appropriation decreased except by the procedure in KRS 173.790.

Section 181. KRS 173.860 is amended to read as follows:

There is hereby created the urban libraries fund for distribution to free public libraries in counties containing cities of the first or second class, urban-county governments, *consolidated local governments*, or any county in which there are no incorporated areas pursuant to the provisions of KRS 173.870. The fund shall consist of such sums as are appropriated by the General Assembly, and any grants, gifts, legacies, devises or other funds or property from any available source, public or private. The receipt, control and expenditure of funds shall be subject to the general provisions of KRS Chapters 41 to 47, governing financial administration of state agencies.

Section 182. KRS 177.9771 is amended to read as follows:

- (1) The "extended weight coal or coal by-products haul road system" shall consist of all state-maintained toll roads or state-maintained roads which were previously toll roads and the public highways over which quantities of coal or coal by-products in excess of fifty thousand (50,000) tons were transported by motor vehicles during the period from January 1, 1985, through December 31, 1985, and shall be updated annually thereafter.
- (2) The secretary of the Transportation Cabinet shall by official order on or before November 1, of each year, certify such public highways or portions thereof, as fulfill the criteria in subsection (1) of this section, as the extended weight coal or coal by-products haul road system.
- (3) The total tons of coal or coal by-products transported by motor vehicles over any public highway shall be determined from the official coal or coal by-products road system transportation report required pursuant to KRS 177.977.
- (4) Any vehicle, when registered with a declared gross weight of eighty thousand (80,000) pounds and when transporting coal or coal by-products over public highways which are part of the extended weight coal or coal by-products haul road system or portions thereof, may be operated at the weights as set forth below in excess of the maximum gross weight prescribed in KRS 189.221 and 189.222 and any other maximum weight limitations on state or county maintained systems by paying the corresponding decal fee as set forth below:
 - (a) A single unit truck having one (1) steering axle and two (2) axles in tandem shall be limited to a maximum gross weight of ninety thousand (90,000) pounds with a tolerance of five percent (5%), and pay a decal fee of one hundred sixty dollars (\$160) annually;

- (b) A single unit truck having one (1) steering axle and three (3) axles in tridem arrangement shall be limited to a maximum gross weight of one hundred thousand (100,000) pounds with a tolerance of five percent (5%), and pay a decal fee of two hundred sixty dollars (\$260) annually;
 - (c) Tractor-semitrailer combinations with five (5) or more axles shall be limited to a maximum gross weight of one hundred twenty thousand (120,000) pounds with a tolerance of five percent (5%), and pay a decal fee of three hundred sixty dollars (\$360) annually;
 - (d) Any motor carrier involved in the transportation of coal or coal by-products which meets gross axle weights of twenty thousand (20,000) pounds per axle and twelve thousand (12,000) pounds for the steering axle may register in excess of eighty thousand (80,000) pounds by payment of eight hundred forty dollars (\$840) plus an additional decal fee of ten dollars (\$10) per one thousand (1,000) pounds of registered weight above eighty thousand (80,000) pounds;
 - (e) For purposes of this section, KRS 177.979, and 189.230, and for purposes of the extended weight coal or coal by-products haul system, the dimensional requirements of motor vehicles shall conform to all appropriate federal laws and regulations;
 - (f) The payment of the decal fee shall be in addition to any state registration fee, user fee or other decal fee, including the registration fee as specified in KRS 186.050(3);
 - (g) Motor vehicles used in the transportation of coal or coal by-products under cooperative agreements pursuant to KRS 177.979 shall be exempt from the payment of the decal fee as set forth in this section and the registration fee as set forth in KRS 186.050(3) as long as the truck is driven over cooperative roads only while full. The Transportation Cabinet shall issue identifying license plates for those motor vehicles under cooperative agreements;
 - (h) All fees under this section shall be scheduled for payment and prorated pursuant to the provisions of KRS 186.051; and
 - (i) All revenues generated pursuant to this section shall be credited to a special account within the road fund called the "energy recovery road fund."
- (5) Sixty percent (60%) of all energy recovery road funds shall be used by the Department of Highways for construction, maintenance, and repair of the state-maintained portion of the extended weight coal or coal by-products haul road system.
- (6) Forty percent (40%) of all energy recovery road funds shall be distributed to the fiscal court of those counties in which coal or coal by-products are transported for the sole purpose of construction, maintenance and repair of the county-maintained portion of the extended weight coal or coal by-products haul system. The distribution of funds to the counties shall be proportioned based on the miles of county roads on the extended weight coal or coal by-products haul system in each county compared to the total mileage of county roads in the total extended weight coal or coal by-products haul road system and the tons of coal or coal by-products transported over county roads on the extended weight coal or coal by-products haul system in each county compared to the total tons of coal or coal by-products transported over county roads in the total extended weight coal or coal by-products haul road system.
- (7) Nothing in this section shall be construed or administered to jeopardize the receipt of federal funds for highway purposes and the secretary of transportation shall not act in any manner which shall jeopardize federal highway funds or funds to be received by the Commonwealth. This section shall not be construed to authorize any vehicle to operate on a federal interstate highway in excess of those limits prescribed in KRS 189.222. This section shall not be construed to prohibit the Department of Highways from providing for the public safety and convenience of the traveling public on the highway.
- (8) As soon as practical after the report is prepared and published pursuant to KRS 177.977 for any calendar year after 1985, the secretary shall add to or delete from the extended weight coal or coal by-products haul road system public highways or portions thereof based upon the criteria set out in this section. Deletion of a public road or portion of it from the extended weight coal or coal by-products haul road system shall not affect the eligibility of the roads for highway funds or programs applicable to the extended weight coal or coal by-products haul road system.
- (9) A fiscal court, ~~or~~ a governing body of a city of the first through fourth class, **consolidated local government**, or urban-county government may by resolution, make recommendation to the secretary of the Transportation Cabinet that certain roads or road segments in the county or corporate city limits pose inherent and definite

hazards, special conditions, or greatly impact the economy of the county or city and that the secretary shall meet with said fiscal court or local governing body and take into consideration their concerns before adding to or deleting from the extended weight coal or coal by-products haul system.

- (10) The secretary of the Transportation Cabinet may promulgate administrative regulations pursuant to KRS Chapter 13A necessary to administer the provisions of this section, KRS 177.9772, 177.979, and 189.230.

Section 183. KRS 178.020 is amended to read as follows:

Every county road, bridge and landing, and every city street and alley heretofore lawfully established and opened and not lawfully discontinued or vacated shall continue as such, until properly discontinued. Every road, street and alley, used and occupied as a public road, street or alley, shall be presumed to be a public road, street or alley, as the case may be. Nothing in this section shall be interpreted as interfering with the right of the fiscal court of a county containing a city of the first class *or a consolidated local government* from detaching a road or a portion thereof from the county through road system.

Section 184. KRS 178.040 is amended to read as follows:

- (1) In order to change the width of a county road, the fiscal court *or a consolidated local government* shall make a special order for a different width. The order shall be recorded in the office of the county clerk. In order to change the width of the right-of-way of a portion of a county through road system the fiscal court of a county containing a city of the first class *or a consolidated local government* may make a special order for a different width. The order shall be recorded in the office of the county road engineer.
- (2) All county roads hereafter established shall occupy a right-of-way not less than thirty (30) feet wide, but the fiscal court *or a consolidated local government* may order it to be a greater width. All roads added to the county through road system in a county containing a city of the first class *or a consolidated local government* in accordance with KRS 178.333 shall occupy a right-of-way width as ordered by the fiscal court *or the consolidated local government*.
- (3) In acquiring a right-of-way for a county through road within any city, the fiscal court or the county court of a county containing a city of the first class *or the consolidated local government* may exercise any powers granted them by statute for the acquisition of property.

Section 185. KRS 178.117 is amended to read as follows:

- (1) Any person or corporation, public or private, or any group of such persons or corporations or both residing in or owning property adjacent to any publicly dedicated road in unincorporated territory in a county containing a city of the first class *or consolidated local government* desiring to make any improvements to the publicly dedicated road shall submit to the fiscal court *or the consolidated local government* for approval plans and specifications for its improvements at their own expense. Any such request for private improvement shall include all the information required by KRS 184.020 to accompany a request for the creation of a public road district pursuant to that section.
- (2) The sponsors of the private improvement of the publicly dedicated road shall present their request, together with the attached maps and estimates of cost, to the fiscal court *or the consolidated local government*, who shall turn over to the county engineer for his consideration the maps and estimates of cost. In considering whether to permit the requested improvement, the fiscal court, *or the consolidated local government*, and the county engineer shall follow the same procedures provided for in KRS 184.040 and the same appellate rights provided for in these sections are available to the petitioners. When the county engineer receives from the fiscal court *or the consolidated local government* an application for approval of plans or specifications for the private improvement of publicly dedicated roads by some individual or corporation, or a combination thereof, the county engineer shall be authorized and empowered to examine, inspect and investigate, as seems to be advisable, the sufficiency of the improvements which the application seeks to serve the purposes intended, and to establish and make reasonable charges for such services on the basis of a schedule adjusted according to the services required to make such investigation or on any other reasonable method.
- (3) When it appears to the county engineer that the completion of the improvement by or on behalf of any such individual or corporation requires inspection and supervision in order to assure the protection of the public safety and the proper subsequent completion of such work for the purposes intended, the county engineer shall include such findings in his recommendation to the fiscal court *or the consolidated local government* approving, modifying, or disapproving the particular plans and projects, and shall charge such person or

corporation for such inspection and supervision on the basis of the actual cost of inspection plus a reasonable additional cost of supervision.

Section 186. KRS 178.330 is amended to read as follows:

- (1) It is hereby declared that in counties containing a city of the first class *or a consolidated local government* a system of county through roads over which traffic can be routed or which can serve as major connecting links to state highways is a necessary and integral part of a unified system of highways, roads and streets needed for the movement of traffic in such a metropolitan area and that the construction, reconstruction, widening, relocation, repair, maintenance and improvement of such a system of county through roads is a proper and legitimate public function as an alternative to other authorizations or requirements.
- (2) The fiscal court of a county containing a city of the first class *or the consolidated local government*, acting upon the basis of an engineering and traffic investigation by the county road engineer, may designate for purposes of construction, reconstruction, widening, relocation, repair, maintenance and improvement from among the public roads within the county certain roads proposed to constitute the "county through road system." County through roads may include (a) main traveled roads, (b) roads in unincorporated areas necessary for the circulation of traffic within the county, (c) streets and roads through, within, or adjacent to cities of any class necessary for the circulation of traffic within the county, or (d) major roads connecting two (2) primary roads maintained by the state. County through roads shall not include roads on the state highway system.
- (3) As soon as the proposed county through roads are designated as provided in subsection (2) of this section, the fiscal court *or a consolidated local government* shall cause such county through roads to be marked on a map to be deposited with the county road engineer and to be open to public inspection. Upon the filing of the map, the clerk of the fiscal court *or the clerk of a consolidated local government* shall, in conformance with KRS 424.130(1)(b), have published in a newspaper of bona fide general circulation within the county (a) a notice of the proposed adoption of a county through road system, (b) a description of roads or portions thereof proposed to be included, (c) notice of the date upon which the fiscal court *or a consolidated local government* will consider the adoption of the county through road system, and (d) notice that the map of the proposed county through road system is open to inspection in the office of the county road engineer.
- (4) At any time before the adoption of the county through road system, any freeholder of the county may file a petition with the county road engineer asking for any change in the designated county through roads, setting forth the reason for the proposed change. Such petition shall be accompanied by a plat showing such proposed change. Any such petition shall be considered by the fiscal court *or the consolidated local government* at its meeting held on the date advertised in accordance with subsection (3) of this section. The fiscal court *or the consolidated local government* may accept or reject any such suggested changes in the proposed county through road system. The fiscal court *or the consolidated local government* may continue the consideration to a later meeting which must be advertised as provided in subsection (3) of this section. The roads which the fiscal court *or the consolidated local government* so designated by official resolution shall be conclusively established as the county through road system.
- (5) Classifications or designations of a county through road system established by this section shall not affect or change classifications or designations made by other sections of the Kentucky Revised Statutes such as "county roads," "main county roads," "rural and secondary roads," "turnpikes," "city streets" or similar terms; except that when there is an irreconcilable conflict arising from the actual application of this section in a given instance and a designation or classification made in other sections of the Kentucky Revised Statutes, this section shall prevail. Nothing in KRS 178.020 to 178.040, 178.117, 178.330 to 178.337, 179.070 and 179.330 shall preclude the expenditure on the county through road system, including portions within cities, of state funds allocated for public highways under the provisions of KRS 179.410 and 179.415, or 177.320 to 177.369, or any other section of the Kentucky Revised Statutes in accordance with the provisions of KRS 177.330, 177.340, or 179.440.
- (6) The provisions of KRS 178.050 to 178.100 shall not apply to a county through road system established *or maintained* under KRS 178.330 to 178.337.

Section 187. KRS 178.333 is amended to read as follows:

- (1) The fiscal court of a county containing a city of the first class *or a consolidated local government* may, at any time, add other roads, or portions of roads, to the county through road system adopted in accordance with KRS 178.330. The fiscal court *or a consolidated local government* shall cause the proposed addition to be marked

on a map to be deposited with the county road engineer and to be open to public inspection. The same procedure set forth in KRS 178.330 for the establishment *or maintenance* of the county through road system shall be followed in the case of roads or portions of roads added thereto. Notice of the proposed addition to the system shall conform to KRS 424.130(1)(b).

- (2) The fiscal court of a county containing a city of the first class *or a consolidated local government* may establish *or maintain* a new road in compliance with the provisions of KRS 178.115 to 178.125, or relocate a road in accordance with KRS 178.115, and at the same time add it to the county through road system, following the same procedure as is now set forth in KRS 178.330 and subsection (1) of this section, including notice in accordance with KRS 424.130(1)(b).
- (3) The decisions of the fiscal court *or the consolidated local government* made in accordance with this section shall be final.

Section 188. KRS 178.337 is amended to read as follows:

- (1) After an engineering and traffic investigation and the receipt of recommendations by the county road engineer, a county through road or a portion thereof established *or maintained* as provided in KRS 178.330 may be detached from the county through road system. The fiscal court *or the consolidated local government* shall cause the proposed deletion to be marked on a map to be deposited with county road engineer and to be open to public inspection. The same procedure set forth in KRS 178.330 for the establishment *or maintenance* of a county through road system shall be followed in the case of roads or portions of roads detached therefrom. Notice of the proposed deletion from the system shall conform to KRS 424.130(1)(b). The fiscal court *or the consolidated local government* may in its discretion detach or retain the road as a part of the county through road system. The decisions of the fiscal court *or the consolidated local government* made in accordance with this section shall be final. Whenever any county through road has been added or detached from the county through road system in accordance with KRS 178.330 to 178.337, the county road engineer shall accordingly amend the map of the county through road system, which map shall at all times be available for public inspection in the office of the county road engineer. Nothing herein shall be construed as automatically deleting from the county through road system any portion of the system in territory which becomes incorporated as a city or which becomes annexed to a city.
- (2) Nothing in this chapter shall be construed to take from the jurisdiction or control of the legislative body of any incorporated city *or consolidated local government*, any road, bridge, landing or wharf, or any other thing exclusively under the jurisdiction or control of such city *or a consolidated local government*. Provided, however, that roads within a city of the first through sixth classes in a county containing a city of the first class *or a consolidated local government* may be made a part of the county through road system, in accordance with KRS 178.330 or 178.333, or both, with the agreement of the legislative body of said city.
- (3) Nothing in this chapter shall prevent any fiscal court *or a consolidated local government* from acquiring land by gift for public purposes.

Section 189. KRS 178.350 is amended to read as follows:

The provisions of KRS 178.350 to 178.385 shall apply only in counties containing a city of the first class *or a consolidated local government*.

Section 190. KRS 178.405 is amended to read as follows:

When any private road, street, or highway established prior to February 12, 1969 in an unincorporated area in a county containing a city of the first class *or a consolidated local government, which area is not within the jurisdictional boundaries of a city of the second through sixth classes of cities*, has been used by the general public openly, continuously, and notoriously for a period of at least fifteen (15) years, it shall be implied that such road, street, or highway may be dedicated to public use; Provided, that fifty-five percent (55%) of all property owners abutting the private road, street or highway sign a petition stating that they are willing to dedicate the road, street, or highway to public use.

Section 191. KRS 179.070 is amended to read as follows:

- (1) The county engineer shall:
 - (a) Have general charge of all county roads and bridges within the county;

- (b) See that county roads and bridges are improved and maintained as provided by law;
 - (c) Supervise the construction and maintenance of county roads and bridges and other work of like nature undertaken by the fiscal court *or a consolidated local government*;
 - (d) Make reports as the county, *consolidated local government*, or fiscal court directs;
 - (e) Advise and direct employees of contractors how best to repair, maintain, and improve county roads and bridges;
 - (f) Examine the various formations and deposits of gravel and stone in the county to ascertain the materials most available and best suited for the improvement of roads therein, and, when requested by the Department of Highways, submit samples of materials and deposits and make a written report concerning the materials;
 - (g) Establish or cause to be established necessary grades and recommend means of drainage, repair, and improvement;
 - (h) Together with the fiscal court *or consolidated local government*, consider and either reject or approve plans, specifications, and estimates submitted for the erection or repair of bridges and the construction or maintenance of county roads;
 - (i) Inspect, or cause to be inspected, each county road or bridge during its construction or improvement, and certify to the fiscal court *or the consolidated local government* the progress of the work and whether or not the work is being done according to the contract, plans, and specifications prepared therefor. If the work is not being done in accordance with the contract, plans, and specifications, *the county engineer*~~he~~ may stop any further work thereunder until the fiscal court *or consolidated local government* has inspected and passed upon it;
 - (j) Remove trees or other obstacles from the right-of-way of any publicly dedicated road when the tree or other obstacles become a hazard to traffic;
 - (k) Make recommendation to municipal authorities in a county containing a city of the first or second class, *the mayor in a consolidated local government*, or the county judge/executive of a county containing a city of the first or second class for the establishment of speed limits in accordance with the powers granted to municipal authorities, *consolidated local governments*, and the county judge/executive by KRS 189.390(5)(a), and make recommendations to the county judge/executive *or consolidated local government* for the establishment of parking restrictions by the county judge/executive *or consolidated local government* in accordance with KRS 189.390(5)(c); and
 - (l) Make engineering and traffic investigations and make recommendations based thereupon to the fiscal court of counties containing a city of the first or second class *or consolidated local government* for the adoption of traffic regulations for any publicly dedicated road in unincorporated portions of the county or for any road made a portion of a county through road system, established in accordance with KRS 178.330 or 178.333, or both, in any manner reasonably calculated to promote the safety and convenience of the traveling public and to protect and preserve the roads and streets. The fiscal court *or consolidated local government* may adopt regulations which may include, but not be limited to, the establishment on roads designated in the first sentence of this subsection, of traffic lanes, the installation or removal of electric signals and other signs and markers, the removal of traffic bumps, the limitation or prohibition of parking, and the regulation or prohibition of a size or weight deemed likely to impede traffic or injure the streets; provided, however, that if such regulation of size and weight of vehicles conflicts with state regulations, the latter shall prevail. Nothing herein shall be construed to prevent the fiscal court *or consolidated local government* from contracting with city authorities for the joint installation of signs, markers, and electric signals and for their maintenance.
- (2) In counties containing a city of the first class *or consolidated local government*, or when authorized by ordinance of the fiscal court of a county containing a city of the second class, having the services of a county engineer, every person, subdivider, builder, contractor, or developer of any construction project shall submit to the county engineer for his written approval a site development plan providing for the proper drainage of surface water from the development or construction site so as to prevent flooding of property in the area. If the proposed site plan does not adequately provide for such drainage, the county engineer shall order such changes as necessary before approving the site plan.

Section 192. KRS 179.330 is amended to read as follows:

- (1) Every county road shall be known by the name by which it was designated on the map or plat or record in the office of the county clerk of the county in which it is located or by the order of the court establishing the road, or by the deed conveying the right-of-way for the road to the county.
- (2) When the name of any road has been designated as provided in subsection (1) of this section, the name of the road can only be changed by an order of the county judge/executive *or the mayor of a consolidated local government*. Such order may be issued on a petition and proceeding in which fifty percent (50%) or more of the property owners abutting upon the road have joined in the petition or have been summoned for a hearing upon the petition by the county judge/executive *or the mayor of a consolidated local government* at a day and time designated for the hearing or in counties containing a city of the first class *or consolidated local government* upon the recommendation of the county engineer and of the planning and zoning commission. On similar proceeding an order may be issued designating a name for any unnamed road in the county.
- (3) The fiscal court *or a consolidated local government* may cause signs bearing the name of each road as fixed by the county judge/executive *or the mayor of a consolidated local government*, to be placed on the roads, or it may, by a resolution duly recorded, authorize any person or organization to erect signs, approved as to form by the fiscal court *or a consolidated local government*, bearing the name designated to the road by the county judge/executive *or the mayor of a consolidated local government*.
- (4) No person or organization shall remove or damage any sign erected as hereinabove provided for, or erect or place, or cause to be erected or placed, upon a road any sign or signs, indicating, marking, or designating a road by any other name than as hereinabove provided for.
- (5) Nothing in this section shall prohibit the Department of Highways from designating roads built under the supervision of the Department of Highways, either by name or number.

Section 193. KRS 179.470 is amended to read as follows:

- (1) In counties containing a city of the third class, and not a city of the first class *or a consolidated local government*, any street or road located outside of the corporate limits of an incorporated city which is a street or road of a subdivision established by a recorded plat that dedicates the street or road to public use, shall be maintained by the fiscal court of the county in the same manner that roads established under KRS 178.115 are maintained, if the street or road is at least one thousand (1,000) feet in length and at least fifty percent (50%) of the lots abutting the street or road contain houses which are occupied, and the street or road has been or shall be so constructed as to meet the approval of the county road engineer or, if there is no county road engineer, the approval of the fiscal court, such approval being based upon the established standards for county road construction within the county.
- (2) Notwithstanding the provisions of KRS 178.010(2), in counties containing a city of the first class *or a consolidated local government*, any street or road located in the ~~unincorporated~~ area of the county *not within a city of the second, third, or fourth class or within the area formerly comprising a city of the first* ~~or in a city of the fifth or sixth~~ class, which is a street or road of a subdivision that dedicated the street or road to public use, may be maintained by the fiscal court of the county *or consolidated local government as the case may be*, in the same manner as provided in subsection (1) and subject to the same conditions. In addition, street lights and other improvements already established may be maintained by the fiscal court *or consolidated local government*. The county *or consolidated local government* shall be reimbursed for the cost of such maintenance by the abutting property owner whose proportionate share of the cost of maintenance shall be added to the owner's county tax bill and collected in the same manner as *other* ~~county~~ taxes.
- (3) Notwithstanding the provisions of KRS 178.010(2), in counties containing a population between eighty thousand (80,000) and one hundred fifteen thousand (115,000) and a city of the second class or in counties containing a city of the fourth, fifth or sixth class and not a city of the first, second or third class, any street or road in an unincorporated area or a city of the sixth class of the county, which is at least two hundred (200) feet in length and dedicated to public use, may be maintained by the fiscal court of the county in the same manner as provided in subsection (1) of this section. In addition, street lights, garbage collection, water and sewer services may be provided by the fiscal court. The county shall be reimbursed for the cost of such maintenance and services by the abutting property owner whose proportionate share of the cost of maintenance and services shall be added to the owner's county tax bill and collected in the same manner as county taxes. Further, upon the petition of fifty percent (50%) or more of the abutting property owners of the street or road the fiscal court may by proper resolution provide for the improvements.

- (4) No street or road shall be accepted by **a** fiscal court **or consolidated local government** under the provisions of subsections (2) or (3) of this section for county maintenance unless twenty-five percent (25%) of the abutting property owners petition the fiscal court **or consolidated local government** for county maintenance. The fiscal court **or consolidated local government** within thirty (30) days thereafter shall hold a public hearing on the petition. If fifty percent (50%) of the abutting property owners agree in writing to accept county maintenance, the fiscal court of the county **or the consolidated local government** may maintain the road or street in the same manner as provided in subsection (2) or (3) of this section as applicable and subject to the same conditions.

Section 194. KRS 181.850 is amended to read as follows:

- (1) ***Except in a county containing a consolidated local government,*** any city of the first class may, by ordinance, create a bridge commission consisting of the mayor and four (4) persons appointed by the mayor with the approval of the board of aldermen. ***In a county containing a consolidated local government, a consolidated local government may, by ordinance, create or maintain a bridge commission consisting of the mayor and four (4) persons appointed by the mayor pursuant to the provisions of Section 1 of this Act.*** Each appointee shall be at least twenty-five (25) years of age. The original appointees shall serve for terms expiring on January 1, in the fourth year following their appointments, and until their respective designated successors shall be duly appointed and qualified. Their successors shall be appointed for one (1), two (2), three (3) and four (4) years, respectively. Thereafter the appointments shall be for four-year terms. A member of the bridge commission shall be eligible for reappointment. Not more than two (2) appointees shall be members of the same political party. Vacancies shall be filled for unexpired terms in the same manner as the original appointments. Each appointed member of the bridge commission, before entering upon his duties, shall take an oath to administer the duties of his office faithfully and impartially, and a record of each oath shall be filed in the office of the director of finance of the city **or consolidated local government**. No officer or employee of the city **or consolidated local government**, whether he **or she** receives compensation or not, shall be appointed to the bridge commission.
- (2) The bridge commission shall constitute a public instrumentality under the name of (insert name of city **or consolidated local government**) bridge commission and the exercise of the powers conferred by KRS 181.850 to 181.869 shall be deemed and held to be the performance of essential **governmental**~~municipal~~ functions. The commission shall elect a chairman and a vice chairman from its appointed members, and a secretary-treasurer who need not be a member of the commission. The chairman, vice chairman and secretary-treasurer shall serve as such officers at the pleasure of the commission. Three (3) members of the commission shall constitute a quorum and the affirmative vote of three (3) members shall be necessary for any action taken by the commission. No vacancy in the membership of the commission shall impair the right of a quorum to exercise all the rights and perform all the duties of the commission.
- (3) The members of the commission except the mayor shall receive such compensation as may be fixed in the ordinance creating the commission but the maximum compensation of the chairman in any year shall not exceed two thousand five hundred dollars (\$2,500) and of each other member shall not exceed five hundred dollars (\$500). The commission shall fix or change the compensation of the secretary-treasurer in its discretion.

Section 195. KRS 181.851 is amended to read as follows:

As used in KRS 181.850 to 181.869, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

- (1) The word "city" shall mean any city of the first class **or consolidated local government** for which a bridge commission shall be appointed under the provisions of KRS 181.850;
- (2) The word "commission" shall mean any bridge commission created under the provisions of KRS 181.850, or, if any such commission shall be abolished, the board, body, or commission succeeding to the principal functions thereof or to whom the powers given by KRS 181.850 to 181.869 to the commission shall be given by law;
- (3) The word "bridge" shall include the substructure and superstructure, overpasses, underpasses, entrance plazas, tollhouses, administration, storage, and other buildings and facilities, all equipment therefor, and such approaches and approach highways as may be determined by the commission to be necessary to facilitate the flow of traffic or to connect such bridge with the highway systems or other traffic facilities in the vicinity of such bridge, together with all property, rights, easements, and interests which may be acquired by the commission for the construction or operation of such bridge;

- (4) The word "cost" as applied to a bridge shall embrace the cost of construction, the cost of the acquisition of all land, rights-of-way, property, rights, easements, and interests acquired by the commission for such construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to and during construction, and, if deemed advisable by the commission, for a period not exceeding one (1) year after completion of construction, cost of traffic estimates and of engineering, financial and legal services, plans, specifications, surveys, estimates of cost and of revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing any such bridge, administrative expenses, and such other expenses as may be necessary or incident to the construction of the bridge, the financing of such construction, and the placing of the bridge in operation. Any obligation or expense incurred by the city in connection with any of the foregoing items of cost may be regarded as a part of such cost and reimbursed to the city out of the proceeds of revenue bonds issued under the provisions of KRS 181.850 to 181.869.

Section 196. KRS 181.853 is amended to read as follows:

- (1) The commission is hereby authorized and empowered to acquire by purchase, whenever it shall deem such purchase expedient, solely from funds provided under the authority of KRS 181.850 to 181.869, within or without the Commonwealth, such lands, structures, property, rights, rights of way, franchises, easements and other interests in lands, including lands lying under water and riparian rights, as it may deem necessary or convenient for the construction or operation of any bridge, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, and to take title thereto in the name of the city for the use and benefit of the commission.
- (2) Whenever a reasonable price cannot be agreed upon, or whenever the owner is legally incapacitated or is absent, unknown or unable to convey valid title, the commission is hereby authorized and empowered to acquire by condemnation or by the exercise of the power of eminent domain any lands, property, rights, rights of way, franchises, easements and other property, including public lands, parks, playgrounds, reservations, highways, or parkways or parts thereof or rights therein, of any person, co-partnership, association, railroad, public service, public utility or other corporation, or municipality or political subdivision deemed necessary or convenient for the construction or the efficient operation of any bridge or necessary in the restoration of public or private property damaged or destroyed. Any such proceedings shall be conducted in the name of the commission, and the compensation to be paid shall be ascertained and paid, in the manner provided by the constitution and laws of the Commonwealth then applicable which relate to condemnation or to the exercise of the power of eminent domain by cities ~~of the first class~~. Title to any property acquired by the commission shall be taken in the name of the city for the use and benefit of the commission. In any condemnation proceedings the court having jurisdiction of the suit, action or proceeding may make such orders as may be just to the commission and to the owners of the property to be condemned and may require an undertaking or other security to secure such owners against any loss or damage by reason of the failure of the commission to accept and pay for the property, but neither such undertaking or security nor any act or obligation of the commission shall impose any liability upon the city or commission except as may be paid from the funds provided under the authority of KRS 181.850 to 181.869.
- (3) If the owner, lessee or occupier of any property to be condemned shall refuse to remove his *or her* personal property therefrom or give up possession thereof, the commission may proceed to obtain possession in any manner now or hereafter provided by law.
- (4) With respect to any railroad property or right of way upon which railroad tracks are located, any powers of condemnation or of eminent domain may be exercised to acquire only an easement interest therein which shall be located either sufficiently far above or sufficiently far below the grade of any railroad track or tracks upon such railroad property so that neither the proposed bridge nor any part thereof, including abutments, columns, supporting structures and appurtenances, nor any traffic upon it shall interfere in any manner with the use, operation or maintenance of the trains, tracks, works or appurtenances or other property of the railroad nor endanger the movement of the trains or traffic upon the tracks of the railroad. Prior to the institution of condemnation proceedings for such easement over or under such railroad property or rights of way, plans and specifications of the proposed bridge showing compliance with the above-mentioned above or below grade requirements and showing sufficient and safe plans and specifications of such overhead or undergrade structure and appurtenances shall be submitted to the railroad for examination and approval. If the railroad fails or refuses within thirty (30) days to approve the plans and specifications so submitted, the matter shall be

submitted to the department of works of the city whose decision, arrived at after due consideration and with an opportunity to the railroad to be heard, shall be final as to the sufficiency and safety of such plans and specifications and as to such elevations or distances above or below the tracks. Said overhead or undergrade structure and appurtenances shall be constructed only in accordance with such plans and specifications and in accordance with such elevations or distances above or below the tracks so approved by the railroad or the department of works of said city as the case may be. A copy of the plans and specifications approved by the railroad or the department of works of said city shall be filed as an exhibit with the petition for condemnation.

- (5) The Commonwealth hereby consents to the use of all lands owned by it, including lands lying under water, which are deemed by the commission to be necessary for the construction or operation of any bridge.

Section 197. KRS 183.132 is amended to read as follows:

- (1) Any urban-county government, city, or county, or city and county acting jointly, or any combination of two (2) or more cities, counties, or both, may establish a nonpartisan air board composed of six (6) members. Any city other than the first class and county jointly or an urban-county government established pursuant to KRS Chapter 67A may establish a nonpartisan board composed of ten (10) members. Any existing six (6) member board, including a board established in an urban-county government, may be expanded to ten (10) members by action of the government entity or entities that established the six (6) member board.
- (2) Any city of the first class, jointly with the county containing the city *or a consolidated local government* may establish *or maintain* a nonpartisan air board. Membership of the board shall be appointed in accordance with subsection (6) *or (10)* of this section.
- (3) The board shall be a body politic and corporate with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with, and do all things reasonable or necessary to effectively carry out the duties prescribed by statute. The board shall constitute a legislative body for the purposes of KRS 183.630 to 183.740.
- (4) The members of an air board composed of six (6) members shall be appointed as follows:
 - (a) If the air board is established by a city, the members shall be appointed by the mayor of the city;
 - (b) If the air board is established by a county, the members shall be appointed by the county judge/executive except that in the event that an airport is located outside the boundary of the county establishing the airport board, the county judge/executive shall appoint an additional member to the air board from the jurisdiction where the airport is physically located. The additional member shall serve a four (4) year term in accordance with the provisions of subsection (7) of this section and receive full voting privileges on matters brought before the airport board;
 - (c) If the air board is established as a joint city-county air board, the members shall be appointed jointly by the mayor of the city and the county judge/executive;
 - (d) If a combination of cities, counties, or both, establishes a joint air board, the mayors and county judges/executive involved shall jointly choose six (6) members and shall jointly choose successors;
 - (e) If the air board is established by an urban-county government, the mayor of the urban-county government or an officer of the urban-county government designated by the mayor shall serve as one (1) member of the board. The remaining five (5) members shall be appointed by the mayor. One (1) of the members appointed by the mayor shall live within a three (3) mile radius of the airport.
- (5) The members of an air board composed of ten (10) members in a city other than a city of the first class and county jointly other than an urban-county government established pursuant to KRS Chapter 67A shall be appointed as follows:
 - (a) Five (5) members shall be appointed by the mayor of the city, without approval of the legislative body;
 - (b) Five (5) members shall be appointed by the county judge/executive without approval of the other members of the fiscal court.
- (6) The members of an air board established jointly by a city of the first class and the county containing the first class city shall be composed of the mayor of the city of the first class and the county judge/executive of the county, and other members appointed as follows:
 - (a) Three (3) members shall be appointed by the mayor of the city of the first class;

- (b) Three (3) members shall be appointed by the county judge/executive of the county, with the approval of the fiscal court; and
 - (c) Two (2) members, who shall be residents of the county containing a city of the first class or of counties contiguous thereto, shall be appointed by the Governor of the Commonwealth.
 - (d) If there is an incorporated alliance of incorporated neighborhood associations and fifth or sixth class cities, which represents citizens living within a five (5) mile radius of airport operations, the Governor shall appoint one (1) member of the executive board of an alliance as an additional member to the air board. If more than one (1) incorporated alliance exists, the Governor shall select the appointee from the executive boards of all the incorporated alliances.
- (7) The members of an air board composed of ten (10) members established by an urban-county government shall be composed of the mayor of the urban-county government or an officer of the urban-county government designated by the mayor. The remaining nine (9) members shall be appointed by the mayor. Two (2) of the members appointed by the mayor shall live within a three (3) mile radius of the airport.
- (8) Members of the board composed of six (6) members shall serve for a term of four (4) years each and until their successors are appointed and qualified. The initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years, and two (2) members for four (4) years. Upon expiration of the staggered terms, successors shall be appointed for a term of four (4) years.
- (9) Members of the board composed of ten (10) members in a city other than a city of the first class and county jointly shall serve for a term of four (4) years each and until their successors are appointed and qualified. The initial appointments made by the mayor and the county judge/executive shall be made so that one (1) member is appointed for two (2) years, two (2) members are appointed for three (3) years, and two (2) members are appointed for four (4) years. If an existing six (6) member board is being increased to a ten (10) member board, initial appointments of the four (4) new members shall be made so that the mayor and the county judge/executive, or the mayor if the board is established by an urban-county government, each appoint one (1) member for two (2) years and one (1) member for four (4) years. Upon expiration of the initial terms, successors shall be appointed for a term of four (4) years. In the case of a board established by an urban-county government, the term of the mayor for the urban-county government, or the officer of the urban-county government designated by the mayor, shall be coextensive with the term of the mayor.
- (10) Members of the board composed of eleven (11) members and established *or maintained* jointly by a city of the first class and the county containing a city of the first class shall serve for a term of three (3) years each and until their successors are appointed and qualified. The terms of the mayor and the county judge/executive shall be coextensive with their terms of office. The mayor and the county judge/executive shall each make their initial appointments *to a board established jointly by a city of the first class and the county containing a city of the first class* so that one (1) member is appointed for one (1) year, one (1) member is appointed for two (2) years, and one (1) member is appointed for three (3) years. The Governor shall make the initial appointments so that one (1) member is appointed for two (2) years and one (1) member is appointed for three (3) years. Upon the expiration of the initial terms, successors shall be appointed for a term of four (4) years. *Upon the establishment of a consolidated local government in a county containing a former city of the first class, seven (7) members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the board for the time remaining of their current term of appointment. The Governor shall appoint members pursuant to subsection 6(c) and (d) of this section. The mayor shall serve on the board for a term which shall be coextensive with his or her term of office. Incumbent members shall be eligible for reappointment upon the expiration of their terms. In a consolidated local government that takes effect on January 6, 2003, the terms of all board members shall continue to be for three (3) years. The members of the air board on January 6, 2003, shall continue to serve as members for the time remaining on their terms and shall be eligible for reappointment upon the expiration of their terms. The one (1) appointment, which occurs upon the transition of a county containing a city of the first class to a consolidated local government shall be made by the mayor pursuant to the provisions of Section 1 of this Act within sixty (60) days after the establishment of the consolidated local government. As the terms of the appointments made while the air board was governed by a city of the first class and a county containing the city of the first class expire, the mayor and the Governor shall respectively make their new appointments.*

- (11) Members of the board shall serve without compensation but shall be allowed any reasonable expenses incurred by them in the conduct of the affairs of the board. The board shall, upon the appointment of its members, organize and elect officers. The board, except for a board composed of eleven (11) members and established jointly by a city of the first class and the county containing a city of the first class **or a consolidated local government**, shall choose a chairman and vice chairman who shall serve for terms of one (1) year. Where the board is composed of eleven (11) members and established jointly by a city of the first class and the county containing a city of the first class, the mayor of the city of the first class and the county judge/executive shall jointly appoint the chairman from among the membership of the board. **In a consolidated local government, the mayor shall appoint the chairman from among the membership of the board.** The board shall also choose a secretary-treasurer who may or may not be a member of the board. The board may fix a salary for the secretary-treasurer and the secretary-treasurer shall execute an official bond to be set and approved by the board, and the cost of the bond shall be paid by the board.
- (12) The board may employ necessary counsel, agents, and employees to carry out its work and functions and prescribe rules and regulations as it deems necessary.
- (13) The secretary-treasurer shall keep the minutes of all meetings of the board and shall also keep a set of books showing the receipts and expenditures of the board. The secretary-treasurer shall preserve on file duplicate vouchers for all expenditures and shall present to the board, upon request, complete reports of all financial transactions and the financial condition of the board. The books and vouchers shall at all times be subject to examination by the legislative body or bodies by whom the board was created. The secretary-treasurer shall transmit at least once annually a detailed report of all acts and doings of the board to the legislative body or bodies by whom the board was created.
- (14) In the event that a joint air board is created by cities, counties, or both, and thereafter a city or county desires to withdraw from participation, then the remaining participants may jointly choose a successor member or members of the board. A local government wanting to withdraw from participation in the board shall not be entitled to return of any moneys or property advanced to the board.
- (15) A quorum for the transacting of the business of a six (6) member board shall consist of four (4) members, a ten (10) member board shall consist of six (6) members, and an eleven (11) member board shall consist of six (6) members. Meetings of the board may be called by the chairman or by four (4) members. In case of tie voting by the board, the issue shall be deemed to have failed passage.
- (16) A board member may be replaced by the appointing authority upon a showing to the authority of misconduct as a board member or upon conviction of a felony. A board member shall not hold any official office with the appointing authority, except for the mayor of a city of the first class and the county judge/executive on a board made up of eleven (11) members and established jointly by a city of the first class and the county containing a city of the first class, or the mayor of an urban-county government **or a consolidated local government**, or an officer of the urban-county government designated by the mayor on a board established by an urban-county government.

Section 198. KRS 198A.067 is amended to read as follows:

Before the corporation provides financing for construction of multifamily housing of twelve (12) units or more, an ordinance must be enacted by the fiscal court, city, **consolidated local government**, or urban-county government in whose territorial limits the construction is to occur.

Section 199. KRS 198B.290 is amended to read as follows:

In counties with cities of the first class **or a consolidated local government** and cities within those counties, a permit to rebuild a commercial business on property contiguous to a river, and a permit to rebuild single-family dwellings on properties contiguous to a river, shall be issued if the construction plans meet the requirements of any local floodplain ordinance.

Section 200. KRS 210.040 is amended to read as follows:

The Cabinet for Health Services shall:

- (1) Exercise all functions of the state in relation to the administration and operation of the state institutions for the care and treatment of persons with mental illness;
- (2) Establish or acquire, in accordance with the provisions of KRS 56.440 to 56.550, other or additional facilities for psychiatric care and treatment of persons who are or may become state charges;

- (3) Cooperate with other state agencies for the development of a statewide mental health program looking toward the prevention of mental illness and the post-institutional care of persons released from public or private mental hospitals;
- (4) Provide for the custody, maintenance, care, and medical and psychiatric treatment of the patients of the institutions operated by the cabinet;
- (5) Provide psychiatric consultation for the state penal and correctional institutions, and for the state institutions operated for children or for persons with mental retardation;
- (6) Administer and supervise programs for the noninstitutional care of persons with mental illness;
- (7) Administer and supervise programs for the care of persons with chronic mental illness, including but not limited to provision of the following:
 - (a) Identification of persons with chronic mental illness residing in the area to be served;
 - (b) Assistance to persons with chronic mental illness in gaining access to essential mental health services, medical and rehabilitation services, employment, housing and other support services designed to enable persons with chronic mental illness to function outside inpatient institutions to the maximum extent of their capabilities;
 - (c) Establishment of community-based transitional living facilities with twenty-four (24) hour supervision and community-based cooperative facilities with part-time supervision; provided that, no more than either one (1) transitional facility or one (1) cooperative facility may be established in a county containing a city of the first class *or consolidated local government* with any funds available to the cabinet;
 - (d) Assurance of the availability of a case manager for each person with chronic mental illness to determine what services are needed and to be responsible for their provision; and
 - (e) Coordination of the provision of mental health and related support services with the provision of other support services to persons with chronic mental illness;
- (8) Supervise private mental hospitals receiving patients committed by order of a court.

Section 201. KRS 211.1751 is amended to read as follows:

As used in KRS 211.1751 to 211.1755:

- (1) "Agency" means a local health department established pursuant to the provisions of KRS Chapter 212, excluding a health department in a county containing a city of the first class, *a consolidated local government*, an urban-county health department, or an independent district health department.
- (2) "Classification plan" means the system of classes and job descriptions, and the process for the installation and maintenance of the classification plan.
- (3) "Compensation plan" means a series of salary ranges to which classes of positions are assigned so that classifications evaluated as approximately equal may be assigned to the same salary range.
- (4) "Council" means the Local Health Department Employment Personnel Council created in KRS 211.1752.
- (5) "Department" means the Department for Public Health within the Cabinet for Health Services.

Section 202. KRS 211.370 is amended to read as follows:

The commissioner of the Department for Public Health shall, upon written request from a local board of health, authorize the local board of health to serve as its agent to issue permits for on-site sewage disposal systems within that area of local board jurisdiction. As agent, the authorized local board of health shall act for the cabinet in issuing permits and granting variances for on-site sewage disposal systems. Actions by the local board of health shall comply with the regulations established by the cabinet relating to on-site sewage disposal systems. The local board of health shall include in the written request a procedure for administering this section. The local board of health may adopt regulations relating to the proper operation and maintenance of on-site sewage disposal systems. In counties containing a city of the first class *or a consolidated local government* and in urban-counties, the local board of health may adopt regulations relating to the proper construction, installation, and alteration of on-site sewage disposal systems which are more stringent than the regulations adopted by the cabinet.

Section 203. KRS 212.350 is amended to read as follows:

- (1) In each county of the Commonwealth of Kentucky in which there is located a city of the first class ***or a consolidated local government***, there is hereby created a board of health which board shall be a body politic and corporate, and shall be known as the ".... (name of city of the first class) and (name of county) ***or (name of the consolidated local government)*** County Board of Health" hereinafter called the "board," which board shall have jurisdiction throughout such county, including all municipalities in said county with respect to and in accordance with the provisions of KRS 212.350 to 212.620. Wherever the words "city" and "mayor" are used in KRS 212.350 to 212.620 they shall mean such city of the first class ***or consolidated local government***, and the mayor thereof. Said board may, in its corporate name, sue and be sued, contract and be contracted with and acquire real, personal and mixed property by deed, purchase, gift, devise, lease, condemnation or otherwise, and dispose of same; and may make appropriate rules and regulations and do all things reasonable or necessary effectively to carry out the work and properly to perform the duties intended or required by KRS 212.350 to 212.620. When and after the board herein created is organized as herein provided, and except as otherwise provided by law, said board shall succeed to and be vested with all of the functions, obligations, powers and duties now being exercised by the county board of health~~[-of such county]~~, any department of public health~~[-of such city]~~, and by any board of tuberculosis hospital in such county; and thereupon ~~the[said county]~~ board of health and ~~the[said]~~ department of health and ~~the[said]~~ board of tuberculosis hospital shall cease to exist, and all laws and amendments of said laws, relating to and governing the aforesaid county board of health, department of public health, and board of tuberculosis hospital, in conflict with the provisions of KRS 212.350 to 212.620, shall, to the extent of such conflict, stand and be repealed.
- (2) Notwithstanding KRS 212.350 to 212.625, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the county and such city of the first class shall agree that the county shall provide all staff support, including a director of health, to the board of health through county officers, assistants, clerks, deputies and employees. In such case, all officers, employees and staff of the board of health and the department of health shall be deemed county employees and shall be subject to the control of fiscal court. At the time the compact takes effect the officers, employees and staff of the board of health and the department of health shall be transferred to the service of county government; provided that all such employees who at such time are in the classified service shall be continued in a classified service administered by county government. All functions, obligations, powers and duties now vested in the board of health shall continue to be vested in the board unless changed by ordinance of the fiscal court of such county. ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the requirements of this subsection pertaining to county government shall be assumed by the consolidated local government.***

Section 204. KRS 212.360 is amended to read as follows:

- (1) All property, real, personal and mixed, belonging to such county or city and now being used exclusively and directly by and for the county board of health of such county and the department of public health of such city, in the performance of duties connected with the maintenance of the public health, including, but without being limited thereto, city or county hospitals, public health clinics, all the equipment in such institutions, and all other property of every character or description now used in public health work in and by said city and county organizations, and all property, real, personal and mixed, belonging to any board of tuberculosis hospital in such county, is hereby transferred to said board created under KRS 212.350, and said city, county and board of tuberculosis hospital shall take all necessary and proper steps to effect the legal transfer of title and possession of all such property to said board. All deeds to such property shall be recorded in the county where the property is located. Said board shall assume all existing liabilities of said board of tuberculosis hospital and shall liquidate such liabilities in the same manner and on the same terms as would have been done by said board of tuberculosis hospital.
- (2) In the event that it is deemed desirable or advisable by the city, county, and board that any other division of the city or county or any other governmental agency, including any institution, should be taken over and placed under the control and management and supervision of the board, then and in that event, such division, agency, or institution may be taken over under such terms and conditions as to its management, operation and maintenance as the said city, by ordinance, the said county and the board, by respective resolutions and agreements, may authorize and direct.

- (3) ***Upon the establishment of a consolidated local government in a county having a board of health previously formed by the city and county, all property, real, personal, and mixed, belonging to the board of health shall remain the property of the board of health as renamed under KRS 212.350.***

Section 205. KRS 212.380 is amended to read as follows:

- (1) ***Except in a county containing a consolidated local government,*** said board shall be composed of ten (10) members, two (2) of whom shall be the mayor of such city, and the county judge/executive of such county, as members ex officio, and four (4) of whom shall be appointed by the mayor of such city and four (4) of whom shall be appointed by the county judge/executive of such county with the approval of the fiscal court. Each appointive member shall be not less than thirty (30) years of age, intelligent, discreet, and shall have been a continuous resident of such county for at least two (2) years prior to the date of his or her appointment. At least one (1) and not more than three (3) of said appointive members shall be physicians, one (1) of said appointive members shall be a dentist, and at least one (1) of said appointive members shall be a registered nurse. All appointive members shall be eligible for reappointment.
- (2) At the expiration of each of the terms of office of said eight (8) appointive members, the successor to each member shall be appointed by said county judge/executive and said mayor for a term of office of four (4) years and until his successor is appointed and qualified.
- (3) The two (2) appointments which increase the appointed members from six (6) to eight (8) shall both occur on July 1, 1974, one (1) of which shall be for a term expiring on June 30, 1978, the other of which shall be for a term expiring on June 30, 1975. Each subsequent appointment to the board shall be for a term of four (4) years.
- (4) Notwithstanding subsection (2) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the terms of two (2) each of their appointments expire in one (1) year, the term of one (1) each of their appointments expire in two (2) years and the term of one (1) each of their appointments expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years.
- (5) ***Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the board shall be composed of ten (10) members, the mayor and nine (9) members who shall be appointed to the board of health by the mayor of the consolidated local government pursuant to the provisions of Section 1 of this Act for a term of three (3) years. Incumbent board members, upon the establishment of the consolidated local government, shall continue to serve as members of the board for the time remaining of their current term of appointment and until their successor is appointed and qualified. The mayor shall serve on the board for a term which shall be coextensive with his or her term of office.***

Section 206. KRS 212.390 is amended to read as follows:

- (1) Any vacancy on the board occurring by reason of death, resignation, disqualification, removal, or otherwise, of any appointive member shall be filled ***in the same manner as the original appointment***~~{by appointment by the mayor and county judge/executive}~~ for the balance of the term of the member whose place is so vacated. The ***appointing authority is***~~{mayor and county judge/executive are}~~ hereby given the exclusive power and authority to determine and declare when a vacancy exists.
- (2) ***Except in a county containing a consolidated local government,*** if said county judge/executive and said mayor fail within said thirty-day period to make an appointment to fill any one (1) or more of the five (5) original positions of membership on said board, then and in that event the appointment to fill any such original position shall be made by the majority vote of a board to be composed of the county judge/executive of such county, the mayor of such city, and the president of the board of tuberculosis hospital in such county and city. Thereafter, in the event said county judge/executive and said mayor fail to make an appointment to fill any vacancy on said board within thirty (30) days after such vacancy, for any reason, occurs, the board itself shall have the power and is hereby authorized to make the appointment to fill such vacancy. ***In a county containing a consolidated local government, the mayor shall fill a vacancy to the board no later than thirty (30) days after the occurrence of the vacancy. In the event the mayor fails to make the appointment within the thirty (30) days, the appointment shall be made by the remaining members of the board.***

- (3) If the board has advance knowledge that a vacancy on the board will for any reason occur, the board shall, in advance of the occurrence of such vacancy (thirty (30) days in advance if possible) report in writing to the **appointing authority**~~[mayor and county judge/executive]~~ the facts pertaining to such approaching vacancy. In any case where the board does not have advance knowledge of a pending vacancy, said board upon the occurrence of such vacancy shall forthwith in writing report such vacancy to the **appointing authority**~~[mayor and county judge/executive]~~. After said vacancy or vacancies have been so reported the procedure for filling such vacancy or vacancies shall be the same as the general procedure hereinabove set forth.
- (4) Resignation by a member of the board shall be in writing addressed and submitted to the **appointing authority**~~[mayor and county judge/executive]~~ and a copy thereof furnished to the chairman of the board.

Section 207. KRS 212.432 is amended to read as follows:

Notwithstanding the provisions of KRS 61.510 to 61.705 (Chapter 110, 1956 Acts of the General Assembly of Kentucky and amendments thereto) and KRS 78.510 to 78.852, on July 1, 1962, all regular full-time present and future public health employees of any joint city-county health department **or board of health** located in a county containing a city of the first class **or a consolidated local government** shall be included within the provisions of the state retirement system.

Section 208. KRS 212.600 is amended to read as follows:

All municipalities in any county of this Commonwealth in which county there is located a city of the first class **or a consolidated local government** are hereby made subject to the provisions of KRS 212.350 to 212.620, and it shall be the duty of the board created in KRS 212.350 to make and enforce all reasonable regulations controlling or affecting the health of citizens and residents of said county, including all municipalities therein, in conformity with the provisions of KRS 212.350 to 212.620 and the laws of the Commonwealth of Kentucky, the rules and regulations of the Cabinet for Health Services of Kentucky, and the ordinances of said municipalities now or hereafter in effect and not in conflict with the provisions of KRS 212.350 to 212.620. Such regulations shall, as nearly as may be practicable, be uniform throughout the county, both within and without the said municipalities; provided, however, that nothing contained in this section shall be construed to prevent the board from making specific health regulations applying only to such section or sections of said county as may be deemed to require special treatment. The board shall have power and authority to examine into all nuisances, sources of filth, and causes or probable causes of sickness, which may in its opinion be injurious to the health of the residents of such county or of any section or sections thereof.

Section 209. KRS 212.750 is amended to read as follows:

- (1) It is the intent of this section and KRS 212.755, inter alia, to create a public health taxing district via operation of law in every county of the Commonwealth that has not heretofore created same except in counties containing cities of the first class **or consolidated local government**.
- (2) In all counties where a county or city-county health department has been established except in counties containing a city of the first class **or a consolidated local government**, and a public health taxing district has not been established pursuant to the provisions of KRS 212.720 to 212.740, a public health taxing district is hereby declared to be created upon June 13, 1968. The members of the county, or city-county board of health shall, by virtue of their office, constitute and be the governing body of the public health taxing district and shall perform the duties attendant thereto in addition to their duties as members of the county, or city-county board of health. The officers of the county or city-county board of health shall be the officers of the public health taxing district.
- (3) Nothing in this section and KRS 212.755 shall in any way abridge the rights of two (2) or more counties from establishing a district health department.

Section 210. KRS 212.990 is amended to read as follows:

- (1) Any owner or occupant who fails to comply with an order made under the provisions of subsection (1) of KRS 212.210 shall be fined not less than ten dollars (\$10) nor more than one hundred dollars (\$100) and each day's continuance of the nuisance, source of filth or cause of sickness, after the owner or occupant has been notified to remove it, shall be a separate offense.
- (2) Any person who violates KRS 212.715 or any rule or regulation adopted by any **consolidated local government**, city, county, or city-county board of health, except as otherwise provided by subsection (3) of this section for counties containing cities of the first class **or consolidated local government**, shall be fined not less than ten dollars (\$10) nor more than one hundred dollars (\$100) for each day the violation continues.

- (3) The violation of any health regulation promulgated by the city-county board of health or of any order made by the board under KRS 212.350 to 212.620, directing the abatement of a nuisance, source of filth or cause or probable cause of sickness, is hereby declared to be a misdemeanor, and any person, firm or corporation, or member of a firm or officer or director of a corporation, upon conviction thereof shall be fined not less than five dollars (\$5) nor more than one hundred dollars (\$100) for each such offense. If any offense is continued for more than one (1) day, each day upon which such offense occurs or is continued shall be considered and constitute a separate offense and a separate fine may be imposed therefor.
- (4) Any physician who fails to comply with the provisions of KRS 212.343, upon conviction thereof shall be fined not more than five hundred dollars (\$500).
- (5) Failure to procure the informed consent of those required to give their consent pursuant to KRS 212.345, prior to performing a nontherapeutic sterilization shall be punishable by imprisonment in the county jail not to exceed one year or a fine not to exceed one thousand dollars (\$1,000), or both.
- (6) Any physician violating KRS 212.347 shall be imprisoned in the county jail not to exceed one (1) year or shall pay a fine not to exceed one thousand dollars (\$1,000), or both.

Section 211. KRS 226.060 is amended to read as follows:

The chief of police of a city of the first class or the chief of police of a county containing a city of the first class, ***or the chief of police of a consolidated local government***, and persons acting by his orders may examine the books of any pawnbroker or his clerk, if they deem it necessary when in search of stolen property. Any person who has in his possession a pawnbroker's ticket issued by a pawnbroker in a city of the first class or in a county containing a city of the first class ***or a consolidated local government*** shall, when accompanied by a policeman or by an order from the chief or captain of police, be permitted to examine property purporting to be pawned by that ticket. No property shall be removed from the possession of any pawnbroker without the process of law required by the existing laws of the state, or the laws and ordinances of the ***local government***~~(city or county)~~ regulating pawnbrokers.

Section 212. KRS 230.377 is amended to read as follows:

- (1) Other provisions of the Kentucky Revised Statutes notwithstanding, a track may apply to the commission for simulcasting and intertrack wagering dates. Applications shall be submitted in accordance with KRS 230.300. The commission shall not approve the establishment or relocation of a receiving track within a radius of seventy-five (75) miles of a race track duly licensed as of July 15, 1992, without the prior written consent of the licensed track within whose seventy-five (75) mile radius the new receiving track would be located.
- (2) On or before November 1 of each year, the commission shall meet and award intertrack wagering dates to all tracks for the entire succeeding calendar year. In a geographic area containing more than one (1) track within a fifty (50) mile radius of another track, intertrack wagering shall be limited to simulcasting and wagering on racing of the same breed of horse as the receiving track was licensed to race on or before July 15, 1998.
- (3) The commission shall approve no more than nine (9) tracks for participation in horse racing, intertrack wagering, and simulcasting. Any approval by the commission of a change in location of these tracks shall be subject to the local-approval process contained in KRS 230.380.
- (4) A track may by administrative regulation be required to simulcast its races to one (1) or more receiving tracks approved for simulcasting and intertrack wagering, as a prerequisite for the issuance of a license pursuant to KRS 230.300, provided that:
 - (a) Each track shall be permitted to exempt one (1) day of racing from simulcasting to both receiving tracks and simulcast facilities, at its discretion;
 - (b) Tracks in a county containing a city of the first class ***or a consolidated local government*** and tracks in an urban-county government shall not be required to simulcast to each other or to any other facility in those counties. This provision shall not be construed as requiring tracks within the same county to simulcast to each other; and
 - (c) In the absence of a contract between a host track and a receiving track, the commission shall be split as provided for in KRS 230.378(3).
- (5) A track may receive simulcasts and conduct interstate wagering thereon subject to the following limitations which shall be in addition to the limitations set forth in KRS 230.3771:

- (a) A track licensed to conduct thoroughbred racing may receive simulcasts and conduct interstate wagering on all thoroughbred horse races designated as graded stakes races by the Graded Stakes Committee of the Thoroughbred Owners and Breeders Association, Inc., without further consents or approvals.
 - (b) A track licensed to conduct harness racing may receive simulcasts and conduct interstate wagering on all harness horse races (both final and elimination) having a final purse in excess of seventy-five thousand dollars (\$75,000) without further consents or approvals.
 - (c) A track which applies to the commission to receive an interstate race of a different breed than the breed for which it is licensed by the commission shall receive any simulcast of an interstate race through the intertrack wagering system upon approval by the commission.
 - (d) A track may receive simulcasts of special event races conducted in other states or foreign countries which are determined by the commission to be of sufficient national or international significance or interest to warrant interstate wagering and if the simulcast of these races has been approved by the Kentucky Thoroughbred Owners and Breeders Association, Inc., the Kentucky Division of the Horseman's Benevolent and Protective Association, for thoroughbred races, and the Kentucky Harness Horsemen's Association for harness racing, and any track conducting live horse races of the same breed at the same time as the simulcast race.
 - (e) A track may also receive simulcasts and conduct interstate wagering on thoroughbred horse races other than those described in paragraphs (a) and (d) of this section if the simulcast of these races has been approved by the Kentucky Thoroughbred Owners and Breeders Association, Inc., and the Kentucky Horsemen's Benevolent and Protective Association, for thoroughbred races, and the Kentucky Harness Horsemen's Association, or its successor, for harness racing.
 - (f) The consent required by paragraph (e) of this subsection or by subsections (1)(g) and (2)(g) of KRS 230.3771 shall not be withheld:
 - 1. For any reason not specifically related to financial harm to live horse racing; or
 - 2. As a condition to the granting of any contractual or other concession not specifically related to the effects of interstate simulcasting on live horse racing in this Commonwealth, taken as a whole.
 - (g) A host track located in this state may receive simulcasting of not more than two (2) full cards of racing from another state, if both tracks race horses of the same breed and if:
 - 1. The race date was previously granted by the Kentucky Racing Commission to conduct live racing at the track located in this state;
 - 2. Live racing was canceled due to weather conditions; and
 - 3. The consent required by subsection (5)(d) of this section is obtained.
 - (h) The in-state track receiving the simulcast specified in paragraph (g) of this subsection shall offer that simulcast to all participating tracks and simulcast facilities in the intertrack wagering system.
 - (i) All interstate simulcasting shall be conducted in accordance with applicable federal laws.
- (6) The commission may promulgate necessary and reasonable administrative regulations for the purpose of administering the conduct of intertrack or interstate wagering and regulating the conditions under which wagering shall be held and conducted. Administrative regulations shall provide for the prevention of practices detrimental to the public interest and to impose penalties for violations. All administrative regulations shall be in conformity with the provisions of KRS Chapter 13A, KRS 138.510, and this chapter.
- (7) Subsections (2) and (3) of this section shall apply only to intertrack wagering dates awarded for calendar year 1993 and thereafter, and any unresolved intertrack wagering dates for calendar year 1992 shall be awarded pursuant to applicable provisions of law in effect immediately prior to March 30, 1992.

Section 213. KRS 238.555 is amended to read as follows:

- (1) No person shall operate a charitable gaming facility unless the person is licensed under the provisions of this chapter. The department shall charge a license fee not to exceed two thousand five hundred dollars (\$2,500). Specific license fees to be charged shall be prescribed in a graduated scale promulgated by administrative regulation and based on the number of sessions which the facility holds per week or other applicable factors or

combination of factors. Charitable gaming may be conducted in a charitable gaming facility only by a licensed charitable organization in accordance with the provisions of this chapter.

- (2) In the application process, an applicant for a charitable gaming facility license shall submit the following information:
 - (a) The address of the facility;
 - (b) A description of the facility to include square footage of the gaming area, capacity levels, and available parking;
 - (c) The names, addresses, dates of birth, and Social Security numbers of all individuals employed by or contracted with the applicant to manage the facility or provide other authorized services;
 - (d) The name, address, date of birth, and Social Security number of any individual who has a ten percent (10%) or greater financial interest in the facility;
 - (e) A copy of the lease agreement used by the applicant; and
 - (f) Any other information the department deems appropriate.
- (3) No owner, officer, employee, or contractee of a licensed charitable gaming facility or an affiliate, or any member of the immediate family of any officer, employee, or contractee of a licensed charitable gaming facility or an affiliate shall, concerning a lessee:
 - (a) Manage or otherwise be involved in the conduct of charitable gaming;
 - (b) Provide bookkeeping or other accounting services related to the conduct of charitable gaming;
 - (c) Handle any moneys generated in the conduct of charitable gaming;
 - (d) Advise a licensed charitable organization on the expenditure of net receipts;
 - (e) Provide transportation services in any manner to patrons of a charitable gaming activity;
 - (f) Provide advertisement or marketing services in any manner to a licensed charitable organization;
 - (g) Provide, coordinate, or solicit the services of personnel or volunteers in any manner;
 - (h) Influence or require a licensed charitable organization to use a certain distributor or any particular gaming supplies; or
 - (i) Donate or give any prize to be awarded in the conduct of charitable gaming.
- (4) A licensed charitable gaming facility shall execute a lease agreement with each licensed charitable organization that desires to conduct charitable gaming at the facility. The licensed charitable gaming facility shall agree in the lease to provide gaming space, utilities, insurance for the premises, parking, tables and chairs, and other nongaming equipment necessary for the conduct of charitable gaming, adequate storage space, security, and janitorial services. The costs of the goods and services provided shall be itemized in the lease. A licensed charitable organization may elect to provide for itself any of the goods and services that a charitable gaming facility is required to provide under this subsection, provided these arrangements are clearly noted in the lease agreement, and provided the total compensation to be paid the charitable gaming facility is reduced commensurate with the cost of the goods and services as itemized in the lease. The amount of rent, goods, and services charged shall be reasonable and shall be based on prevailing market values in the general locality for the goods and services to be provided. Rent shall not be based in whole or in part, on a percentage of gross receipts or net proceeds derived from the conduct of charitable gaming or by reference to the number of people in attendance. The department by administrative regulation may establish standards for the determination of prevailing market values. A copy of each signed lease agreement shall be filed with the department. The provisions of this subsection shall apply to any lease agreement for a facility where charitable gaming is to be conducted, whether or not it is with a licensed charitable gaming facility.
- (5) The number of bingo sessions conducted at a charitable gaming facility shall be limited to the following:
 - (a) No more than eighteen (18) sessions per week if the charitable gaming facility is located in a city of the first class, in a city of the second class, in an urban-county, *in a consolidated local government*, or charter county government, or in a county containing a city of the first class or second class;

- (b) No more than eight (8) sessions per week if the charitable gaming facility is located in a city of the third class, fourth class, fifth class, or sixth class, or in a county that does not contain a city of the first class or second class.
- (6) A licensed charitable gaming facility shall report at least quarterly to the department and shall provide any information concerning its operation that the department may require.
- (7) A charity fundraising event at which special limited charitable games are played may be conducted at a licensed charitable gaming facility, but no licensed charitable gaming facility shall be permitted to hold more than one (1) such event per week or more than seven (7) per year.
- (8) A licensed charitable gaming facility shall conspicuously display a sign bearing the name and the license number of the charitable organization that is conducting charitable gaming activities in the facility.
- (9) The license to operate the charitable gaming facility shall be prominently displayed on or in the premises where charitable gaming activity is being conducted, in a conspicuous location that is readily accessible to gaming patrons as well as employees of the department, law enforcement officials, and other interested officials.

Section 214. KRS 241.075 is amended to read as follows:

- (1) The State Alcoholic Beverage Control Board shall, for the purpose of regulating the location of retail package liquor and retail drink licenses in cities of the first class ***or consolidated local governments***, divide such cities ***or consolidated local governments*** into "downtown business areas" and "combination business and residential areas."
- (2) No retail package liquor or retail drink license shall be granted or issued to any licensee who proposes to sell retail package liquor or liquor by the drink at a location within seven hundred (700) feet of the location of any similar establishment in any combination business and residential area, nor shall such license be granted or issued to any licensee who proposes to operate at a location in a combination business and residential area within seven hundred (700) feet of a similar establishment located in a downtown business area. This section shall not affect location of such establishments in downtown business areas of such cities ***or consolidated local governments***.
- (3) The distance between location of similar establishments as prescribed by this section shall be measured by following the shortest route of ordinary pedestrian travel along public thoroughfares from the nearest point of any present location of any such similar place of business to the nearest point of any proposed location of any such place of business. The measurement shall be taken from the entrance of the existing licensed premises to the entrance of any proposed location.
- (4) The location of all establishments licensed to sell at retail distilled spirits by the package or by the drink, or both, on June 17, 1954 shall not be affected by the terms of this section and this section shall not apply to existing licensed locations or to the renewal of licenses therefor, or to transfers thereof. The distance limitation prescribed by this section shall not affect any existing licensed location, nor the right of the owner thereof to renew or transfer the license for such location. The location of any such existing license shall not be transferred to a new location in violation of this section, except that the location of any presently existing license or renewal thereof in case of destruction of property or loss of lease through failure of the landlord to renew such lease may be transferred to a location which is not closer than half the distance between the existing licensed premises and the nearest similar licensed premises.

Section 215. KRS 241.160 is amended to read as follows:

The legislative body of any city of the first, second, third or fourth class ***or a consolidated local government*** in which traffic in alcoholic beverages is not forbidden by KRS Chapter 242 shall by ordinance create the office of city alcoholic beverage control administrator, or shall assign the duties of this office to a presently established city office.

Section 216. KRS 241.170 is amended to read as follows:

- (1) The city administrator in each city of the first class ***or the administrator in a consolidated local government***, and such investigators and clerks as are deemed necessary for the proper conduct of his office, shall be appointed by the mayor. The city administrator in each city of the first class ***or the administrator in a county containing a consolidated local government***, and his investigators, shall have full police powers of peace officers, and their jurisdiction shall be coextensive with ***boundaries of the***~~such~~ ***city of the first class or the boundaries of the county in a county containing a consolidated local government***. They may inspect any premises where alcoholic beverages are manufactured, sold, stored or otherwise trafficked in, without first

obtaining a search warrant. *If any city of the second, third, or fourth class in a county containing a consolidated local government appoints its own administrator under KRS 241.160, the administrator of a consolidated local government in that county shall have jurisdiction over only that portion of the county which lies outside the corporate limits of such a city, unless the department determines that the city does not have an adequate police force of its own or pursuant to KRS 70.540, 70.150, 70.160, and 70.170.*

- (2) The city administrator in each city of the second, third or fourth class shall be appointed by the city manager if there is one. If there is no city manager, the city administrator shall be appointed by the mayor.
- (3) No person shall be ~~an~~~~a city~~ administrator, an investigator, or an employee of the city *or a consolidated local government* under the supervision of the ~~city~~ administrator, who would be disqualified to be a member of the board under KRS 241.100.

Section 217. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the administrator of the distilled spirits unit, the fees for which shall be:

- (1) Distiller's license, per annum \$2,500.00
- (2) Rectifier's license, per annum \$2,500.00
- (3) Blender's license, per annum \$2,500.00
- (4) Vintner's license, per annum \$1,000.00
- (5) Small winery license, per annum \$100.00
 - (a) Small winery off-premises retail license, per annum \$25.00
- (6) Wholesaler's license, per annum \$2,000.00
- (7) Retail package license, per annum:
 - (a) In counties containing cities of the first class *or a consolidated local government* \$800.00
 - (b) In counties containing cities of the second class \$700.00
 - (c) In counties containing cities of the third class \$600.00
 - (d) In counties containing cities of the fourth class \$500.00
 - (e) In all other counties \$400.00
- (8) Retail drink license, motel drink license, restaurant drink license, or supplemental bar license, per annum:
 - (a) In counties containing cities of the first class *or a consolidated local government* .. \$1,000.00
 - (b) In counties containing cities of the second class \$700.00
 - (c) In counties containing cities of the third class \$600.00
 - (d) In counties containing cities of the fourth class \$500.00
 - (e) The fee for each of the first five (5) supplemental bar licenses shall be the same as the fee for the drink license. There shall be no charge for each supplemental license issued in excess of five (5) to the same licensee at the same premises.
- (9) Transporter's license, per annum \$100.00
- (10) Dining car license, per annum \$100.00
- (11) Special nonbeverage alcohol vendor's license, per annum \$50.00
- (12) Special industrial alcohol license, per annum \$50.00
- (13) Special nonindustrial alcohol license, per annum \$50.00
- (14) Special agent's or solicitor's license, per annum \$25.00
- (15) Special storage or warehouse license and bottling house storage license,

per annum \$500.00

(16) Special temporary liquor license, per event \$100.00

(17) Special private club license, per annum \$300.00

The fee for each special private club license shall be the fee set out in this subsection; however, there shall be no charge for each special private club license issued in excess of six (6) that is issued to the same licensee at the same premises.

(18) Special Sunday retail drink license, per annum \$500.00

(19) Nonresident, special agent or solicitor's license, per annum \$100.00

(20) Transport permit, nonresident license, per annum \$100.00

(21) Through transporter's license, per annum \$100.00

(22) Freight forwarder's license, per annum \$100.00

(23) Restaurant wine license, per annum \$500.00

(24) Farm winery license, per annum \$100.00

(a) Farm winery, off-premises retail outlet license, per annum \$25.00

(25) Special temporary wine license, per event \$50.00

(26) Caterer's license, per annum \$800.00

(27) Souvenir retail liquor license, per annum \$500.00

(28) Special temporary distilled spirits and wine
auction license, per event \$100.00

(29) Airport drink license, per annum \$1,000.00

(30) Convention center or convention hotel complex
license, per annum \$5,000.00

(31) Extended hours supplemental license, per annum \$2,000.00

(32) Horse race track license, per annum \$2,000.00

(33) Automobile race track license, per annum \$2,000.00

(34) Air or rail system license, per annum \$2,000.00

(35) Riverboat license, per annum \$1,000.00

(36) Bottling house license, per annum \$1,000.00

(37) Hotel in-room license, per annum \$200.00

(38) Bonded warehouse license, per annum \$1,000.00

(39) Air transporter liquor license, per annum \$500.00

(40) Sampling license, per annum \$100.00

(41) Replacement or duplicate license \$25.00

(42) Other special licenses the board finds necessary for the proper regulation and control of the traffic in distilled spirits and wine and provides for by administrative regulation. In fixing the amount of license taxes that are required to be fixed by the board, it shall have regard for the value of the privilege granted.

A nonrefundable application fee of fifty dollars (\$50) shall be charged to process each new application under this section, except for subsections (5), (9), (11), (12), (13), (14), (16), (19), (20), (21), (22), (24), (25), (28), and (41). The application fee shall be applied to the licensing fee if the license is issued; otherwise it shall be retained by the department.

Section 218. KRS 243.050 is amended to read as follows:

- (1) The department may issue a railroad system license to a railroad company upon the payment of the required fee. This license tax shall be in lieu of all license and excise taxes which would otherwise be due by the holder in connection with the retailing of alcoholic beverages.
- (2) The department may issue a commercial airlines system license to a commercial airlines system or charter flight system upon the payment of the required fee. This license fee shall be in lieu of all license and excise taxes which would otherwise be due by the holder in connection with the retailing of alcoholic beverages and the license may be renewed annually. The license shall authorize the licensee to sell distilled spirits and wine by the drink and by miniature bottle, and malt beverages, upon regularly-scheduled or charter flights of the licensee, in and out of the State of Kentucky. The license shall authorize the licensee to store alcoholic beverages for retail sale at a location or locations, if operating from more than one airport in Kentucky, as designated on the license application.
- (3) The department may issue a transporter's license to a commercial airline system, a charter flight system, or a commercial cargo system, upon the payment of the required fee. This license may be renewed annually. The license shall authorize the licensee to transport distilled spirits and wine and malt beverages, into and out of the State of Kentucky, upon regularly-scheduled or charter flights of the licensee. The license shall authorize, for the purpose of transportation, the storage of alcoholic beverages at a location or locations, if operating from more than one airport in Kentucky, as designated on the license application. This license shall authorize an airline to transport if both the consignor and consignee in each case are authorized by the laws of the states of their residence to sell, purchase, ship, or receive the alcoholic beverages.
- (4) The department may issue a convention center or convention hotel complex license for the retail sale of distilled spirits, wine, and malt beverages for consumption on the premises to a convention center or hotel having seating capacity of one thousand (1,000) or more persons. The license shall cover all alcoholic beverage sales on the premises, except that a separate hotel in-room service license shall be required, where applicable. An extended supplement license under subsection (5) of this section may also be issued where applicable. The convention center or convention hotel complex license shall be a nonquota license and shall not be transferable to other premises. The provisions of this subsection shall not apply to convention center licenses or the renewal thereof, other than those in a city of the first class or a county containing a city of the first class **or a consolidated local government**, if the original license was issued prior to July 15, 1998.
- (5) Where it is determined by the department to be in the best interest of promoting tourism, conventions, and the economic development of Kentucky or any part thereof, the department may issue a supplemental license for the retail sale of alcoholic beverages by the drink at convention centers, at horse race tracks licensed to conduct a race meeting under KRS Chapter 230, at commercial airports through which more than five hundred thousand (500,000) passengers arrive or depart annually, and at automobile race tracks having a seating capacity of at least thirty thousand (30,000) people. Upon application by the holder of a retail alcoholic beverage license at a convention center, convention hotel complex, horse race track, automobile race track, meeting the requirements of this subsection, or commercial airport as provided above, the department may establish the days when the supplemental license will be valid at the specific location, including Sundays after 1 p.m. The supplemental license fee shall be established, and shall be in addition to all other licenses and fees due by the holder in connection with the retailing of alcoholic beverages. The department may, by administrative regulation or special conditions of the supplemental permit, establish such restrictions on the use of the license as will insure that it will be primarily for the benefit of the convention business, the horse racing industry, passengers at large commercial airports, and the automobile racing industry.

Section 219. KRS 243.060 is amended to read as follows:

- (1) The fiscal court of each county **or a consolidated local government** in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of trafficking in alcoholic beverages. These licenses may be issued by the county **or consolidated local government** administrator. The license fees shall not exceed the following:
 - (a) Retail package licenses, per annum:
 1. In counties containing cities of the first class **or a consolidated local government** \$1,200.00
 2. In counties containing cities of the second class \$1,000.00
 3. In counties containing cities of the third class \$800.00

4. In counties containing cities of the fourth class \$600.00
5. In all other counties \$400.00
- (b) Retail drink license, motel drink license, restaurant drink license, or supplemental bar license, per annum:
 1. In counties containing cities of the first class ***or a consolidated local government*** \$1,600.00
 2. In counties containing cities of the second class \$1,000.00
 3. In counties containing cities of the third class \$800.00
 4. In counties containing cities of the fourth class \$600.00
- (c) Special temporary liquor license, per event:
 1. In counties containing cities of the first class ***or a consolidated local government*** \$266.66
 2. In counties containing cities of the second class \$166.66
 3. In counties containing cities of the third class \$133.34
 4. In counties containing cities of the fourth class \$100.00
- (d) Restaurant wine license, per annum:
 1. New applicants \$600.00
 2. Applicants for renewal \$400.00
- (e) Special temporary wine license, per event \$50.00
- (f) Special private club license, per annum \$300.00
- (g) Special Sunday retail drink license, per annum \$300.00
- (h) Retail malt beverage license, per annum:
 1. New applicants \$400.00
 2. Applicants for renewal \$150.00
- (i) Special temporary malt beverage license, per event \$25.00
- (2) Any amount paid to any city within the county as a license fee for the same privilege for the same year may be credited against the county license fee.
- (3) If any part of this section is held invalid, all of this section and of KRS 243.600 shall also be considered invalid.

Section 220. KRS 243.070 is amended to read as follows:

The ~~city~~ legislative body of any city ***or a consolidated local government*** in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of manufacturing and trafficking in alcoholic beverages. Only those licenses set out in this section shall be issued, and the fee for each shall not exceed the specified amount:

- (1) Distilled spirit licenses as set forth in KRS 243.030:
 - (a) Distiller's license, per annum \$500.00
 - (b) Rectifier's license, per annum \$3,000.00
 - (c) Blender's license, per annum \$3,000.00
 - (d) Wholesaler's distilled spirits and wine license, per annum \$3,000.00
 - (e) Distilled spirits and wine retail package license, per annum:
 1. In counties containing cities of the first class ***or a consolidated local government*** \$1,200.00
 2. In counties containing cities of the second class \$1,000.00

- 3. In counties containing cities of the third class \$800.00
- 4. In counties containing cities of the fourth class \$600.00
- 5. In all other counties \$400.00
- (2) Distilled spirits and wine retail drink license, motel drink license, airport drink license, restaurant drink license, or supplemental bar license, per annum:
 - (a) In counties containing cities of the first class *or a consolidated local government* .. \$1,600.00
 - (b) In counties containing cities of the second class \$1,000.00
 - (c) In counties containing cities of the third class \$800.00
 - (d) In counties containing cities of the fourth class \$600.00
- (3) Distilled spirits and wine special temporary liquor license, per event:
 - (a) In counties containing cities of the first class *or a consolidated local government* \$266.66
 - (b) In counties containing cities of the second class \$166.66
 - (c) In counties containing cities of the third class \$133.33
 - (d) In counties containing cities of the fourth class \$100.00
- (4) Special temporary wine license, per event \$50.00
- (5) Distilled spirits and wine special temporary auction
license, per event \$200.00
- (6) Special private club license, per annum \$300.00
- (7) Distilled spirits and wine special Sunday retail drink
license, per annum \$300.00
- (8) Extended hours supplemental license, per annum \$2,000.00
- (9) Nonresident special agent or solicitor's license, per annum \$40.00
- (10) Restaurant wine license, per annum:
 - (a) New applicants \$600.00
 - (b) Applicants for renewal \$400.00
- (11) Caterer's license, per annum \$800.00
- (12) Riverboat license, per annum \$1,200.00
- (13) Horse race track license, per annum \$2,000.00
- (14) Convention center or convention hotel complex
license, per annum \$2,000.00
- (15) Bottling house distilled spirits license or wine
storage license, per annum \$1,000.00
- (16) Automobile race track license, per annum \$2,000.00
- (17) Souvenir retail liquor license, per annum \$1,000.00
- (18) Malt beverage licenses as follows:
 - (a) Brewer's license, per annum \$500.00
 - (b) Microbrewery license, per annum \$500.00
 - (c) Malt beverage distributor's license, per annum \$400.00

- (d) Retail malt beverage license, per annum \$200.00
- (e) Special temporary retail malt beverage license, per event \$25.00
- (f) Malt beverage brew-on-premises license, per annum \$100.00

Section 221. KRS 277.050 is amended to read as follows:

Any corporation organized under the laws of this or any other state for the purpose of constructing, maintaining or operating union railway stations for passengers or freight may, except in cities of the first class *or in a consolidated local government*, acquire by condemnation, in the manner prescribed by the Eminent Domain Act of Kentucky, such lands and material in this state as it deems to be reasonably necessary for the purpose of constructing, maintaining and operating such union railway stations and the usual or proper tracks, platforms, sheds, approaches and other appurtenances thereto.

Section 222. KRS 278.650 is amended to read as follows:

- (1) If a utility proposes construction of an antenna tower for cellular telecommunications services or personal communications services which is to be located within a county containing a city of the first class *or a consolidated local government*, then the utility shall submit the proposal to the planning commission of the affected planning unit prior to making application to the commission for a certificate of public convenience and necessity as required by KRS 278.020(1). The commission shall not grant a certificate of convenience and necessity in this situation until a final action on the proposal has been taken by the planning commission of the affected planning unit, or until the sixty (60) day time period set forth in KRS 100.324(5) has expired, whichever comes first.
- (2) If a planning commission rejects a proposal to construct an antenna tower, the commission may override the decision of the planning commission and issue a certificate of convenience and necessity for construction of the cellular or personal communications services antenna tower, if it determines that there is no acceptable alternate site, and that the public convenience and necessity requires the proposed construction.
- (3) Any party aggrieved by the final action of the Public Service Commission under subsections (1) and (2) of this section shall appeal from the action to the Franklin Circuit Court. The appeal shall be filed within thirty (30) days after the final action by the Public Service Commission. All final actions of the Public Service Commission which have not been appealed within thirty (30) days shall not be subject to judicial review.
- (4) If a utility proposes construction of an antenna tower for cellular telecommunications services or personal communications services which is to be located outside the area of a county containing a city of the first class *or a consolidated local government*, then the commission may also take into account in its deliberations the character of the general area concerned, and the likely effects of the installation on nearby land uses and values.

Section 223. KRS 278.665 is amended to read as follows:

- (1) The commission shall, by administrative regulation promulgated in accordance with KRS Chapter 13A, establish the minimum content of a uniform application, provided under KRS 100.985(5), for a certificate of convenience and necessity to construct cellular antenna towers, and the procedures to carry out the commission's responsibilities under KRS 100.987.
- (2) The commission, in establishing the public notice requirements of a uniform application as provided for in subsection (1) of this section, shall distinguish between areas of low and high population densities. At a minimum, when the site of the proposed cellular antenna tower is outside of an incorporated city or within a rural service area in an urban-county, the commission shall require that every person who owns property contiguous to the property where the proposed cellular antenna tower will be located receives notice by certified mail, return receipt requested, of the proposed construction, given the commission docket number under which the application will be processed, and informed of the opportunity to intervene in the application. The provisions of this subsection shall not apply to unincorporated areas within a county containing a city of the first class *or a consolidated local government*.

Section 224. KRS 279.310 is amended to read as follows:

As used in KRS 279.320 to 279.600, unless the context requires otherwise:

- (1) "Cooperative" means any corporation organized under KRS 279.320 to 279.600 or which becomes subject to those sections in the manner provided therein.

- (2) "Person" means any natural person, firm, association, corporation, business trust or partnership.
- (3) As used in this chapter, the term "telephone service" shall include in its meaning communications services of all kinds allowed to any other telephone utility, authorized by regulatory agency and with some unregulated, that being the transmission of voice, data, sounds, signals, pictures, writing, or signs of all kinds, by use of wire, radio, light, electro-magnetic impulse, broadband (wideband) spectrum, or any other transmission mode and facility used in rendition of such services; but shall not include in their meaning message telegram service, or radio broadcasting services or facilities within the meaning of Section 153(O) of the Federal Communications Act of 1934, as amended.
- (4) "Acquire" means to construct, purchase, obtain by lease, devise, gift or by eminent domain, or to obtain by any other lawful means.
- (5) "Board" means the board of trustees of a corporation formed under KRS 279.320 to 279.600.
- (6) "Federal agency" means and includes the United States, the President of the United States, and all federal authorities, instrumentalities and agencies in the ordinary sense.
- (7) "Improve" means to construct, reconstruct, extend, enlarge, alter, better or repair.
- (8) "Member" means and includes each person signing the articles of incorporation of a corporation formed under KRS 279.320 to 279.600, each person later admitted to membership according to law or according to the articles of incorporation or bylaws of the corporation, and each common stockholder in a corporation, having capital stock, organized under KRS 279.320 to 279.600.
- (9) "Obligations" means and includes negotiable bonds, notes, debentures, interim certificates or receipts and all other evidences of indebtedness either issued or the payment thereof assumed by a corporation organized under KRS 279.320 to 279.600.
- (10) "System" means and includes any plant, works, facilities and properties, and all parts thereof and appurtenances thereto, used or useful in the operation and maintenance of telephone communication service.
- (11) "Rural area" shall be deemed to mean any area of this state not included within the boundaries of any incorporated or unincorporated city **or of a consolidated local government**, ~~[village or borough]~~ having a population in excess of fifteen hundred (1,500) inhabitants.
- (12) "Telephone company" means any natural person, firm, association, corporation or partnership owning, leasing or operating any line, facility or system used in the furnishing of telephone service within this state.

Section 225. KRS 304.8-060 is amended to read as follows:

- (1) The custodian of insurance securities shall be appointed by the Governor, in accordance with laws governing other executive appointments. He shall receive a monthly salary to be fixed by the Governor in accordance with the provisions of KRS 64.640, but to be paid out of custodial expense funds provided by insurers pursuant to KRS 304.8-190.
- (2) The custodian shall receive in his official capacity, all deposits made with him pursuant to this code.
- (3) The custodian shall be available at all reasonable times in the branch office of the Department of Insurance, maintained in a city of the first class **or a consolidated local government**.

Section 226. KRS 304.8-090 is amended to read as follows:

- (1) The commissioner shall designate at least one (1) but not more than five (5) banks or trust companies in each county of this state containing a city of the first class **or a consolidated local government** and such other banks as proposed by the insurer and approved by the commissioner whose vaults shall be used as depositories for assets of insurers deposited under this code.
- (2) Each insurer depositing assets shall, at its own expense, rent space therefor in the vaults of the banks or trust companies so designated.

Section 227. KRS 345.010 is amended to read as follows:

When used in this chapter:

- (1) "Public employer" means a city of the first class *or a consolidated local government*, or any city that petitions the secretary of the Labor Cabinet to be included by this chapter;
- (2) "Firefighter" means an employee of the public employer engaged in serving the public by providing fire protection, including those covered by KRS Chapter 95;
- (3) "Labor organization" means any chartered labor organization of any kind in which firefighters participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rate of pay, hours of employment, or conditions of employment;
- (4) "Exclusive representative" means the labor organization which has been designated by the State Labor Relations Board as the representative of the majority of firefighters in appropriate units or has been so recognized by the public employer;
- (5) "Board" means the State Labor Relations Board;
- (6) "Person" includes one (1) or more individuals, labor organizations, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers;
- (7) "Secretary" means the secretary of the Labor Cabinet of the Commonwealth of Kentucky.

Section 228. KRS 381.440 is amended to read as follows:

Whenever the owner of a lot in a city of the first class *or a consolidated local government* proposes to excavate upon the lot to a depth greater than ten feet below the top of the curbstone of the sidewalk adjoining the lot, shall, at his own expense, protect any wall on adjoining land near the excavation from injury from such excavation, if the necessary license is afforded him to enter upon the adjoining land for that purpose, but not otherwise.

Section 229. KRS 393.100 is amended to read as follows:

Any property paid into any court of this state for distribution and the increments thereof, shall be presumed abandoned if not claimed within five (5) years after the date of payment into court or as soon after the five (5) year period, as all claims filed in connection with it, have been disallowed or settled by the court. Provided, however, that any property paid into any court of this state for distribution and the increments thereof, which may be presumed abandoned as provided in this chapter and which shall have been recovered or procured upon the relationship or through the instrumentality of any municipality *or a consolidated local government* of this state, shall revert to the general fund of such municipality *or a consolidated local government* and at any time after the five (5) year period has expired, after the date of the payment into the court, the municipality *or a consolidated local government* may by petition filed against the custodian of such funds, in the court in which said property is located, request the payment thereof to said municipality *or a consolidated local government* and the judge of said court shall order the custodian thereof, to pay the entire sum to said municipality *or a consolidated local government*. Provided, further that before entering judgment, ordering said sum so paid, the court shall require that notice be published at least once in a newspaper of general bona fide circulation in the county, stating the intention of the court to award such sum to the municipality *or a consolidated local government* and final judgment shall not be entered, until fifteen (15) days shall have elapsed from the date of such publication. At any time prior to the final judgment, the court may consider any bona fide claims made by claimants to said property or any part thereof. However, thereafter, any and all claimants shall be forever barred therefrom.

Section 230. KRS 416.560 is amended to read as follows:

- (1) Notwithstanding any other provision of the law, a department, instrumentality or agency of *a consolidated local government*, city, county, or urban-county government, other than a waterworks corporation the capital stock of which is wholly owned by a city of the first class *or a consolidated local government*, having a right of eminent domain under other statutes shall exercise such right only by requesting the governing body of the *consolidated local government*, city, county, or urban-county to institute condemnation proceedings on its behalf. If the governing body of the *consolidated local government*, city, county, or urban-county agrees, it shall institute such proceedings under KRS 416.570, and all costs involved in the condemnation shall be borne by the department, instrumentality, or agency requesting the condemnation.
- (2) If any department, instrumentality or agency of a *consolidated local government*, city, county, or urban-county government, other than a waterworks corporation the capital stock of which is wholly owned by a city of the first class *or a consolidated local government*, operates in more than one (1) governmental unit, it shall request the governing body of the *consolidated local government*, city, county, or urban-county government

wherein the largest part of the individual tract of the property sought to be condemned lies, to institute condemnation proceedings on its behalf.

- (3) A department, instrumentality, or agency of the Commonwealth of Kentucky, other than the Transportation Cabinet and local boards of education, having a right of eminent domain under other statutes shall exercise such right only by requesting the Finance and Administration Cabinet to institute condemnation proceedings on its behalf. If the Finance and Administration Cabinet agrees, it shall institute such proceedings under KRS 416.570, and all costs involved in the condemnation shall be borne by the department, instrumentality, or agency requesting the condemnation.
- (4) Prior to the filing of the petition to condemn, the condemnor or its employees or agents shall have the right to enter upon any land or improvement which it has the power to condemn, in order to make studies, surveys, tests, sounding, and appraisals, provided that the owner of the land or the party in whose name the property is assessed has been notified ten (10) days prior to entry on the property. Any actual damages sustained by the owner of a property interest in the property entered upon by the condemnor shall be paid by the condemnor and shall be assessed by the court or the court may refer the matter to commissioners to ascertain and assess the damages sustained by the condemnee, which award shall be subject to appeal.

Section 231. KRS 424.130 is amended to read as follows:

- (1) Except as otherwise provided in KRS 424.110 to 424.370 and notwithstanding any provision of existing law providing for different times or periods of publication, the times and periods of publications of advertisements required by law to be made in a newspaper shall be as follows:
 - (a) When an advertisement is of a completed act, such as an ordinance, resolution, regulation, order, rule, report, statement, or certificate and the purpose of the publication is not to inform the public or the members of any class of persons that they may or shall do an act or exercise a right within a designated period or upon or by a designated date, the advertisement shall be published one (1) time only and within thirty (30) days after completion of the act. However, a failure to comply with this paragraph shall not subject a person to any of the penalties provided by KRS 424.990 unless such failure continues for a period of ten (10) days after notice to comply has been given him by registered letter.
 - (b) When an advertisement is for the purpose of informing the public or the members of any class of persons that on or before a certain day they may or shall file a petition or exceptions or a remonstrance or protest or objection, or resist the granting of an application or petition, or present or file a claim, or submit a bid, the advertisement shall be published at least once, but may be published two (2) or more times, provided that one (1) publication occurs not less than seven (7) days nor more than twenty-one (21) days before the occurrence of the act or event.
 - (c) Excepting counties with a city of the first class *or a consolidated local government*, when an advertisement is for the purpose of informing the public and the advertisement is of a sale of property or is a notice of delinquent taxes, the advertisement shall be published once a week for three (3) successive weeks. For counties containing a city of the first class *or a consolidated local government*, when an advertisement is for the purpose of informing the public and the advertisement is a notice of delinquent taxes, or notice of the sale of tax claims, the advertisement shall be published once, preceded by a one-half (1/2) page notice of advertisement the preceding week. The provisions of this paragraph shall not be construed to require the advertisement of notice of delinquent state taxes which are collected by the state.
 - (d) Any advertisement not coming within the scope of paragraph (a), (b) or (c) of this subsection, such as one for the purpose of informing the public or the members of any class of persons of the holding of an election, or of a public hearing, or of an examination, or of an opportunity for inspection, or of the due date of a tax or special assessment, shall be published at least once but may be published two (2) or more times, provided that one (1) publication occurs not less than seven (7) days nor more than twenty-one (21) days before the occurrence of the act or event, or in the case of an inspection period, the inspection period commences.
 - (e) If the particular statute requiring that an advertisement be published provides that the day upon or by which, or the period within which, an act may or shall be done or a right exercised, or an event may or shall take place, is to be determined by computing time for the day of publication of an advertisement,

the advertisement shall be published at least once, promptly, in accordance with the statute, and the computation of time shall be from the day of initial publication.

- (2) This section is not intended to supersede or affect any statute providing for notice of the fact that an adversary action in court has been commenced.

Section 232. KRS 424.220 is amended to read as follows:

- (1) Excepting officers of a city of the first class *or a consolidated local government*, a county containing such a city *or consolidated local government*, a public agency of such a city, *consolidated local government*, or county, or a joint agency of such a city, *consolidated local government*, and county, or of a school district of such a city, *consolidated local government*, or county, and excepting officers of a city of the second class or an urban-county government, every public officer of any school district, city, *consolidated local government*, county, or subdivision, or district less than a county, whose duty it is to collect, receive, have the custody, control, or disbursement of public funds, and every officer of any board or commission of a city, *consolidated local government*, county or district whose duty it is to collect, receive, have the custody, control, or disbursement of funds collected from the public in the form of rates, charges, or assessments for services or benefits, shall at the expiration of each fiscal year prepare an itemized, sworn statement of the funds collected, received, held, or disbursed by him during the fiscal year just closed, unless he has complied with KRS 424.230. Pursuant to subsections (2) and (3) of KRS 91A.040, each city of the sixth class shall prepare an itemized, sworn statement of the funds collected, received, held, or disbursed by the city which complies with the provisions of this section.
- (2) The statement shall show:
- (a) The total amount of funds collected and received during the fiscal year from each individual source; and
- (b) The total amount of funds disbursed during the fiscal year to each individual payee and the purpose for which the funds were expended.
- (3) Only the totals of amounts paid to each individual as salary or commission and public utility bills shall be shown. The amount of salaries paid to all nonelected county employees shall be shown as lump-sum expenditures by category, including, but not limited to, road department, jails, solid waste, public safety, and administrative personnel.
- (4) The amount of salaries paid to all teachers shall be shown as a lump-sum instructional expenditure for the school district and not by amount paid to individual teachers. The amount of salaries paid to all other employees of the board shall be shown as lump-sum expenditures by category, including, but not limited to, administrative, maintenance, transportation, and food service. The local board of education and the fiscal court shall have accessible a factual list of individual salaries for public scrutiny and the local board and the fiscal court shall furnish by mail a factual list of individual salaries of its employees to a newspaper qualified under KRS 424.120 to publish advertisements for the district, which newspaper may then publish as a news item the individual salaries of school or county employees.
- (5) The officer shall procure and include in or attach to the financial statement, as a part thereof, a certificate from the cashier or other proper officer of the banks in which the funds are or have been deposited during the past year, showing the balance, if any, of funds to the credit of the officer making the statement.
- (6) The officer shall, except in a city electing to publish its audit in lieu of the financial statement in accordance with KRS 91A.040(6), within sixty (60) days after the close of the fiscal year cause the financial statement to be published in full in a newspaper qualified under KRS 424.120 to publish advertisements for the city, county, or district, as the case may be. Promptly after the publication is made, the officer shall file a written or printed copy of the advertisement with proof of publication, in the office of the county clerk of the county and with the Auditor of Public Accounts. Promptly after the publication is made, the officer shall also file one (1) copy of the financial statement with the Kentucky Department for Local Government.
- (7) In lieu of the publication requirements of subsection (6) of this section, the appropriate officer of any municipally-owned electric, gas, or water system may elect to satisfy the requirements of subsection (6) of this section by:
- (a) Preparation of a certified audit by a certified public accountant, performed in accordance with generally accepted principles of accounting, for the fiscal year;

- (b) Publishing in a newspaper qualified under KRS 424.120 to publish advertisements for the city, county, or district as the case may be, the statement of revenue and expenditures from such audit, together with the statement that the audit report is available for inspection at the offices of the utility; and
 - (c) Making such audit available for inspection on request of anyone during normal working hours of the utility.
- (8) In lieu of the publication requirements of subsection (6) of this section, the appropriate officer of a county may elect to satisfy the requirements of subsection (6) of this section by publishing an audit, prepared in accordance with KRS 43.070 or 64.810, in the same manner that city audits are published in accordance with KRS 91A.040(7).

Section 233. KRS 424.240 is amended to read as follows:

Immediately following the adoption of an annual budget by any county or city other than one of the first class ***or a consolidated local government***, the ~~the county or city~~ clerk shall cause a summary of the budget or the text of the budget ordinance to be advertised for the county, ***consolidated local government*** or city by publication in a newspaper.

Section 234. KRS 439.315 is amended to read as follows:

- (1) A person placed by a releasing authority on probation, parole, or other form of release subject to supervision by the Department of Corrections and all persons supervised pursuant to KRS 439.560 shall pay a fee to offset the costs of supervising the probation, parole, or other supervised release.
- (2) The fees shall be as follows:
 - (a) For a felony, not less than ten dollars (\$10) per month while on active supervision nor more than two thousand five hundred dollars (\$2,500) per year.
 - (b) For a misdemeanor, not less than ten dollars (\$10) per month while on active supervision nor more than five hundred dollars (\$500) per year, except as provided in subsection (13) of this section.
- (3) The releasing authority shall order the fee paid in a lump sum or installments. If the fee is to be paid in a lump sum, the person shall not be released from custody until the fee is paid in full.
- (4) Upon the failure of a person to pay an installment on a fee set forth in a release agreement, the releasing authority shall hold a hearing to determine why the installment has not been paid. Failure without good cause to pay an installment pursuant to a release agreement shall be grounds for the revocation of probation, parole, conditional release, or other form of release upon which the person has been released as provided in KRS 533.050.
- (5) The releasing authority shall hold a hearing to determine the ability of the defendant to make the payments; and in making this determination, the releasing authority shall take into account the amount of any fine imposed upon the defendant and any amount the defendant has been ordered to pay in restitution. In counties containing a city of the first class or an urban-county form of government, the releasing authority may waive the payment of the fee in whole or in part for defendants placed under the supervision of the adult misdemeanor probation and work release program, if it finds that any of the factors in subsection (6) of this section exist.
- (6) The releasing authority shall not waive any fee unless the commissioner of the Department of Corrections or his designee petitions the releasing authority in written form for the waiver. The Department of Corrections shall not petition unless:
 - (a) The offender is a student in a school, college, university, or course of vocational or technical training designed to fit the student for gainful employment. Certification of student status shall be supplied to the releasing authority by the educational institution in which the offender is enrolled. In such case, the fee may be postponed until completion of education but shall be paid thereafter.
 - (b) The offender has an employment disability, as determined by a physical, psychological, or psychiatric examination acceptable to, or ordered by, the releasing authority.
- (7) At any time during the pendency of the judgment or order rendered according to the terms of this section, a defendant may petition the releasing authority to modify or vacate its previous judgment or order on the grounds of change of circumstances with regard to the defendant's ability to pay the fee. The releasing

authority shall advise the defendant of this right at the time of the rendering of the judgment or order placing the defendant on probation, parole, or other supervised release.

- (8) All sums paid by the defendant pursuant to this section shall be paid into the general fund, except as provided in subsection (13) of this section.
- (9) When granting a release of any defendant by way of probation, parole, or otherwise, the releasing authority shall make the payment of this fee a condition of release, unless the fee has been waived, reduced, or delayed as provided in this section. Nonpayment shall be grounds for revocation of the release as provided in KRS 533.050.
- (10) The releasing authority, if the Department of Corrections petitions the releasing authority to modify the fee, shall consider the petition and may waive the payment of the fee in whole or in part, delay payment of the fee, increase the fee, or deny the petition.
- (11) All fees fixed under the provisions of this section shall be collected by the circuit clerk of the county where the defendant is supervised, except as provided in subsection (13) of this section.
- (12) The Department of Corrections and the Division of Probation and Parole shall, for each person released under its supervision, keep an account of all payments made and report delinquencies to the releasing authority.
- (13) In a city, county, **consolidated local government**, charter county, or an urban-county government, persons placed by a releasing authority on probation, parole, or other release subject to supervision by the adult misdemeanor probation and work release program of the county, city, **consolidated local government**, charter county, or urban-county government shall pay a fee to offset the costs of supervising the probation, parole, or other supervised release. The fees shall be assessed by the releasing authority in accordance with the provisions of this section. The fee for a misdemeanor defendant placed under the supervision of an adult misdemeanor probation and work release program of a county, city, **consolidated local government**, charter county, or an urban-county government shall be not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) per year. All sums paid by the defendant under this subsection shall be paid into the general fund of the county, city, **consolidated local government**, charter county, or urban-county government in lieu of the payment specified in subsection (8) of this section. All fees fixed under this subsection shall be collected by the circuit clerk of the county or urban-county involved. The adult misdemeanor probation and work release program of the county, **consolidated local government**, city, charter county, or urban-county government shall, for each person released under its supervision, keep an account of all payments made, maintain copies of all receipts issued by the circuit clerk, and report delinquencies to the court.

SECTION 235. A NEW SECTION OF KRS CHAPTER 77 IS CREATED TO READ AS FOLLOWS:

- (1) *If by December 1 following the approval of a consolidated local government, the county containing the adopted consolidated local government has been notified by federal authorities of the attainment of the county of the air quality standards established by the Federal Environmental Protection Agency for ozone, carbon monoxide, and nitrogen dioxide, the air pollution control district board in that county shall upon the effective date of this Act begin the necessary actions to eliminate any vehicle emissions testing program operated in the county by November 1, 2003. The air pollution control district board shall not enter into or renew any contracts with any vendors for the operation of a vehicle emissions testing program which would extend beyond this date.*
- (2) *If a consolidated local government should be notified at a date beyond November 1, 2003, of the county's nonattainment of the air quality standards established by the Federal Environmental Protection Agency for ozone, carbon monoxide, and nitrogen dioxide, notwithstanding the provisions of KRS 77.115, 224.20-130 or 224.20-760 to the contrary, the consolidated local government shall determine the need for the reestablishment, administration, operation, and the role, if any, of an air pollution control district if a vehicle emissions testing program is recreated by the consolidated local government in accordance with KRS 224.20-710 to 224.20-765. Nothing in KRS Chapters 77 and 224 shall preclude a consolidated local government from utilizing other methods and procedures for reaching attainment of the air quality standards established by the Federal Environmental Protection Agency for ozone, carbon monoxide, and nitrogen dioxide.*

SECTION 236. A NEW SECTION OF KRS CHAPTER 2 IS CREATED TO READ AS FOLLOWS:

The Kentucky Center for African American Heritage in Louisville is designated as the official center for the celebration of Kentucky's African American heritage.

Section 237. 2002 Ky. Acts ch. 247, sec. 1, is amended to read as follows:

- (1) No state, city, county, urban-county, charter county, or consolidated local government law enforcement agency shall set a residence requirement, except requiring residence within the Commonwealth for any of its employees who do not possess peace officer powers.
- (2) No state, city, county, urban-county, charter county, or consolidated local government law enforcement agency shall require that an employee, whether that employee is a peace officer or not, be a registered voter.
- (3) The provisions of subsection (1) shall not preclude an employer or agency specified in subsection (1) from having a requirement for response to a specified location within a specified time limit for an employee or volunteer who is off-duty but who is on-call to respond for work.
- (4) ***The residence requirements of subsection (1) of this section requiring residency within the Commonwealth shall not apply to an employee of a law enforcement agency employed by that agency on the effective date of this Act until that employee's employment relationship with the law enforcement agency is terminated.***

Section 238. KRS 238.535 is amended to read as follows:

- (1) Any charitable organization conducting charitable gaming in the Commonwealth of Kentucky shall be licensed by the department. A charitable organization qualifying under subsection (8) of this section but not exceeding the limitations provided in this subsection shall be exempt from the licensure requirements when conducting the following charitable gaming activities:
 - (a) Bingo in which the gross receipts do not exceed a total of twenty-five thousand dollars (\$25,000) per year;
 - (b) A raffle or raffles for which the gross receipts do not exceed twenty-five thousand dollars (\$25,000) per year; and
 - (c) A charity fundraising event or events that do not involve special limited charitable games and the gross gaming receipts for which do not exceed twenty-five thousand dollars (\$25,000) per year.

However, at no time shall a charitable organization's total limitations under this subsection exceed twenty-five thousand dollars (\$25,000).

- (2) Any charitable organization exempt from the process of applying for a license under subsection (1) of this section, shall notify the department in writing, on a simple form issued by the department, of its intent to engage in exempt charitable gaming and the address at which the gaming is to occur. Any charitable organization exempt from the process of applying for a license under subsection (1) of this section, shall comply with all other provisions of this chapter relating to the conduct of charitable gaming, except:
 - (a) Payment of the fee imposed under the provisions of KRS 238.570; and
 - (b) The quarterly reporting requirements imposed under the provisions of KRS 238.550(5), unless the exempt charitable organization obtains a retroactive license pursuant to subsection (5) of this section.

Before the last day of each year, a charitable organization exempt from licensure under the provisions of subsection (1) of this section shall file with the department a financial report detailing the type of gaming activity in which it engaged during that year, the total gross receipts derived from gaming, the amount of charitable gaming expenses paid, the amount of net receipts derived, and the disposition of those net receipts. This report shall be filed on a form issued by the department. Upon receipt of the yearly financial report, the department shall notify the charitable organization submitting it that its exemption is renewed for the next year. If the department determines that information appearing on the financial report renders the charitable organization ineligible to possess an exemption, the department shall revoke the exemption. The organization may request an appeal of this revocation pursuant to KRS 238.565. If an exemption is revoked because an organization has exceeded the limit imposed in subsection (1) of this section, the organization shall apply for a retroactive license in accordance with subsection (3) of this section.

- (3) If an organization exceeds the limit imposed by any subsection of this section it shall:
 - (a) Report the amount to the department; and
 - (b) Apply for a retroactive charitable gaming license.

- (4) Upon receipt of a report and application for a retroactive charitable gaming license, the department shall investigate to determine if the organization is otherwise qualified to hold the license.
- (5) If the department determines that the applicant is qualified, it shall issue a charitable gaming license retroactive to the date on which the exemption limit was exceeded. The retroactive charitable gaming license shall be issued in the same manner as regular charitable gaming licenses.
- (6) If the department determines that the applicant is not qualified it shall deny the license and take enforcement action, if appropriate.
- (7) Once a retroactive or regular gaming license is issued to an organization, that organization shall not be eligible for exempt status in the future and shall maintain a charitable gaming license if it intends to continue charitable gaming activities, unless the charitable organization has not exceeded the exemption limitations of subsection (1) of this section for a period of two (2) years prior to its exemption request.
- (8) In order to qualify for licensure, a charitable organization shall:
 - (a)
 1. Possess a tax exempt status under 26 U.S.C. secs. 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10), or 501(c)(19), or be covered under a group ruling issued by the Internal Revenue Service under authority of those sections; or
 2. Be organized within the Commonwealth of Kentucky as a common school as defined in KRS 158.030, as an institution of higher education as defined in KRS 164A.305, or as a state college or university as provided for in KRS 164.290;
 - (b) Have been established and continuously operating within the Commonwealth of Kentucky for charitable purposes, other than the conduct of charitable gaming, for a period of three (3) years prior to application for licensure. ***For purposes of this paragraph, an applicant shall demonstrate establishment and continuous operation in Kentucky by its conduct of charitable activities from an office physically located within Kentucky both during the three (3) years immediately preceding its application for licensure and at all times during which it possesses a charitable gaming license. However, a charitable organization that operates for charitable purposes in more than ten (10) states and whose principal place of business is physically located in a state other than Kentucky may satisfy the requirements of this paragraph if it can document that it has:***
 1. ***Been actively engaged in charitable activities and has made reasonable progress, as defined in paragraph (c) of this subsection, in the conduct of charitable activities or the expenditure of funds within Kentucky for a period of three (3) years prior to application for licensure; and***
 2. ***Operated for charitable purposes from an office or place of business in the Kentucky county where it proposes to conduct charitable gaming for at least one (1) year prior to application for licensure, in accordance with paragraph (d) of this subsection;***
 - (c) Have been actively engaged in charitable activities during the three (3) years immediately prior to application for licensure and be able to demonstrate, to the satisfaction of the department, reasonable progress in accomplishing its charitable purposes during this period. As used in this paragraph, "reasonable progress in accomplishing its charitable purposes" means the regular and uninterrupted conduct of activities within the Commonwealth or the expenditure of funds within the Commonwealth to accomplish relief of poverty, advancement of education, protection of health, relief from disease, relief from suffering or distress, protection of the environment, conservation of wildlife, advancement of civic, governmental, or municipal purposes, or advancement of those purposes delineated in KRS 238.505(3). In order to demonstrate reasonable progress in accomplishing its charitable purposes when applying to renew an existing license, a licensed charitable organization shall additionally provide to the department a detailed accounting regarding its expenditure of charitable gaming net receipts for the purposes described in this paragraph; and
 - (d) Have maintained an office or place of business, other than for the conduct of charitable gaming, for one (1) year in the county in which charitable gaming is to be conducted. The office or place of business shall be a separate and distinct address and location from that of any other licensee of the department; except that up to three (3) licensed charitable organizations may have the same address if they legitimately share office space. For the conduct of a raffle, the county in which charitable gaming is to be conducted shall be the county in which the raffle drawing is to be conducted. However, a charitable organization that has established and maintained an office or place of business in the county for a period

of at least one (1) year may hold a raffle drawing in a Kentucky county other than that in which the organization's office or place of business is located if the organization notifies the department in writing of the organization's intent to change the drawing's location at least thirty (30) days before the drawing takes place. This written notification may be transmitted in any commercially reasonable means, authorized by the department, including facsimile and electronic mail. The notification shall set out the place and the county in which the drawing will take place. Approval by the department shall be received prior to the conduct of the raffle drawing at the new location. Any charitable organization that was registered with the county clerk to conduct charitable gaming in a county on or before March 31, 1992, shall satisfy this requirement if it maintained a place of business or operation, other than for the conduct of charitable gaming, for one (1) year prior to application in a Kentucky county adjoining the county in which they were registered. Any licensed charitable organization that qualifies to conduct charitable gaming in an adjoining county under this paragraph, shall be permitted to conduct in its county of residence a charity fund raising event.

- (9) In applying for a license, the information to be submitted shall include, but not be limited to, the following:
- (a) The name and address of the charitable organization;
 - (b) The date of the charitable organization's establishment in the Commonwealth of Kentucky and the date of establishment in the county in which charitable gaming is to be conducted;
 - (c) A statement of the charitable purpose or purposes for which the organization was organized. If the charitable organization is incorporated, a copy of the articles of incorporation shall satisfy this requirement;
 - (d) A statement explaining the organizational structure and management of the organization. For incorporated entities, a copy of the organizations bylaws shall satisfy this requirement;
 - (e) A detailed accounting of the charitable activities in which the charitable organization has been engaged for the three (3) years preceding application for licensure;
 - (f) The names, addresses, dates of birth, and Social Security numbers of all officers of the organization;
 - (g) The names, addresses, dates of birth, and Social Security numbers of all employees and members of the charitable organization who will be involved in the management and supervision of charitable gaming. No fewer than two (2) employees or members of the charitable organization who are involved in the management and supervision of charitable gaming, along with the chief executive officer or the director of the applicant organization, shall be designated as chairpersons;
 - (h) The address of the location at which charitable gaming will be conducted and the name and address of the owner of the property, if it is owned by a person other than the charitable organization;
 - (i) A copy of the letter or other legal document issued by the Internal Revenue Service to grant tax-exempt status;
 - (j) A statement signed by the presiding or other responsible officer of the charitable organization attesting that the information submitted in the application is true and correct and that the organization agrees to comply with all applicable laws and administrative regulations regarding charitable gaming;
 - (k) An agreement that the charitable organization's records may be released by the federal Internal Revenue Service to the department; and
 - (l) Any other information the department deems appropriate.
- (10) An organization or a group of individuals that does not meet the licensing requirements of subsection (8) of this section may hold a raffle if the gross receipts do not exceed one hundred fifty dollars (\$150) and all proceeds from the raffle are distributed to a charitable organization. The organization or group of individuals may hold up to three (3) raffles each year, and shall be exempt from complying with the notification, application, and reporting requirements of subsections (2) and (9) of this section.
- (11) The department may issue a license for a specified period of time, based on the type of charitable gaming involved and the desired duration of the activity.
- (12) The department shall charge a fee for each license issued and renewed, not to exceed three hundred dollars (\$300). Specific fees to be charged shall be prescribed in a graduated scale promulgated by administrative

regulations and based on type of license, type of charitable gaming, actual or projected gross receipts, or other applicable factors, or combination of factors.

- (13) (a) A licensed charitable organization may place its charitable gaming license in escrow if:
1. The licensee notifies the department in writing that it desires to place its license in escrow; and
 2. The license is in good standing and the department has not initiated disciplinary action against the licensee.
- (b) During the escrow period, the licensee shall not engage in charitable gaming, and the escrow period shall not be included in calculating the licensee's retention rate under KRS 238.536.
- (c) A charitable organization may apply for reinstatement of its active license and the license shall be reinstated provided:
1. The charitable organization continues to qualify for licensure;
 2. The charitable organization has not engaged in charitable gaming during the escrow period; and
 3. The charitable organization pays a reinstatement fee established by the department.

Section 239. Notwithstanding KRS 164.020, Eastern Kentucky University is authorized to expend Bond Funds in the amount of \$422,000 out of its 2000-2002 Capital Renewal and Maintenance Pool allocation for new construction of water lines to provide water service for the Corbin Campus.

Section 240. In case of a conflict between Section 235 of this Act and Section 1 of House Bill 618 of this 2002 Regular Session of the General Assembly, it is the intention of the General Assembly that the provisions of Section 235 of this Act shall prevail.

Approved April 23, 2002

CHAPTER 347

(SB 107)

AN ACT relating to license plates.

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

Section 1. KRS 186.041 is amended to read as follows:

- (1) The provisions of this section shall govern the issuance of all special military-related license plates. Except as provided in subsection (9) of this section, a person who wants to purchase a special military-related license plate shall apply to the county clerk in the county where the person lives on a form prescribed by the Transportation Cabinet. Each initial and renewal application shall be accompanied by proof that the person is associated with the United States Army, United States Navy, United States Air Force, United States Marine Corps, United States Coast Guard, United States Coast Guard Auxiliary, Kentucky National Guard, Merchant Marines with service between December 7, 1941, and August 15, 1945, or Civil Air Patrol in one (1) of the following ways:
- (a) An active component member;
 - (b) A retired member; or
 - (c) A veteran who received a discharge under honorable conditions, or the veteran's widow and:
 1. Performed twenty-four (24) months of active-duty service;
 2. Received an early release due to injuries or other medical condition, or at the convenience of the service;
 3. Received a hardship discharge;
 4. Was separated or retired due to a disability; or
 5. Was determined to have a service-connected disability incurred during the enlistment.

- (2) Initial registration and renewal registration fees for special military-related license plates shall be charged as provided in this subsection *and Section 2 of this Act*:
- (a) Disabled veterans and recipients of the Congressional Medal of Honor licensed under subsection (5) of this section shall not be charged an initial registration fee and shall not be charged a renewal registration fee. The license plate and certificate of registration shall be issued free of charge. ~~and~~
 - (b) The initial registration fee shall be a seventeen dollar (\$17) state fee that shall be divided under the provisions of subsection (3) of this section and that includes the cost to reflectorize the plate under KRS 186.240(2)(c) and a three dollar (\$3) county clerk fee, and the renewal registration fee shall be a three dollar (\$3) county clerk fee for:
 1. Former prisoners of war licensed under subsection (11) of this section;
 2. Survivors of Pearl Harbor licensed under subsection (12) of this section; and
 3. Members of the National Guard licensed under subsection (13) of this section.
 - (c) The initial registration fee shall be a seventeen dollar (\$17) state fee that shall be divided under the provisions of subsection (3) of this section, and the renewal registration fee shall be a twelve dollar (\$12) state fee that includes the cost to reflectorize the plate under KRS 186.240(2)(c) and a three dollar (\$3) county clerk fee for:
 1. Disabled veterans licensed under subsection (6) of this section;
 2. Purple Heart recipients licensed under subsection (10) of this section, except that if a Purple Heart recipient also qualifies as a disabled veteran under subsection (5) of this section, the Purple Heart recipient may receive either a Purple Heart or a disabled veteran's license plate, both initial and renewal, and the certificate of registration free of charge;
 3. Members of the Civil Air Patrol licensed under subsection (14) of this section; and
 4. Other active, retired, veteran, reserve, or auxiliary members of the United States Army, Navy, Air Force, Marine Corps, Coast Guard, or Merchant Marines licensed under subsection (15) of this section.
 - (d) Recipients of the Distinguished Service Cross, Navy Cross, or Air Force Cross licensed under subsection (9) of this section shall be charged an initial registration fee and a renewal registration fee of three dollars (\$3.00) that shall be retained by the county clerk. A recipient of the Distinguished Service Cross, Navy Cross, or Air Force Cross licensed under subsection (9) of this section shall not be charged a state fee when initially receiving the plate or upon annual renewal of the plate.
 - (e) *The initial and renewal registration fee for a military license plate that has been combined with a personalized license plate under the provisions of this section shall be as provided under Section 2 of this Act.*
- (3) The initial state fee collected under subsections (2)(b) and (2)(c) of this section shall be divided between the Transportation Cabinet and the Department of Veterans' Affairs. The Transportation Cabinet shall receive twelve dollars (\$12) of the initial state fee and the Department of Veterans' Affairs shall receive five dollars (\$5) of the initial state fee. The county clerk shall forward money collected under subsections (2)(b) and (2)(c) of this section to the *Transportation Cabinet who shall forward the money to the* Department of Veterans' Affairs on a quarterly basis and the department shall deposit the money into the veterans' program trust fund established by KRS 40.460(2)(b). A person renewing a special military license plate issued under this section may donate five dollars (\$5) to support the veteran's program trust fund. Money donated under this subsection shall be paid to the county clerk who shall forward the money *to the Transportation Cabinet who shall forward the money* on a quarterly basis to the Department of Veterans' Affairs and the department shall deposit the money into the veteran's program trust fund established by KRS 40.460(2)(b).
- (4) A special military-related license plate may be issued for use on a passenger car registered under KRS 186.050(1) or for a commercial vehicle registered under KRS 186.050(3)(a) that has a gross laden weight of six thousand (6,000) pounds or less. Except as provided in subsection (7) of this section *and Section 2 of this Act*, a license plate issued under this section shall have the renewal registration decal issued annually during the applicant's birth month ~~and license plates issued under this section~~ shall be a five (5) year license plate.

The member, retired member, veteran, or reservist may purchase two (2) special military-related license plates annually for vehicles they own or lease. *A license plate issued under this section may be combined with a personalized license plate under the provisions of Section 2 of this Act.*

- (5) A recipient of the Congressional Medal of Honor, a recipient of the Distinguished Service Cross, Navy Cross, or Air Force Cross, or a disabled veteran who has been or shall be given financial assistance toward the purchase or lease of a motor vehicle by the United States Department of Veterans Affairs under the provisions of 38 U.S.C. sec. 1901, or any other public law that may be passed by the Congress of the United States shall initially and annually be issued a certificate of registration and a special military-related license plate free of charge.
- (6) A veteran who has been declared to be at least seventy percent (70%) service-connected disabled by the United States Department of Veterans Affairs, or who is receiving total service-connected disability rating for compensation on individual unemployability, and who has not received financial assistance from the United States Department of Veterans Affairs toward the purchase or lease of a motor vehicle shall be eligible for a disabled veterans license plate upon payment of the initial registration fee required in subsection (2)(c) of this section.
- (7) A disabled veterans license plate shall be printed in red, white, and blue colors. Half of the license plate shall be in one (1) color, the other half a second color, and the figures and lettering in the third color. Each plate shall contain the international symbol of access adopted by Rehabilitation International in 1969, the name of the state, the year, the registration number, and the words "Disabled Vet." A disabled veterans license plate shall have the renewal registration decal issued annually on July 31.
- (8) A recipient of the Congressional Medal of Honor shall be eligible for a Congressional Medal of Honor license plate that shall be printed in blue and white colors and shall follow the color scheme for all figures and letters as prescribed for passenger cars. Each plate shall contain the name or an abbreviation of the state and the words "Medal of Honor" and a number uniquely identifying each recipient, in lieu of registration numbers.
- (9) A recipient of the Distinguished Service Cross, Navy Cross, or Air Force Cross shall be eligible for a Service Cross license plate upon submission of an application to the Kentucky Department of Veterans' Affairs. The recipient shall be required to include with the initial application for a Service Cross license plate a copy of the general order that authorized the award and the recipient's Department of Defense form number 214. The Department of Veterans' Affairs shall verify the documentation submitted with the application for a Service Cross license plate, and if the individual applying for the plate is confirmed to be a recipient of the Distinguished Service Cross, Navy Cross, or Air Force Cross, the Department of Veterans' Affairs shall submit the applicant's name to the Transportation Cabinet's Division of Motor Vehicle Licensing not later than September 1 preceding the year that the Service Cross license plate is to be initially issued or renewed. When the Service Cross license plate is ready, the plate shall be sent to the county clerk in the county of the applicant's residence. The Transportation Cabinet's Division of Motor Vehicle Licensing shall inform each applicant in writing that the Service Cross license plate is ready and may be picked up at the county clerk's office. Each Service Cross license plate shall contain the name or an abbreviation for the state and an alphabetic or numeric designation uniquely identifying each recipient of a Service Cross license plate in lieu of registration numbers. The Transportation Cabinet shall have the authority to select three (3) designs and the appropriate color scheme for each design of the Service Cross license plate. In addition to the requirements of this subsection, the Transportation Cabinet shall have the authority to include other information on the Service Cross license plate. The Transportation Cabinet shall prescribe the type of application form required by this subsection and shall supply the Department of Veterans' Affairs with the application form required by this subsection.
- (10) A recipient of a Purple Heart medal shall be eligible for a Purple Heart license plate upon payment of the initial registration fee required in subsection (2)(c) of this section. A Purple Heart license plate shall bear the name "Purple Heart," a registration number, and an appropriate logo to be determined by the Transportation Cabinet.
- (11) A person who is a former prisoner of the enemy during World War I, World War II, the Korean War, or the Vietnam War, or the spouse of a deceased former prisoner of war, shall be eligible for a former prisoner of war license plate upon payment of the initial registration fee required in subsection (2)(b) of this section. The application shall be accompanied by written proof from the United States Department of Veterans Affairs or other appropriate federal agency stating the period of time the person or person's spouse was a prisoner of war. A former prisoner of war license plate shall be printed in red, white, and blue colors. Each plate shall contain

the name of the state, the year, the registration number, and the words "Former P.O.W." If a former prisoner of war dies with a vehicle licensed as authorized under this section, the person's surviving spouse may retain the license plate for use on the same vehicle or on another vehicle that complies with the provisions of subsection (4) of this section.

- (12) A person who is certified by the Kentucky chapter of the Pearl Harbor Survivors Association as being a survivor of the attack on Pearl Harbor shall be eligible for a Pearl Harbor license plate upon payment of the initial registration fee required in subsection (2)(b) of this section. The Transportation Cabinet shall issue an applicant an appropriately designed plate identifying the vehicle as registered to a Pearl Harbor survivor. The person shall be required to attach to the special military-related license plate application written evidence from the Kentucky chapter of the Pearl Harbor Survivors Association that the person:
 - (a) Was a member of the United States Armed Forces on December 7, 1941;
 - (b) Was on station on December 7, 1941, during the hours of 7:55 a.m. to 9:45 a.m., Hawaii time, at Pearl Harbor, the island of Oahu, or offshore at a distance not to exceed three (3) miles;
 - (c) Was discharged honorably from the United States Armed Forces; and
 - (d) Is certified by the Kentucky chapter of the Pearl Harbor Survivors Association.
- (13) A person who is a member of the Kentucky National Guard, or a retired member, shall be eligible for a National Guard license plate upon payment of the initial registration fee required in subsection (2)(b) of this section. A National Guard license plate shall bear the name "Kentucky National Guard," a registration number, and the logo of the National Guard. Upon termination of membership in the Kentucky National Guard, except for those who remain eligible through retirement, a person shall comply with the provisions of subsection (16) of this section.
- (14) A person who is a member of the Civil Air Patrol shall be eligible for a Civil Air Patrol license plate upon payment of the initial registration fee required in subsection (2)(c) of this section. A Civil Air Patrol license plate shall bear the name "Civil Air Patrol," a registration number, and an appropriate logo to be determined by the Transportation Cabinet. Upon termination of membership in the Civil Air Patrol, a person shall comply with the provisions of subsection (16) of this section.
- (15) (a) A person who meets the requirements of subsection (1) of this section shall be eligible for a military license plate upon payment of the initial registration fee required in subsection (2)(c) of this section. The plate shall bear:
 1. A seal indicating Army, Navy, Air Force, Marine Corps, or Coast Guard, or, in the case of the Merchant Marines, a seal indicating the branch of service issuing a discharge;
 2. A decal indicating whether the person's status is active duty, reserve duty, veteran, retired veteran, or widow; and, if applicable, a decal for auxiliary in the case of the Coast Guard or a decal for the Merchant Marines;
 3. A veteran's decal may further indicate a veteran's service in a wartime era; and
 4. A registration number.
- (b) Upon termination of membership in the active component or reserves of the United States Armed Forces or the United States Coast Guard, a person shall comply with the provisions of subsection (16) of this section.
- (c) The Transportation Cabinet, in coordination with the Department of Veterans' Affairs, shall promulgate an administrative regulation under KRS Chapter 13A defining criteria for the issuance of specific decals for veterans' wartime service.
- (16) Except for persons changing their status to retired, within thirty (30) days of termination of membership or reserve status in a group eligible for a special military-related license plate, a person issued a military plate under this section **or a combined personalized/special military license plate issued under Section 2 of this Act**, shall return the plate to the county clerk of the county of his residence. Upon payment of a three dollar (\$3) county clerk fee, the county clerk shall issue the person a regular license plate to replace the ~~special military-related license~~ plate being surrendered.

- (17) Upon the sale, transfer, or termination of a lease of a motor vehicle for which a special military-related license plate has been issued, the owner shall return the military plate and the certificate of registration to the county clerk. The county clerk shall issue a regular license plate and certificate of registration upon payment of a twelve dollar (\$12) state fee which includes the fifty cent (\$0.50) fee to reflectorize the plate under KRS 186.240(2)(c) and a three dollar (\$3) county clerk fee. The twelve dollar (\$12) state fee shall be forwarded to the Transportation Cabinet. Upon request and payment of a three dollar (\$3) fee, the county clerk shall reissue the special military-related license plate for use on any other vehicle owned by the same person who purchased the special plate for the current licensing period.
- (18) The cabinet shall promulgate administrative regulations to set forth the documentation required in order to establish a person's qualifications to receive any license plate issued under this section.
- (19) A person seeking a special military-related license plate for a vehicle provided to that person pursuant to an occupation shall conform to the requirements of KRS 186.050(14).
- (20) If a special military-related license plate is lost, stolen, mutilated, or deteriorates to the point where the inscriptions or decals are not discernible, the person to whom the plate was issued may obtain a replacement plate free of charge.

Section 2. KRS 186.174 is amended to read as follows:

- (1) ***For purposes of this section, "personalized license plate" means a license plate issued with personal letters or numbers significant to the applicant and it also means a license plate that combines personal letters or numbers significant to the applicant with a special military-related license plate issued under Section 1 of this Act.***
- (2) ***Except as provided in this subsection, any owner or lessee of a motor vehicle that is required to be registered under the provisions of KRS 186.050(1) or (3)(a), except taxicabs, airport limousines, and rental motor vehicles, or any owner of a motorcycle required to be registered under the provisions of KRS 186.050(2) may, in addition to registration under KRS 186.050(1) or (3)(a), obtain a personalized license plate by applying for a personalized license plate in the office of the county clerk and upon payment of a twenty-five dollar (\$25) fee. A person applying for a personalized license plate shall submit the initial application and twenty-five dollar (\$25) fee for a personalized license plate in person to the county clerk, but may submit the annual application to renew the personalized license plate with the twenty-five (\$25) fee by mail to the county clerk. Applications and fees for personalized license plates pursuant to this section must be received by the Transportation Cabinet on or before September 1 preceding the year that the plate or renewal is to be issued. A personalized license plate shall be replaced annually unless the applicant chooses to receive a renewal registration decal. A county clerk shall immediately forward the application and the twenty-five dollar (\$25) fee for a personalized license plate to the Transportation Cabinet. Personalized plates issued under this section expire December 31 each year. The initial fee for a personalized license plate that has been combined with a military license plate under Section 1 of this Act shall be thirty dollars (\$30). The thirty dollar (\$30) fee shall be divided between the Transportation Cabinet, which shall receive twenty-five dollars (\$25), and the Department of Veterans' Affairs, which shall receive five dollars (\$5). The county clerk shall forward the money collected under this subsection for a personalized license plate that has been combined with a military license plate to the Transportation Cabinet who shall forward on a quarterly basis the money to the Department of Veterans' Affairs, which shall deposit the money into the veterans' program trust fund established by KRS 40.460(2)(b). A person renewing a combination personalized/special military license plate under this section may donate five dollars (\$5) to support the veterans' program trust fund. Money donated to the fund shall be forwarded by the county clerk to the Transportation Cabinet who shall forward the money on a quarterly basis to the Department of Veterans' Affairs, which shall deposit the money into the veterans' program trust fund established by KRS 40.460(2)(b).***
- ~~(3)~~~~(2)~~ A personalized plate shall not be issued that would conflict with or duplicate the alphabetical-numerical system used for regular license plates or any other license plates issued in the Commonwealth, and shall not contain a combination of more than six (6) letters of the alphabet and Arabic numerals, including spaces. A personalized plate shall not be issued if, in the discretion of the cabinet, it carries a letter or number combinations that carry connotations offensive to good taste and decency. The owner or lessee shall submit an application and twenty-five dollar (\$25) fee annually to renew a personalized license plate pursuant to the provisions of subsection ~~(2)~~~~(1)~~ of this section. Once an applicant obtains a personalized plate, he will have first priority on that plate for each of the following years that he makes timely and proper application.

- ~~(4)(3)~~ When registering a vehicle required to be registered under KRS 186.050(1) or (3)(a), the cabinet shall send the personalized plate to the county clerk in the county in which the applicant would be required to register his motor vehicle. The county clerk of the county of residence shall issue the personalized license plate and receive fourteen dollars fifty cents (\$14.50), of which three dollars (\$3) shall constitute the clerk's fee and eleven dollars fifty cents (\$11.50) shall constitute the cabinet's fee.
- ~~(5)(4)~~ When registering a motorcycle, the cabinet shall send the personalized plate to the county clerk in the county in which the applicant would be required to register his motorcycle. The clerk shall issue the personalized plate and receive three dollars (\$3) and three dollars (\$3) for each sidecar attachment.
- ~~(6)(5)~~ (a) Upon the sale, transfer, or termination of lease of the motor vehicle bearing the personalized plate, the owner or lessee shall remove it and return it and the certificate of registration to the county clerk. The clerk shall issue a regular license plate and certificate of registration upon payment of an eleven dollar fifty cent (\$11.50) state fee and a three dollar (\$3) clerk's fee. The vehicle may then be transferred as provided by KRS Chapter 186.
- (b) When the personalized plate has been presented to the clerk, he shall reissue it free of charge by the Transportation Cabinet and upon payment of a two dollar (\$2) clerk's fee, for use on any other vehicle of the same classification and category owned or leased by the same person purchasing the personalized plate for the current license period. The license plate and decal on this other vehicle shall be turned in to the county clerk, who will forward the license plate to Frankfort.
- ~~(7)(6)~~ Any applicant seeking a license plate according to this section for a vehicle provided to him pursuant to an occupation shall conform to the requirements set forth in KRS 186.050(14).
- ~~(8)(7)~~ If a personalized plate deteriorates, if he has not transferred a vehicle during the current license period, the applicant may obtain a regular plate free.
- ~~(9)(8)~~ The secretary of the Transportation Cabinet may promulgate administrative regulations pursuant to KRS Chapter 13A necessary to further the purposes of this section.

Approved April 23, 2002

CHAPTER 348

(HCR 244)

A CONCURRENT RESOLUTION directing the Interim Joint Committee on Agriculture and Natural Resources to study issues concerning the competitiveness of Kentucky coal in the generation of electricity and directing the Governor and Attorney General to take action against the Federal Department of Energy for failure to convert and dispose of depleted uranium hexafluoride wastes in Paducah, Kentucky.

WHEREAS, the importance of coal to the economy of the Commonwealth cannot be overstated and the importance of the electric generation market to the coal industry is similarly vital; and

WHEREAS, the market share for Kentucky coal is falling in the electricity generation sector; and

WHEREAS, the mechanism and factors that regulate and control that market may contribute to the declining market share; and

WHEREAS, over the past 50 years the Department of Energy (DOE) has allowed approximately 57,000 cylinders with 700,000 tons of corrosive and reactive depleted uranium hexafluoride (DUF6) waste to pile up at the DOE's Paducah, Kentucky, Portsmouth, Ohio, and Oak Ridge, Tennessee facilities without any plan for disposal; and

WHEREAS, this waste is owned by the DOE and was generated by the Atomic Energy Commission, the Energy Research and Development Administration, DOE, the United States Enrichment Corporation and USEC, Inc., in connection with uranium enrichment conducted for the nation's nuclear weapons and nuclear energy programs; and

WHEREAS, the United States Congress required the DOE to dispose of this vast quantity of legacy waste in July 1998 by adopting the "McConnell Act" (Public Law 105-204), a law which requires the Secretary of Energy to:

- (1) Prepare a plan to commence construction of conversion facilities at the Paducah, Kentucky and Portsmouth, Ohio gaseous diffusion plants not later than January 31, 2004;

- (2) Recycle or dispose of this material; and
- (3) Reserve \$373 million in an account at the Treasury Department from the funds accumulated by USEC prior to the date of privatization; and

WHEREAS, the DOE Paducah Gaseous Diffusion Plant in Paducah, Kentucky (Paducah Plant) stores approximately 37,000 cylinders out of a DOE inventory of 57,000 cylinders of this corrosive and reactive waste in 15 separate storage areas covering over 15 acres; and

WHEREAS, some of this waste has leaked through corroded containers, and due to the considerable threat to human health and the environment presented by continued storage of this material in unsuitable conditions, it is imperative that the DOE implement the McConnell Act so that the cleanup and community re-industrialization goals set by the Paducah Community Reuse Organization can be achieved; and

WHEREAS, the DOE issued a Final Programmatic Environmental Impact Statement for Alternative Strategies for the Long-Term Management and Use of Depleted Uranium Hexafluoride (PEIS) on April 16, 1999, which recommends that DOE should begin conversion of the DUF6 inventory at two conversion facilities instead of one facility, due to the increased risk associated with the transportation of large numbers of DUF6 cylinders, increased transportation cost, potential issues with regulatory and stakeholder acceptance of large quantities of corroded cylinders moving through or into their states, and the requirements of Pub. L. 105-204; and

WHEREAS, the DOE Office of Nuclear Energy issued a Final Plan for the Conversion of Depleted Uranium Hexafluoride (the Plan) in July 1999 to construct two conversion plants and set forth milestones, including: (1) the award of a contract to convert and dispose of this waste in the 1st quarter of the year 2000, and (2) construction of conversion facilities beginning in the 1st quarter of the year 2002; and

WHEREAS, the DOE has received three final bids from private industry to construct and operate two conversion plants, and DOE announced that it would award a contract on January 15, 2002; and

WHEREAS, the DOE declined to issue a contract on January 15, 2002, and on February 28, 2002, the DOE announced that it was abandoning the award of this two plant contract altogether; and

WHEREAS, the DOE issued a letter on February 28, 2002, indicating that it will invite bidders to prepare a cost study for only one conversion plant at an undisclosed location with a new Request for Proposal to be issued in a year although the DOE already has data from its 125-page study entitled "Preconceptual Design Studies and Cost Data of Depleted Uranium Hexafluoride Conversion Plants and the PEIS"; and

WHEREAS, the DOE has violated its commitment and obligation to comply with the requirements of the McConnell Act, and nearly four years after the passage of the law, DOE conduct indicates that it has no intention of complying with any aspect of the plan to begin construction of two facilities by January 31, 2004, in Kentucky and Ohio; and

WHEREAS, the DOE ignored written requests by the Governors of Kentucky, Tennessee, and Ohio to reinvigorate implementation of the plan to convert and dispose of this waste; and

WHEREAS, DUF6 can be defined as either a reactive hazardous waste or a corrosive hazardous waste under the Environmental Protection Agency (EPA) regulations implementing the Resource Conservation and Recovery Act (RCRA) at 40 C.F.R. 261, et seq; and furthermore, virtually all DUF6 has been determined to be a "waste" by the Nuclear Regulatory Commission, and therefore such material cannot be deemed source material exempted from regulation under RCRA; and

WHEREAS, the States of Ohio and Tennessee have previously taken enforcement actions against the Department of Energy to address this legacy waste; in particular, DOE has been placed on notice that it will be required to manage DUF6 as a RCRA hazardous waste in Ohio and will face stipulated penalties in Tennessee if the DUF6 is not managed and converted in a timely manner; and

WHEREAS, the Commonwealth of Kentucky has the authority to declare and regulate the DUF6 as a "hazardous waste" under its authorities; and furthermore, the Kentucky Natural Resources and Environmental Protection Cabinet has the authority to compel the Secretary of Energy to convert and recycle or dispose of this waste through the issuance of judicially enforceable Compliance Orders and the imposition of fines and penalties; and

WHEREAS, the Commonwealth of Kentucky has failed to take any enforcement action whatsoever against the DOE with respect to the conversion and disposition of DUF6";

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Interim Joint Committee on Agriculture and Natural Resources is directed to conduct a study of the market forces which control the purchase of coal in the electric generation industry and report its findings to the Legislative Research Commission.

Section 2. The study shall include but not be limited to the following subjects:

(1) The allocation method by which nitrogen oxide (NO_x) emission allowances are distributed to existing and new sources;

(2) The role of the Public Service Commission in the fuel purchasing and ratemaking process and the public policy which underlies that regulatory function. Specifically, the study shall examine the full effect of the awarding of coal contracts to out-of-state competitors on tax revenues, jobs, wages, benefits, and environmental compliance costs; and

(3) The factors which hamper the ability of Kentucky coal to be competitive against foreign coal and coal from other states;

Section 3. The report shall include recommendations for legislative action and shall be due on or before December 1, 2002.

Section 4. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified in Sections 1, 2, and 3 of this Resolution to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Section 5. The Senate finds that delays in converting and disposing of the DUF6 that is stored at the Paducah Gaseous Diffusion Plant pose an unacceptable risk to human health and the environment.

Section 6. The Senate concludes that the DOE is in willful and knowing violation of obligations and commitments relating to compliance with the McConnell Act (Public Law 105-204) and plans issued pursuant thereto.

Section 7. The Senate calls upon the Governor and the Attorney General to pursue all available legal avenues that will lead to the prompt conversion and disposition of the depleted uranium hexafluoride in a manner consistent with Pub.L.105-204 and the plans issued thereto.

Section 8. The Senate, in addition to any other steps deemed necessary or desirable by the Governor and Attorney General, specifically requests the secretary of Natural Resources and Environmental Protection Cabinet to:

- (1) Evaluate whether depleted uranium hexafluoride waste can be lawfully regulated as a "hazardous waste;"
- (2) Determine whether DUF6 can be regulated as a "hazardous waste" and take all steps required to declare it as a "hazardous waste;"
- (3) Notify the DOE immediately upon such designation; and
- (4) Move as quickly as lawfully permissible to issue a Compliance Order which sets forth specific milestones to convert, recycle, and dispose of this DUF6 consistent with Pub. L. 105-204 and the plans issued thereto.

Section 9. The Governor and Attorney General are requested to report on actions they have taken and actions they are planning in connection with this resolution, and that this report shall be delivered to the Speaker of the House and the Senate President by September 1, 2002.

Approved April 23, 2002

CHAPTER 349

(SJR 24)

A JOINT RESOLUTION naming the "Robert B. Collins Bridge" in Letcher County.

WHEREAS, Robert Collins was born in 1914 in Letcher County, Kentucky, the son of Ira and Eliza Bates Collins; and

WHEREAS, Robert Collins graduated from the Pine Mountain Settlement School; and

WHEREAS, Robert Collins served his country with honor in Burma, China, and India during World War II; and

WHEREAS, Robert Collins served one term in the Kentucky House of Representatives, representing Letcher County from 1948 to 1950, serving on the Committees on Cities of the Sixth Class, Compensation for Industrial Injuries, and Mines and Mining, and also served one term as Letcher County sheriff; and

WHEREAS, Robert Collins served three terms as Letcher County Judge, serving in parts of the 1950s, the 1960s, the 1970s, and the 1980s, retiring in 1981 ; and

WHEREAS, Robert Collins is the loving husband of Jean Cupps Collins, the proud father of two daughters, Darlene Spears and Denise Hughes, and the doting grandfather of three grandsons; and

WHEREAS, it is fitting and proper that Robert Collins receive recognition for his lifetime of achievement and service to the people of Letcher County;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet shall name the bridge over Elkhorn Creek, bridge number B00025, located 1.3 miles southwest of the Pike County line on United States Route 23 in Letcher County the "Robert B. Collins Bridge."

Section 2. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs on the bridge specified in Section 1 of this Act that read "Robert B. Collins Bridge."

Approved April 23, 2002

CHAPTER 350

(HB 193)

AN ACT relating to crimes and punishments.

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

Section 1. KRS 434.840 is amended to read as follows:

For the purposes of **Sections 1 to 7 of this Act**~~[KRS 434.845 and 434.850]~~, the following words, ~~{(including any form of the word,)}~~ and terms shall have the following meanings:

- (1) "Access" means to approach, instruct, communicate with, **manipulate**, store data in, retrieve or intercept data from, or otherwise make use of any resources of, a computer, computer system, or computer network;
- (2) "Computer" means ~~any~~~~{a}~~ device, **equipment, or facility that uses a computer program or other instructions, stored either temporarily or permanently, to perform specific operations including, but not limited to, logical, arithmetic, or memory functions with or on data or a computer program that can store, retrieve, alter, or communicate the results of the operations to a person, computer program, computer, computer system, or computer network**~~{that can perform substantial computation, including numerous arithmetic or logic operations, without intervention by a human operator during the processing of a job}~~;
- (3) "Computer network" means **an interconnection**~~{a set}~~ of two (2) or more **devices used for the purpose of transmitting any combination of voice, video, or data including, but not limited to, bridges, routers, switches, antennas, or towers connected by hardwire or wireless communications lines**~~{computer systems that transmit data over communication circuits connecting them}~~;
- (4) "Computer program" means ~~a~~~~{an ordered}~~ set of ~~data that are coded}~~ instructions or statements **and related data** that, when executed **in actual or modified form, cause**~~{by}~~ a computer, **computer system, or**~~{cause the}~~ computer **network to perform specified functions**~~{process data}~~;
- (5) "Computer software" means~~{a set of}~~ computer programs, procedures, ~~or~~~~{and}~~ associated documentation concerned with the operation of a computer, computer system, or computer network **for system control or processing of data**;
- (6) "Computer system" means a set of **related**~~{connected devices including a}~~ computer **equipment**~~{, and other}~~ devices,~~{including, but not limited to, one (1) or more of the following:}~~ data, **software, or hardware that is**

designed to perform a specific function ~~[input, output, or storage devices, data communication circuits, and operating system computer programs that make the system capable of performing data processing tasks];~~

- (7) "Data" ~~means~~ ^{is} a representation of information, knowledge, facts, concepts, or instructions which are being prepared or have been prepared in a formalized manner, and is intended to be stored or processed, or is being stored or processed, or has been stored or processed, in a computer, computer system or computer network;
- (8) *"Device" includes, but is not limited to, an electronic, magnetic, electrochemical, biochemical, hydraulic, optical, or organic object that performs input, output, or storage functions by the manipulation of electronic, magnetic, or other impulses;*
- (9) *"Effective consent" means consent by a person legally authorized to act for the owner. Consent is not effective if it is:*
 - (a) *Induced by deception or coercion;*
 - (b) *Given by a person who the actor knows is not legally authorized to act for the owner;*
 - (c) *Given by a person who by reason of age, mental disease or defect, or intoxication is known by the actor to be unable to make responsible property or data dispositions; or*
 - (d) *Used for a purpose other than that for which the consent is given;*
- (10) "Financial instruments" includes, but is not limited to, any check ~~[-, cashier's check,]~~ draft, warrant, money order, certificate of deposit, negotiable instrument, letter of credit, bill of exchange, credit ~~or~~ ^{card,} debit card, *transaction authorization mechanism,* ~~or~~ marketable security, or any *electronic* ~~computer system~~ representation thereof;
- (11) ~~(9)~~ "Intellectual property" includes data, *text, images, sound, codes, computer programs, software, or databases* which may be in any form including, but not limited to, computer printouts, magnetic storage media, punched cards, or *which* may be stored internally in the memory of a computer;
- (12) *"Loss or damage" means the result of accessing, attempting to access, or causing to be accessed, without effective consent, any computer software, computer program, data, computer, computer system, computer network, or any part thereof, including, but not limited to, theft, alteration, or destruction of data, security breaches, or disruption of services;*
- (13) *"Owner" means a person who has title, license, or other lawful possession of the property, a person who has the right to restrict access to the property, or a person who has a greater right to possession of the property than the actor;*
- ~~(14) (10) "To process" is to use a computer to put data through a systematic sequence of operations for the purpose of producing a specified result;~~
- ~~(11)~~ "Property" includes, but is not limited to, intellectual property, financial instruments, data, computer programs, documentation associated with data, computers, computer systems and computer programs, all in machine-readable or human-readable form, and any tangible or intangible item of value; and
- ~~(15) (12)~~ "Services" includes, but is not limited to, the use of a computer, a computer system, a computer network, computer software, computer program, or data to perform tasks.

Section 2. KRS 434.845 is amended to read as follows:

- (1) A person is guilty of unlawful access to a computer in the first degree when he *or she, without the effective consent of the owner,* knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof, for the purpose of:
 - (a) Devising or executing any scheme or artifice to defraud; or
 - (b) Obtaining money, property, or services for themselves or another by means of false or fraudulent pretenses, representations, or promises ~~[-, or~~
 - ~~(c) Altering, damaging, destroying, or attempting to alter, damage, or destroy, any computer, computer system, or computer network, or any computer software, program, or data].~~

(2) ~~Accessing, attempting to access, or causing to be accessed any computer software, computer program, data, computer, computer system, computer network, or any part thereof, even though fraud, false or fraudulent pretenses, representations, or promises may have been involved in the access or attempt to access shall not constitute a violation of this section if the sole purpose of the access was to obtain information and not to commit any other act proscribed by this section.~~

~~(3)~~ Unlawful access to a computer in the first degree is a Class C felony.

Section 3. KRS 434.850 is amended to read as follows:

(1) A person is guilty of unlawful access to a computer in the second degree when he *or she*, without *the effective consent of the owner*, ~~authorization~~ knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof, **which results in the loss or damage of three hundred dollars (\$300) or more.**

(2) Unlawful access to a computer in the second degree is a Class **D felony** ~~A misdemeanor~~.

SECTION 4. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

(1) *A person is guilty of unlawful access in the third degree when he or she, without the effective consent of the owner, knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof, which results in the loss or damage of less than three hundred dollars (\$300).*

(2) *Unlawful access to a computer in the third degree is a class A misdemeanor.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 434 IS CREATED TO READ AS FOLLOWS:

(1) *A person is guilty of unlawful access in the fourth degree when he or she, without the effective consent of the owner, knowingly and willfully, directly or indirectly accesses, causes to be accessed, or attempts to access any computer software, computer program, data, computer, computer system, computer network, or any part thereof, which does not result in loss or damage.*

(2) *Unlawful access to a computer in the fourth degree is a class B misdemeanor.*

Section 6. KRS 434.855 is amended to read as follows:

(1) A person is guilty of misuse of computer information when he *or she*:

- (a) Receives, conceals, or uses, or aids another in doing so, any proceeds of a violation of KRS 434.845; or
- (b) Receives, conceals, or uses or aids another in doing so, any books, records, documents, property, financial instrument, computer software, computer program, or other material, property, or objects, knowing the same to have been used in or obtained from a violation of KRS 434.845.

(2) Misuse of computer information is a Class C felony.

Section 7. KRS 434.860 is amended to read as follows:

For the purpose of venue under the provisions of *Sections 2, 3, 4, 5, or 6 of this Act* ~~KRS 434.845, 434.850 or 434.855~~, any violation of *Sections 2, 3, 4, 5, or 6 of this Act* ~~KRS 434.845, 434.850 or 434.855~~ shall be considered to have been committed: in any county in which any act was performed in furtherance of any transaction violating *Sections 2, 3, 4, 5, or 6 of this Act* ~~KRS 434.845, 434.850 or 434.855~~; in any county in which any violator had control or possession of any proceeds of said violation or of any books, records, documents, property, financial instrument, computer software, computer program or other material, objects or items which were used in furtherance of said violation; and in any county from which, to which or through which any access to a computer, computer system, or computer network was made whether by wires, electromagnetic waves, microwaves or any other means of communication.

Section 8. KRS 520.100 is amended to read as follows:

(1) A person is guilty of fleeing or evading police in the second degree when:

- (a) *As a pedestrian, and with intent to elude or flee, the person knowingly or wantonly disobeys a direction to stop, given by a person recognized to be a peace officer who has an articulable reasonable suspicion that a crime has been committed by the person fleeing, and in fleeing or eluding the person is the cause of, or creates a substantial risk of, physical injury to any person; or* ~~;~~

- (b) While operating a motor vehicle with intent to elude or flee, the person knowingly or wantonly disobeys a recognized direction to stop his vehicle, given by a person recognized to be a peace officer.
- (2) No offense is committed under this section when the conduct involved constitutes a failure to comply with a directive of a traffic control officer.
- (3) Fleeing or evading police in the second degree is a Class A misdemeanor.

Approved April 23, 2002

CHAPTER 351

(HB 391)

AN ACT relating to insurance.

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

Section 1. KRS 304.17A-005 is amended to read as follows:

As used in this subtitle, unless the context requires otherwise:

- (1) "Association" means an entity, other than an employer-organized association, that has been organized and is maintained in good faith for purposes other than that of obtaining insurance for its members and that has a constitution and bylaws;
- (2) "At the time of enrollment" means:
 - (a) At the time of application for an individual, an association that actively markets to individual members, and an employer-organized association that actively markets to individual members; and
 - (b) During the time of open enrollment or during an insured's initial or special enrollment periods for group health insurance;
- (3) "Base premium rate" means, for each class of business as to a rating period, the lowest premium rate charged or that could have been charged under the rating system for that class of business by the insurer to the individual or small group, or employer as defined in KRS 304.17A-0954, with similar case characteristics for health benefit plans with the same or similar coverage;
- (4) "Bona fide association" means an entity as defined in 42 U.S.C. sec. 300gg-91(d)(3);
- (5) "Church plan" means a church plan as defined in 29 U.S.C. sec. 1002(33);
- (6) "COBRA" means any of the following:
 - (a) 26 U.S.C. sec. 4980B other than subsection (f)(1) as it relates to pediatric vaccines;
 - (b) The Employee Retirement Income Security Act of 1974 (29 U.S.C. sec. 1161 et seq. other than sec. 1169); or
 - (c) 42 U.S.C. sec. 300bb;
- (7) (a) "Creditable coverage" means, with respect to an individual, coverage of the individual under any of the following:
 - 1. A group health plan;
 - 2. Health insurance coverage;
 - 3. Part A or Part B of Title XVIII of the Social Security Act;
 - 4. Title XIX of the Social Security Act, other than coverage consisting solely of benefits under section 1928;
 - 5. Chapter 55 of Title 10, United States Code;
 - 6. A medical care program of the Indian Health Service or of a tribal organization;
 - 7. A state health benefits risk pool;

8. A health plan offered under Chapter 89 of Title 5, United States Code;
 9. A public health plan, as defined in regulations; or
 10. A health benefit plan under section 5(e) of the Peace Corps Act (22 U.S.C. sec. 2504(e)).
- (b) This term does not include coverage consisting solely of coverage of excepted benefits as defined in subsection (11) of this section;
- (8) "Eligible individual" means an individual:
- (a) For whom, as of the date on which the individual seeks coverage, the aggregate of the periods of creditable coverage is eighteen (18) or more months and whose most recent prior creditable coverage was under a group health plan, governmental plan, or church plan. A period of creditable coverage under this paragraph shall not be counted if, after that period, there was a sixty-three (63) day period of time, excluding any waiting or affiliation period, during all of which the individual was not covered under any creditable coverage;
 - (b) Who is not eligible for coverage under a group health plan, Part A or Part B of Title XVIII of the Social Security Act (42 U.S.C. secs. 1395j et seq.), or a state plan under Title XIX of the Social Security Act (42 U.S.C. secs. 1396 et seq.) and does not have other health insurance coverage;
 - (c) With respect to whom the most recent coverage within the coverage period described in paragraph (a) of this subsection was not terminated based on a factor described in KRS 304.17A-240(2)(a), (b), and (c);
 - (d) If the individual had been offered the option of continuation coverage under a COBRA continuation provision or under KRS 304.18-110, who elected the coverage; and
 - (e) Who, if the individual elected the continuation coverage, has exhausted the continuation coverage under the provision or program;
- (9) "Employer-organized association" means any of the following:
- (a) Any entity that was qualified by the commissioner as an eligible association prior to April 10, 1998, and that has actively marketed a health insurance program to its members since September 8, 1996, and which is not insurer-controlled;
 - (b) Any entity organized under KRS 247.240 to 247.370 that has actively marketed health insurance to its members and that is not insurer-controlled; or
 - (c) Any entity that is a bona fide association as defined in 42 U.S.C. sec. 300gg-91(d)(3), whose members consist principally of employers, and for which the entity's health insurance decisions are made by a board or committee, the majority of which are representatives of employer members of the entity who obtain group health insurance coverage through the entity or through a trust or other mechanism established by the entity, and whose health insurance decisions are reflected in written minutes or other written documentation.
- Except as provided in KRS 304.17A-200, 304.17A.210, and 304.17A-220, no employer-organized association shall be treated as an association, small group, or large group under this subtitle;
- (10) "Employer-organized association health insurance plan" means any health insurance plan, policy, or contract issued to an employer-organized association, or to a trust established by one (1) or more employer-organized associations, or providing coverage solely for the employees, retired employees, directors and their spouses and dependents of the members of one (1) or more employer-organized associations;
- (11) "Excepted benefits" means benefits under one (1) or more, or any combination thereof, of the following:
- (a) Coverage only for accident, or disability income insurance, or any combination thereof;
 - (b) Coverage issued as a supplement to liability insurance;
 - (c) Liability insurance, including general liability insurance and automobile liability insurance;
 - (d) Workers' compensation or similar insurance;
 - (e) Automobile medical payment insurance;
 - (f) Credit-only insurance;

- (g) Coverage for on-site medical clinics;
 - (h) Other similar insurance coverage, specified in administrative regulations, under which benefits for medical care are secondary or incidental to other insurance benefits;
 - (i) Limited scope dental or vision benefits;
 - (j) Benefits for long-term care, nursing home care, home health care, community-based care, or any combination thereof;
 - (k) Such other similar, limited benefits as are specified in administrative regulations;
 - (l) Coverage only for a specified disease or illness;
 - (m) Hospital indemnity or other fixed indemnity insurance;
 - (n) Benefits offered as Medicare supplemental health insurance, as defined under section 1882(g)(1) of the Social Security Act;
 - (o) Coverage supplemental to the coverage provided under Chapter 55 of Title 10, United States Code; and
 - (p) Coverage similar to that in paragraphs (n) and (o) of this subsection that is supplemental to coverage under a group health plan;
- (12) "Governmental plan" means a governmental plan as defined in 29 U.S.C. sec. 1002(32);
- (13) "Guaranteed acceptance program participating insurer" means an insurer that is required to or has agreed to offer health benefit plans in the individual market to guaranteed acceptance program qualified individuals under KRS 304.17A-400 to 304.17A-480;
- (14) "Guaranteed acceptance program plan" means a health benefit plan in the individual market issued by an insurer that provides health benefits to a guaranteed acceptance program qualified individual and is eligible for assessment and refunds under the guaranteed acceptance program under KRS 304.17A-400 to 304.17A-480;
- (15) "Guaranteed acceptance program" means the Kentucky Guaranteed Acceptance Program established and operated under KRS 304.17A-400 to 304.17A-480;
- (16) "Guaranteed acceptance program qualified individual" means an individual who, on or before December 31, 2000:
- (a) Is not an eligible individual;
 - (b) Is not eligible for or covered by other health benefit plan coverage or who is a spouse or a dependent of an individual who:
 - 1. Waived coverage under KRS 304.17A-210(2); or
 - 2. Did not elect family coverage that was available through the association or group market;
 - (c) Within the previous three (3) years has been diagnosed with or treated for a high-cost condition or has had benefits paid under a health benefit plan for a high-cost condition, or is a high risk individual as defined by the underwriting criteria applied by an insurer under the alternative underwriting mechanism established in KRS 304.17A-430(3);
 - (d) Has been a resident of Kentucky for at least twelve (12) months immediately preceding the effective date of the policy; and
 - (e) Has not had his or her most recent coverage under any health benefit plan terminated or nonrenewed because of any of the following:
 - 1. The individual failed to pay premiums or contributions in accordance with the terms of the plan or the insurer had not received timely premium payments;
 - 2. The individual performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the terms of the coverage; or
 - 3. The individual engaged in intentional and abusive noncompliance with health benefit plan provisions;

- (17) "Guaranteed acceptance plan supporting insurer" means either an insurer, on or before December 31, 2000, that is not a guaranteed acceptance plan participating insurer or is a stop loss carrier, on or before December 31, 2000, provided that a guaranteed acceptance plan supporting insurer shall not include an employer-sponsored self-insured health benefit plan exempted by ERISA;
- (18) "Health benefit plan" means any hospital or medical expense policy or certificate; nonprofit hospital, medical-surgical, and health service corporation contract or certificate; provider sponsored integrated health delivery network; a self-insured plan or a plan provided by a multiple employer welfare arrangement, to the extent permitted by ERISA; health maintenance organization contract; or any health benefit plan that affects the rights of a Kentucky insured and bears a reasonable relation to Kentucky, whether delivered or issued for delivery in Kentucky, and does not include policies covering only accident, credit, dental, disability income, fixed indemnity medical expense reimbursement policy, long-term care, Medicare supplement, specified disease, vision care, coverage issued as a supplement to liability insurance, insurance arising out of a workers' compensation or similar law, automobile medical-payment insurance, insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability insurance policy or equivalent self-insurance, short-term coverage, student health insurance offered by a Kentucky-licensed insurer under written contract with a university or college whose students it proposes to insure, medical expense reimbursement policies specifically designed to fill gaps in primary coverage, coinsurance, or deductibles and provided under a separate policy, certificate, or contract, or coverage supplemental to the coverage provided under Chapter 55 of Title 10, United States Code , **or limited health service benefit plans**;
- (19) "Health care provider" or "provider" means any facility or service required to be licensed pursuant to KRS Chapter 216B, pharmacist as defined pursuant to KRS Chapter 315, and any of the following independent practicing practitioners:
- (a) Physicians, osteopaths, and podiatrists licensed under KRS Chapter 311;
 - (b) Chiropractors licensed under KRS Chapter 312;
 - (c) Dentists licensed under KRS Chapter 313;
 - (d) Optometrists licensed under KRS Chapter 320;
 - (e) Physician assistants regulated under KRS Chapter 311;
 - (f) **Advanced registered** nurse practitioners licensed under KRS Chapter 314; and
 - (g) Other health care practitioners as determined by the department by administrative regulations promulgated under KRS Chapter 13A;
- (20) (a) "High-cost condition," pursuant to the Kentucky Guaranteed Acceptance Program, means a covered condition in an individual policy as listed in paragraph (c) of this subsection or as added by the commissioner in accordance with KRS 304.17A-280, but only to the extent that the condition exceeds the numerical score or rating established pursuant to uniform underwriting standards prescribed by the commissioner under paragraph (b) of this subsection that account for the severity of the condition and the cost associated with treating that condition.
- (b) The commissioner by administrative regulation shall establish uniform underwriting standards and a score or rating above which a condition is considered to be high-cost by using:
- 1. Codes in the most recent version of the "International Classification of Diseases" that correspond to the medical conditions in paragraph (c) of this subsection and the costs for administering treatment for the conditions represented by those codes; and
 - 2. The most recent version of the questionnaire incorporated in a national underwriting guide generally accepted in the insurance industry as designated by the commissioner, the scoring scale for which shall be established by the commissioner.
- (c) The diagnosed medical conditions are: acquired immune deficiency syndrome (AIDS), angina pectoris, ascites, chemical dependency cirrhosis of the liver, coronary insufficiency, coronary occlusion, cystic fibrosis, Friedreich's ataxia, hemophilia, Hodgkin's disease, Huntington chorea, juvenile diabetes, leukemia, metastatic cancer, motor or sensory aphasia, multiple sclerosis, muscular dystrophy, myasthenia gravis, myotonia, open heart surgery, Parkinson's disease, polycystic kidney, psychotic disorders, quadriplegia, stroke, syringomyelia, and Wilson's disease;

- (21) "Index rate" means, for each class of business as to a rating period, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate;
- (22) "Individual market" means the market for the health insurance coverage offered to individuals other than in connection with a group health plan;
- (23) "Insurer" means any insurance company; health maintenance organization; self-insurer or multiple employer welfare arrangement not exempt from state regulation by ERISA; provider-sponsored integrated health delivery network; self-insured employer-organized association, or nonprofit hospital, medical-surgical, dental, or health service corporation authorized to transact health insurance business in Kentucky;
- (24) "Insurer-controlled" means that the commissioner has found, in an administrative hearing called specifically for that purpose, that an insurer has or had a substantial involvement in the organization or day-to-day operation of the entity for the principal purpose of creating a device, arrangement, or scheme by which the insurer segments employer groups according to their actual or anticipated health status or actual or projected health insurance premiums;
- (25) ***"Kentucky Access" has the meaning provided in KRS 304.17B-001(17);***
- (26) "Large group" means:
 - (a) An employer with fifty-one (51) or more employees; or
 - (b) An affiliated group with fifty-one (51) or more eligible members;
- ~~(27)~~~~(26)~~ "Managed care" means systems or techniques generally used by third-party payors or their agents to affect access to and control payment for health care services and that integrate the financing and delivery of appropriate health care services to covered persons by arrangements with participating providers who are selected to participate on the basis of explicit standards for furnishing a comprehensive set of health care services and financial incentives for covered persons using the participating providers and procedures provided for in the plan;
- ~~(28)~~~~(27)~~ "Market segment" means the portion of the market covering one (1) of the following:
 - (a) Individual;
 - (b) Small group;
 - (c) Large group; or
 - (d) Association;
- ~~(29)~~~~(28)~~ "Provider network" means an affiliated group of varied health care providers that is established to provide a continuum of health care services to individuals;
- ~~(30)~~~~(29)~~ "Provider-sponsored integrated health delivery network" means any provider-sponsored integrated health delivery network created and qualified under KRS 304.17A-300 and KRS 304.17A-310;
- ~~(31)~~~~(30)~~ "Purchaser" means an individual, organization, employer, association, or the Commonwealth that makes health benefit purchasing decisions on behalf of a group of individuals;
- ~~(32)~~~~(31)~~ "Rating period" means the calendar period for which premium rates are in effect. A rating period shall not be required to be a calendar year;
- ~~(33)~~~~(32)~~ "Restricted provider network" means a health benefit plan that conditions the payment of benefits, in whole or in part, on the use of the providers that have entered into a contractual arrangement with the insurer to provide health care services to covered individuals;
- ~~(34)~~~~(33)~~ "Self-insured plan" means a group health insurance plan in which the sponsoring organization assumes the financial risk of paying for covered services provided to its enrollees;
- ~~(35)~~~~(34)~~ "Small employer" means, in connection with a group health plan with respect to a calendar year and a plan year, an employer who employed an average of at least two (2) but not more than fifty (50) employees on business days during the preceding calendar year and who employs at least two (2) employees on the first day of the plan year;
- ~~(36)~~~~(35)~~ "Small group" means:

- (a) A small employer with two (2) to fifty (50) employees; or
- (b) An affiliated group or association with two (2) to fifty (50) eligible members; and

~~(37)(36)~~ "Standard benefit plan" means the plan identified in KRS 304.17A-250.

~~(38)(37)~~ "Telehealth" has the meaning provided in KRS 311.550.

Section 2. KRS 304.17A-080 is amended to read as follows:

- (1) There is hereby created and established a Health Insurance Advisory Council whose duties shall be to review and discuss with the commissioner any issues which impact the provision of health insurance in the state. The advisory council shall consist of nine (9) members: the commissioner plus eight (8) persons appointed by the Governor with the advice of the commissioner to serve two (2) year terms. The commissioner shall serve as chair of the advisory council.
- (2) The eight (8) persons appointed by the Governor with the advice of the commissioner shall be:
 - (a) Two (2) representatives of insurers currently offering health benefit plans in the state;
 - (b) Two (2) practicing health care providers;
 - (c) Two (2) representatives of purchasers of health benefit plans; and
 - (d) Two (2) representatives of agents.
- (3) The council shall:
 - (a) Review and discuss the design of the standard health benefit plan;
 - (b) Review and discuss the rate-filing process for all health benefit plans;
 - (c) Review and discuss the administrative regulations concerning this subtitle to be promulgated by the department;
 - (d) Make recommendations on high-cost conditions as provided in **Section 7 of this Act**~~subsection (5) of this section~~;
 - (e) Advise the Department of Insurance concerning the Department of Insurance's separation plan for the division of duties and responsibilities between the operation of the Department of Insurance and the operation of Kentucky Access;
 - (f) Review and discuss issues that impact Kentucky Access; and
 - (g) Review and discuss other issues at the request of the commissioner.
- (4) The advisory council shall be a budgetary unit of the department which shall pay all of the advisory council's necessary operating expenses and shall furnish all office space, personnel, equipment, supplies, and technical or administrative services required by the advisory council in the performance of the functions established in this section.

~~[(5) Prior to January 1, 2001, no less than annually, the Health Insurance Advisory Council shall review the list of high cost conditions established by the commissioner under KRS 304.17A-005(20) and 304.17A-280 and recommend changes to the commissioner. The commissioner may accept or reject any or all of the recommendations and may make whatever changes by administrative regulation the commissioner deems appropriate. The council, in making recommendations, and the commissioner, in making changes, shall consider, among other things, actual claims and losses on each diagnosis and advances in treatment of high cost conditions. On or after January 1, 2001, no less than annually, the Health Insurance Advisory Council shall review the list of high cost conditions established by the Department for Kentucky Access and report to the commissioner any and all recommended changes.]~~

~~(6) For each calendar year that the Kentucky Guaranteed Acceptance Program is operating, every insurer shall report to the commissioner and the Health Insurance Advisory Council, in the form and at the time as the commissioner by administrative regulation may specify, information that the commissioner deems necessary for the council and commissioner to evaluate the list of high cost conditions as required under this section.]~~

Section 3. KRS 304.17A-095 is amended to read as follows:

- (1) (a) Notwithstanding any other provisions of this chapter to the contrary, each insurer that issues, delivers, or renews any health benefit plan to any market segment other than a large group shall, before use thereof, file with the commissioner its rates, fees, dues, and other charges paid by insureds, members, enrollees, or subscribers. **The insurer~~[-]~~ shall *also* submit a copy of the filing to the Attorney General~~[-]~~ and shall comply with the provisions of this section. The insurer shall adhere to its rates, fees, dues, and other charges as filed with the commissioner. The insurer *shall submit a new filing to reflect any material change to the previously filed and approved rate filing. For all other changes, the insurer shall submit an amendment to a previously approved rate filing*~~[may submit new filings from time to time as it deems proper].~~**
- (b) Notwithstanding any other provisions of this chapter to the contrary, each insurer that issues, delivers, or renews any health benefit plan to a large group as defined in KRS 304.17A-005 shall file the rating methodology with the commissioner and shall submit a copy of the filing to the Attorney General.
- (2) (a) A rate filing under this section may be used by the insurer on and after the date of filing with the commissioner prior to approval by the commissioner. A rate filing shall be approved or disapproved by the commissioner within sixty (60) days after the date of filing. Should sixty (60) days expire after the commissioner receives the filing before approval or disapproval of the filing, the filing shall be deemed approved.~~[The commissioner may hold a hearing within sixty (60) days after receiving a filing containing a rate increase. Not less than thirty (30) days in advance of a hearing held under this section, the commissioner shall notify the Attorney General in writing of the hearing. The Attorney General may participate as a health insurance consumer intervenor and be considered a party to the hearing.~~
- ~~(b) The commissioner shall hold a hearing upon written request, including the reasons for the request, by the Attorney General, provided the request is in accordance with subsection (3) of this section.~~
- ~~(c) The commissioner shall hold a hearing, unless waived by the health insurer, before ordering a retroactive reduction of rates.~~
- ~~(d) The hearing shall be a public hearing conducted in accordance with KRS Chapter 13B.]~~
- ~~(b)(e)~~ In the circumstances of a filing that has been deemed approved ***or has been disapproved*** under paragraph (a) of this subsection, the commissioner shall have the authority to order a retroactive reduction of rates to a reasonable rate if after applying the factors in subsection (3) of this section the commissioner determines that the rates were unreasonable. If the commissioner seeks to order a retroactive reduction of rates and more than one (1) year has passed since the date of the filing, the commissioner shall consider the reasonableness of the rate over the entire period during which the filing has been in effect.
- (3) In approving or disapproving a filing under this section, the commissioner shall consider:
 - (a) Whether the benefits provided are reasonable in relation to the premium or fee charged;
 - (b) Whether the fees paid to providers for the covered services are reasonable in relation to the premium or fee charged;
 - (c) Previous premium rates or fees for the policies or contracts to which the filing applies;
 - (d) The effect of the rate or rate increase on policyholders, enrollees, and subscribers;
 - (e) Whether the rates, fees, dues, or other charges are excessive, inadequate, or unfairly discriminatory; and
 - (f) The effect on the rates of any assessment made under KRS 304.17B-021; and
 - (g) Other factors as deemed relevant by the commissioner.
- (4) The rates for each policyholder shall be guaranteed for twelve (12) months at the rate in effect on the date of issue or date of renewal.
- (5) At any time the commissioner, after a public hearing for which at least thirty (30) days' notice has been given, may withdraw approval of rates or fees previously approved under this section and may order an appropriate refund or future premium credit to policyholders, enrollees, and subscribers if the commissioner determines that the rates or fees previously approved are in violation of this chapter.

- (6) Notwithstanding subsection (2)~~((a) to (e))~~ of this section, premium rates may be used upon filing with the department of a policy form not previously used if the filing is accompanied by the policy form filing and a minimum loss ratio guarantee. Insurers may use the filing procedure specified in this subsection only if the affected policy forms disclose the benefit of a minimum loss ratio guarantee. An insurer may not elect to use the filing procedure in this subsection for a policy form that does not contain the minimum loss ratio guarantee. Insurers may not amend policy forms to provide for a minimum loss ratio guarantee. If an insurer elects to use the filing procedure in this subsection for a policy form or forms, the insurer shall not use a filing of premium rates that does not provide a minimum loss ratio guarantee for that policy form or forms.
- (a) The minimum loss ratio shall be in writing and shall contain at least the following:
1. An actuarial memorandum specifying the expected loss ratio that complies with the standards as set forth in this subsection;
 2. A statement certifying that all rates, fees, dues, and other charges are not excessive, inadequate, or unfairly discriminatory;
 3. Detailed experience information concerning the policy forms;
 4. A step-by-step description of the process used to develop the experience loss ratio, including demonstration with supporting data;
 5. A guarantee of a specific lifetime minimum loss ratio, that shall be greater than or equal to the following, taking into consideration adjustments for duration as set forth in administrative regulations promulgated by the commissioner:
 - a. Seventy percent (70%) for policies issued to individuals or for certificates issued to members of an association that does not offer coverage to small employers;
 - b. Seventy percent (70%) for policies issued to small groups of two (2) to ten (10) employees or for certificates issued to members of an association that offers coverage to small employers; and
 - c. Seventy-five percent (75%) for policies issued to small groups of eleven (11) to fifty (50) employees;
 6. A guarantee that the actual Kentucky loss ratio for the calendar year in which the new rates take effect, and for each year thereafter until new rates are filed, will meet or exceed the minimum loss ratio standards referred to in subparagraph 5. of this paragraph, adjusted for duration;
 7. A guarantee that the actual Kentucky lifetime loss ratio shall meet or exceed the minimum loss ratio standards referred to in subparagraph 5. of this paragraph; and
 8. If the annual earned premium volume in Kentucky under the particular policy form is less than two million five hundred thousand dollars (\$2,500,000), the minimum loss ratio guarantee shall be based partially on the Kentucky earned premium and other credibility factors as specified by the commissioner.
- (b) The actual Kentucky minimum loss ratio results for each year at issue shall be independently audited at the insurer's expense and the audit shall be filed with the commissioner not later than one hundred twenty (120) days after the end of the year at issue. The audit shall demonstrate the calculation of the actual Kentucky loss ratio in a manner prescribed as set forth in administrative regulations promulgated by the commissioner.
- (c) The insurer shall refund premiums in the amount necessary to bring the actual loss ratio up to the guaranteed minimum loss ratio.
- (d) A Kentucky policyholder affected by the guaranteed minimum loss ratio shall receive a portion of the premium refund relative to the premium paid by the policyholder. The refund shall be made to all Kentucky policyholders insured under the applicable policy form during the year at issue if the refund would equal ten dollars (\$10) or more per policy. The refund shall include statutory interest from July 1 of the year at issue until the date of payment. Payment shall be made not later than one hundred eighty (180) days after the end of the year at issue.
- (e) Premium refunds of less than ten dollars (\$10) per insured shall be aggregated by the insurer and paid to the Kentucky State Treasury.

- (f) None of the provisions of subsections (2) and (3) of this section shall apply if premium rates are filed with the department and accompanied by a minimum loss ratio guarantee that meets the requirements of this subsection. Such filings shall be deemed approved. Each insurer paying a risk assessment under KRS 304.17B-021 may include the amount of the assessment in establishing premium rates filed with the commissioner under this section. The insurer shall identify any assessment allocated.
 - (g) The policy form filing of an insurer using the filing procedure with a minimum loss ratio guarantee will disclose to the enrollee, member, or subscriber as prescribed by the commissioner an explanation of the lifetime loss ratio guarantee, and the actual loss ratio, and any adjustments for duration.
 - (h) The insurer who elects to use the filing procedure with a minimum loss ratio guarantee shall notify all policyholders of the refund calculation, the result of the refund calculation, the percent of premium on an aggregate basis to be refunded if any, any amount of the refund attributed to the payment of interests, and an explanation of amounts less than ten dollars (\$10).
- (7) The commissioner may by administrative regulation prescribe any additional information related to rates, fees, dues, and other charges as they relate to the factors set out in subsection (3) of this section that he or she deems necessary and relevant to be included in the filings and the form of the filings required by this section. When determining a loss ratio for the purposes of loss ratio guarantee, the insurer shall divide the total of the claims incurred, plus preferred provider organization expenses, case management and utilization review expenses, plus reinsurance premiums less reinsurance recoveries by the premiums earned less state and local premium taxes less other assessments. For purposes of determining the loss ratio for any loss ratio guarantee pursuant to this section, the commissioner may examine the insurer's expenses for preferred provider organization, case management, utilization review, and reinsurance used by the insurer in calculating the loss ratio guarantee for reasonableness. Only those expenses found to be reasonable by the commissioner may be used by the insurer for determining the loss ratio for purposes of any loss ratio guarantee.
- (8) (a) *The commissioner shall hold a hearing upon written request by the Attorney General. The written request shall be based upon one (1) or more of the reasons set out in subsection (3) of this section and shall state the applicable reasons.*
- (b) *An insurer may request a hearing, pursuant to KRS 304.2-310, with regard to any action taken by the commissioner under this section as to the disapproval of rates or an order of a retroactive reduction of rates.*
- (c) *The hearing shall be a public hearing conducted in accordance with KRS 304.2-310.*

Section 4. KRS 304.17A-150 is amended to read as follows:

- (1) On and after July 15, 1995, it is an unfair trade practice for an insurer, agent, broker, or any other person in the business of marketing and selling health plans, to commit or perform any of the following acts:
- (a) Encourage individuals or groups to refrain from filing an application for coverage with the insurer because of the individual's or group's health status, claims experience, industry, occupation, or geographic location; or
 - (b) Encourage or direct individuals or groups to seek coverage from another insurer because of the individual's or group's health status, claims experience, industry, occupation, or geographic location; or
 - (c) Encourage an employer to exclude an employee from coverage.
- The provisions of this subsection shall not apply to information provided regarding the established geographic service area of an insurer.
- (2) It is an unfair trade practice for an insurer to compensate an agent, broker, or any other person in the business of marketing and selling health plans on the basis of the health status, claims experience, industry, occupation, or geographic location of the insured or prospective insured except as provided in KRS 304.17B-001 to 304.17B-031.
- (3) It shall constitute an unfair trade practice for any insurer, insurance agent, or third-party administrator to refer an individual~~[employee]~~ to Kentucky Access, or to arrange for an individual~~[employee]~~ to apply to Kentucky Access, for the purpose of separating an *individual*~~[employee]~~ from group health insurance coverage~~[provided in connection with the individual's employment]~~.

- (4) It is an unfair trade practice for an insurer that offers multiple health benefit plans to require a health care provider, as a condition of participation in a health benefit plan of the insurer, to participate in any of the insurer's other health benefit plans. In addition to the proceedings and penalties provided in this chapter for violation of this provision, a contract provision violating this subsection is void.
- (5) It is an unfair trade practice for an insurer not to compute an insured's coinsurance or cost sharing on the basis of the amount actually received by a health-care provider from the insurer.
- (6) The commissioner may suspend or revoke, after notice and hearing, the certificate of authority to transact insurance in this state of any insurer that fails to pay an assessment under KRS 304.17B-021. As an alternative, the commissioner may levy a civil penalty on any member insurer that fails to pay the assessment when due. The civil penalty shall not exceed five percent (5%) of the unpaid assessment per month, but no civil penalty shall be less than one hundred dollars (\$100) per month.
- (7) The remedy provided by KRS 304.12-120 shall be available for conduct proscribed by this section.
- (8) It is an unfair claims settlement practice for any person to make claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which the payments are being made in instances in which the insured has a liability under the policy beyond his or her copayment or deductible.

Section 5. KRS 304.17A-240 is amended to read as follows:

- (1) Except as provided in this section, an insurer shall renew or continue in force a health benefit plan at the option of the insured.
- (2) An insurer may nonrenew or discontinue a health benefit plan based only on one (1) or more of the following:
 - (a) The insured has failed to pay premiums or contributions in accordance with the terms of the plan or the insurer has not received timely premium payments;
 - (b) The insured has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the terms of the coverage;
 - (c) The insured has engaged in intentional and abusive noncompliance with material provisions of the health benefit plan;
 - (d) The insurer is ceasing to offer coverage in the individual or group market in accordance with subsection (3) of this section;
 - (e) In the case of an insurer that offers health benefit plans through a network plan, the individual no longer resides, lives, or works in the service area or in an area for which the insurer is authorized to do business, but only if the coverage is terminated under this paragraph uniformly without regard to any health status-related factor of covered individuals, or there is no longer any enrollee in connection with the group plan who resides, lives, or works in the service area of the insurer;~~or~~
 - (f) In the case of a health benefit plan that is made available only through one (1) or more bona fide associations, the membership of the individual or employer in the association on the basis of which the coverage is provided ceases, but only if the coverage is terminated under this paragraph uniformly without regard to any health status-related factor of covered individuals; **or**
 - (g) ***In the case of a health benefit plan issued to a group, the group no longer meets participation requirements or contribution requirements as established by the insurer.***
- (3) (a) In any case in which an insurer decides to discontinue offering a particular type of health benefit plan, coverage of the type may be discontinued by the insurer upon approval by the commissioner only if:
 - 1. The insurer provides notice to each insured provided coverage of this type in the market of the discontinuation at least ninety (90) days prior to the date of the discontinuation of the coverage;
 - 2. The insurer offers, to each insured provided coverage of this type, the option to purchase any other health benefit plan currently of that type being offered by the insurer in that market; and
 - 3. In exercising the option to discontinue coverage of this type and in offering the option of coverage under subparagraph 2. of this paragraph, the insurer acts uniformly without regard to any health status-related factor of enrolled insureds or insureds who may become eligible for coverage.

- (b) 1. Subject to paragraph (a)3. of this subsection, in any case in which an insurer elects to discontinue offering all health benefit plans in Kentucky, health benefit plans may be discontinued by the insurer only if:
 - a. The insurer provides notice to the commissioner and to each insured of the discontinuation at least one hundred eighty (180) days prior to the date of the expiration of the coverage; and
 - b. All health benefit plans issued or delivered for issuance in Kentucky are discontinued and coverage under the health benefit plans is not renewed.
- 2. In the case of a discontinuation under subparagraph 1. of this paragraph, the insurer may not provide for the issuance of any health benefit plans in Kentucky during the five (5) year period beginning on the date of the discontinuation of the last health benefit plan not so renewed.
- (4) At the time of coverage renewal, an insurer may modify, with approval of the commissioner, the health benefit plan for a policy form so long as the modification is consistent with this chapter and effective on a uniform basis among all individuals with that policy form.
- (5) In applying this section in the case of a health benefit plan that is made available by an insurer only through one (1) or more associations, a reference to an individual is deemed to include a reference to an association of which the individual is a member, and a reference to an employer member is deemed to include a reference to the employer.

Section 6. KRS 304.17A-669 is amended to read as follows:

- (1) Nothing in KRS 304.17A-660 to 304.17A-669 shall be construed as mandating coverage for mental health conditions.
- (2) The following shall be exempt from the provisions of KRS 304.17A-660 to 304.17A-669:
 - (a) A group health benefit plan covering fewer than ~~fifty-one (51)~~~~thirty (30)~~ employees;
 - (b) An individual health benefit plan; and
 - (c) An employer-organized association as defined in KRS 304.17A-005.

SECTION 7. A NEW SECTION OF SUBTITLE 17B OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) ***No less than annually, the Health Insurance Advisory Council shall review the list of high-cost conditions established under KRS 304.17B-001(14) and recommend changes to the commissioner. The commissioner may accept or reject any or all of the recommendations and may make whatever changes by administrative regulation the commissioner deems appropriate. The council, in making recommendations, and the commissioner, in making changes, shall consider, among other things, actual claims and losses on each diagnosis and advances in treatment of high-cost conditions.***
- (2) ***The commissioner may by administrative regulation add to or delete from the list of high-cost conditions for Kentucky Access.***

Section 8. KRS 304.17B-015 is amended to read as follows:

- (1) Any individual who is an eligible individual is eligible for coverage under Kentucky Access, except as specified in paragraphs (a), (b), (d), and (e) of subsection (4) of this section.
- (2) Any individual who is not an eligible individual who has been a resident of the Commonwealth for at least twelve (12) months immediately preceding the application for Kentucky Access coverage is eligible for coverage under Kentucky Access if one (1) of the following conditions is met:
 - (a) The individual has been rejected by at least ~~one (1) insurer~~~~two (2) insurers~~ for coverage of a health benefit plan that is substantially similar to Kentucky Access coverage;
 - (b) The individual has been offered coverage substantially similar to Kentucky Access coverage at a premium rate greater than the Kentucky Access premium rate at the time of enrollment or upon renewal; or
 - (c) The individual has a high-cost condition listed in KRS 304.17B-001.

- (3) A Kentucky Access enrollee whose premium rates exceed claims for a three (3) year period shall be issued a notice of insurability. The notice shall indicate that the Kentucky Access enrollee has not had claims exceed premium rates for a three (3) year period and may be used by the enrollee to obtain insurance in the regular individual market.
- (4) An individual shall not be eligible for coverage under Kentucky Access if:
 - (a) The individual has, or is eligible for, on the **effective** date of ~~application for~~ coverage under Kentucky Access, substantially similar coverage under another contract or policy, unless the individual was issued coverage from a GAP participating insurer as a GAP qualified individual prior to January 1, 2001. A GAP qualified individual shall be automatically eligible for coverage under Kentucky Access without regard to the requirements of subsection (2) of this section. An individual who is ineligible for coverage pursuant to this paragraph shall not preclude the individual's spouse or dependents from being eligible for Kentucky Access coverage. As used in this paragraph, "eligible for" includes any individual who was eligible for coverage but waived that coverage. That individual shall be ineligible for Kentucky Access coverage through the period of waived coverage;
 - (b) The individual is eligible for coverage under Medicaid or Medicare;
 - (c) The individual previously terminated Kentucky Access coverage and twelve (12) months have not elapsed since the coverage was terminated, unless the individual demonstrates a good faith reason for the termination;
 - (d) Except for covered benefits paid under the standard health benefit plan as specified in KRS 304.17B-019, Kentucky Access has paid two million dollars (\$2,000,000) in covered benefits per individual. The maximum limit under this paragraph may be increased by the department; or
 - (e) The individual is confined to a public institution or incarcerated in a federal, state, or local penal institution or in the custody of federal, state, or local law enforcement authorities, including work release programs.
- (5) The coverage of any person who ceases to meet the requirements of this section **or the requirements of any administrative regulation promulgated under this subtitle** may be terminated.

SECTION 9. A NEW SECTION OF SUBTITLE 18 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

- (1) ***As used in this section:***
 - (a) ***"Conversion health insurance coverage" means a health benefit plan meeting the requirements of this section and regulated in accordance with Subtitles 17 and 17A of this chapter;***
 - (b) ***"Group policy" has the meaning provided in Section 10 of this Act; and***
 - (c) ***"Medicare" has the meaning provided in Section 10 of this Act.***
- (2) ***An insurer providing group health insurance coverage shall offer a conversion health insurance policy, by written notice, to any group member terminated under the group policy for any reason. The insurer shall offer a conversion health insurance policy substantially similar to the group policy. The former group member shall meet the following conditions:***
 - (a) ***The former group member had been a member of the group and covered under any health insurance policy offered by the group for at least three (3) months;***
 - (b) ***The former group member must make written application to the insurer for conversion health insurance coverage not later than thirty-one (31) days after notice pursuant to subsection (5) of this section; and***
 - (c) ***The former group member must pay the monthly, quarterly, semiannual, or annual premium, at the option of the applicant, to the insurer not later than thirty-one (31) days after notice pursuant to subsection (5) of this section.***
- (3) ***An insurer shall offer the following terms of conversion health insurance coverage:***
 - (a) ***Conversion health insurance coverage shall be available without evidence of insurability and may contain a pre-existing condition limitation in accordance with KRS 304.17A-230;***

- (b) *The premium for conversion health insurance coverage shall be according to the insurer's table of premium rates in effect on the latter of:*
 - 1. *The effective date of the conversion policy; or*
 - 2. *The date of application when the premium rate applies to the class of risk to which the covered persons belong, to their ages, and to the form and amount of insurance provided;*
 - (c) *The conversion health insurance policy shall cover the former group member and eligible dependents covered by the group policy on the date coverage under the group policy terminated.*
 - (d) *The effective date of the conversion health insurance policy shall be the date of termination of coverage under the group policy; and*
 - (e) *The conversion health insurance policy shall provide benefits substantially similar to those provided by the group policy, but not less than the minimum standards set forth in KRS 304.18-120 and any administrative regulations promulgated thereunder.*
- (4) *Conversion health insurance coverage need not be granted in the following situations:*
- (a) *On the effective date of coverage, the applicant is or could be covered by Medicare;*
 - (b) *On the effective date of coverage, the applicant is or could be covered by another group coverage (insured or uninsured) or, the applicant is covered by substantially similar benefits by another individual hospital, surgical, or medical expenses insurance policy; or*
 - (c) *The issuance of conversion health insurance coverage would cause the applicant to be overinsured according to the insurer's standards, taking into account that the applicant is or could be covered by similar benefits pursuant to or in accordance with the requirements of any statute and the individual coverage described in paragraph (b) of this subsection.*
- (5) *Notice of the right to conversion health insurance coverage shall be given as follows:*
- (a) *For group policies delivered, issued for delivery, or renewed after the effective date of this Act, the insurer shall give written notice of the right to conversion health insurance coverage to any former group member entitled to conversion coverage under this section upon notice from the group policyholder that the group member has terminated membership in the group, upon termination of the former group member's continued group health insurance coverage pursuant to Section 10 of this Act or COBRA as defined in subsection (6) of Section 1 of this Act, or upon termination of the group policy for any reason. The written notice shall clearly explain the former group member's right to a conversion policy.*
 - (b) *The thirty-one (31) day period of subsection (2)(b) of this section shall not begin to run until the notice required by this subsection is mailed or delivered to the last known address of the former group member.*
 - (c) *If a former group member becomes entitled to obtain conversion health insurance coverage, pursuant to this section, and the insurer fails to give the former group member written notice of the right, pursuant to this subsection, the insurer shall give written notice to the former group member as soon as practicable after being notified of the insurer's failure to give written notice of conversion rights to the former group member and such former group member shall have an additional period within which to exercise his conversion rights. The additional period shall expire sixty (60) days after written notice is received from the insurer. Written notice delivered or mailed to the last known address of the former group member shall constitute the giving of notice for the purpose of this paragraph. If a former group member makes application and pays the premium, for conversion health insurance coverage within the additional period allowed by this paragraph, the effective date of conversion health insurance coverage shall be the date of termination of group health insurance coverage. However, nothing in this subsection shall require an insurer to give notice or provide conversion coverage to a former group member ninety (90) days after termination of the former group member's group coverage.*

Section 10. KRS 304.18-110 is amended to read as follows:

- (1) As used in this section:

- (a) "Group policy" means group health insurance policies as defined in KRS 304.18-020 and blanket health insurance policies which the commissioner, in his discretion, designates as subject to this section, which:
 - 1. Affect the rights of a Kentucky insured and bear a reasonable relation to Kentucky, regardless of whether delivered or issued for delivery in Kentucky;
 - 2. Provide hospital or surgical expenses benefits, other than for a specific disease or accidental injury only; and
 - 3. Are delivered, issued for delivery, or renewed after *the effective date of this Act*~~{July 15, 1986}~~;
- (b) "Medicare" means Title XVIII of the United States Social Security Act as amended or superseded.
- (2) Persons insured under group policies have the right upon termination of group membership to continue coverage for themselves and their dependents upon meeting the following conditions:
 - (a) The group member has been covered by the group policy or any group policy it replaced for at least three (3) months; and
 - (b) Notice is given to the insurer and payment of the group rate is made to the insurer, *by the group member*, within thirty-one (31) days after notice pursuant to subsection (7)~~{(9)}~~ of this section.
- (3) Continued group health insurance coverage shall terminate on the earlier of:
 - (a) The date eighteen (18) months after the date on which the group coverage would otherwise have terminated because of termination of group membership;
 - (b) If the group member fails to make timely payment of premium to the insurance company, the end of the period for which premium payment was made; or
 - (c) The date the group policy is terminated and is not replaced by another group policy within thirty-one (31) days.
- (4) If a group policy is replaced, *by a succeeding insurer*, persons under the continued group health insurance shall remain *covered under the prior insurer's*~~{under such coverage under the replaced}~~ policy until it terminates in accordance with subsection (3) of this section.
- (5) ~~{Group members have the right upon termination of coverage under a group policy for any reason to have a conversion health insurance policy providing substantially similar benefits issued to the group member by the insurer upon meeting the following conditions:~~
 - ~~(a) The group member has been covered by the group policy or any policy it replaced for at least three (3) months;~~
 - ~~(b) The group member must make written application to the insurer for conversion health insurance coverage not later than thirty one (31) days after notice pursuant to subsection (9) of this section; and~~
 - ~~(c) The group member must pay the monthly, quarterly, semiannual, or annual premium, at the option of the applicant, to the insurer not later than thirty one (31) days after notice pursuant to subsection (9) of this section.~~
- ~~(6) Terms of conversion health insurance coverage:~~
 - ~~(a) Conversion health insurance coverage shall be available without evidence of insurability and shall contain no pre-existing condition limitations;~~
 - ~~(b) The premium for conversion health insurance coverage shall be according to the insurer's table of premium rates in effect on the latter of:~~
 - ~~1. The effective date of the converted policy; or~~
 - ~~2. The date of application when the premium rate applies to the class of risk to which the covered persons belong, to their ages, and to the form and amount of insurance provided;~~
 - ~~(c) The conversion health insurance policy shall cover the group member and eligible dependents covered by the group policy on the date coverage under the group policy terminated;~~
 - ~~(d) The effective date of the conversion health insurance policy shall be the date of termination of coverage under the group policy; and~~

- (e) ~~The conversion health insurance policy shall provide benefits substantially similar to those provided by the group policy, but not less than the minimum standards set forth in KRS 304.18-120.~~
- (7) ~~]~~The right to continue group health insurance coverage ~~[and the right to conversion health insurance coverage]~~ shall also be available:
- (a) To the surviving spouse, at the death of the group member, with respect to the spouse and such children whose coverage under the group policy would terminate or terminates by reason of the death of the group member;
 - (b) To a child solely with respect to himself upon termination of membership in the group or his coverage by reason of operation of the limiting age of coverage under the group policy while covered as a dependent thereunder; or
 - (c) To a former spouse for himself and such children of whom he is awarded custody when coverage under the group policy would terminate or terminates by reason of termination of dependency as defined in the group policy and resulting from an order dissolving the marriage entered by a court of competent jurisdiction.
- (6)(8) Continuation of group health insurance coverage ~~for conversion health insurance coverage]~~ need not be granted in the following situations:
- (a) *On the effective date of coverage*, the applicant is or could be covered by Medicare;
 - (b) *On the effective date of coverage*, the applicant is or could be covered by another group coverage (insured or uninsured) ~~[or, in the case of conversion health insurance coverage, the applicant is covered by substantially similar benefits by another individual hospital, surgical, or medical expenses insurance policy; or~~
 - (c) ~~In the case of conversion health insurance coverage, the issuance of conversion health insurance coverage would cause the applicant to be overinsured according to the insurer's standards, taking into account that the applicant is or could be covered by similar benefits pursuant to or in accordance with the requirements of any statute and the individual coverage described in paragraph (b) of this subsection].~~
- (7)(9) Notice of the right to continue group health insurance coverage ~~[and the right to conversion health insurance coverage]~~ shall be given as follows:
- (a) ~~1.]~~ For group policies delivered, issued for delivery, or renewed after *the effective date of this Act* ~~[July 15, 1986]~~, the insurer shall give written notice of the right to continue group health insurance coverage ~~[and the right to conversion health insurance coverage]~~ to any group member entitled to continue coverage ~~for or to conversion coverage]~~ under this section upon notice from the group policyholder that the group member has terminated membership in the group ~~[or upon termination of continued group health insurance coverage]~~. The thirty-one (31) day period of *subsection* ~~[subsections]~~ (2)(b) ~~[and (5)(b)]~~ of this section shall not begin to run until the notice required by this paragraph is mailed or delivered to the last known address of the group member; ~~and~~
 - 2. ~~Upon replacement of a group policy, the replacing insurer shall determine if there are group members who were covered under the previous group policy who are not covered under the replacing group policy. The replacing insurer shall by writing notify the insurer which issued the previous group policy of such lack of coverage and the insurer which issued the previous group policy shall issue the notice required by paragraph (a) of this subsection;]~~
 - (b) If a group member becomes entitled to obtain continued health insurance coverage, ~~[or conversion health insurance coverage]~~ pursuant to this section, and *the insurer fails to give the group member written notice of the right*, ~~[if such group member has not been given written notice of these rights]~~ pursuant to this subsection, *the insurer shall give written notice to the former group member as soon as practicable after being notified of the insurer's failure to give written notice of continuation rights to the group member and* such group member shall have an additional period within which to exercise continuation or conversion rights. *The additional period shall expire sixty (60) days after written notice is received from the insurer.* ~~[as follows:]~~

- ~~1. The additional period shall expire fifteen (15) days after the group member is given notice, but in no event shall the additional period extend beyond sixty (60) days after the expiration of the thirty one (31) day period following termination from the group or termination of group coverage;~~
 - ~~2. Written notice delivered or mailed to the last known address of the group member shall constitute the giving of notice for the purpose of this paragraph. ~~and~~~~
 - ~~3. If a group member makes application and pays the premium for continued health insurance coverage or conversion health insurance coverage within the additional period allowed by this paragraph, the effective date of continued health insurance coverage shall be the date of termination from the group. However, nothing in this subsection shall require an insurer to give notice or provide continuation coverage to a former group member ninety (90) days after termination of the former group member's group coverage. and the effective date of conversion health insurance coverage shall be the date of termination of group health insurance coverage.~~
- ~~(10) Before a group policy may be replaced, the employer shall give at least thirty (30) days' written notice by certified mail to any employee covered under the replaced policy who will not be covered under the new policy.~~
- Section 11. KRS 304.18-126 is amended to read as follows:
- (1) *As used in this section, "disability" means the state of being hospitalized on the date of replacement coverage or coverage under an extension of benefits provision.*
 - (2) *An insurer offering group health insurance, as defined in KRS 304.18-020, ~~[A group policy]~~ shall provide for an ~~a reasonable provision for~~ extension of benefits in the event of a member's total disability at the date of discontinuance of the group policy or contract in accordance with this section.*
 - ~~(3)(2)~~ *Benefits payable under an extension of benefits shall be limited to the member's hospital confinement or period of total disability for a specific condition, injury, or illness that resulted in the member's total disability ~~[If the group policy provides benefits for loss of time from employment or specific indemnity during hospital confinement, discontinuance of the policy during a disability shall have no effect on benefits payable for that disability or confinement].~~*
 - ~~(4)(3)~~ In the case of hospital or medical expense coverages, a reasonable extension of benefits or accrued liability shall be required. A provision shall be considered reasonable *if*:
 - (a) Under major medical coverages *for hospital confinement*, ~~if~~ it provides an extension *until the earlier of one (1) of the following*:
 1. *Discharge from the hospital confinement;*
 2. *Until maximum benefits under the policy are received; or*
 3. ~~[of]~~ At least twelve (12) months. ~~and~~
 - (b) *Under major medical coverage for a period of total disability, it provides an extension of benefits until the earlier of one (1) of the following*:
 1. *Until coverage for the total disability has been obtained under another group policy;*
 2. *Until the total disability ceases;*
 3. *Until maximum benefits under the policy are received; or*
 4. *At least twelve (12) months.*
 - (c) Under other types of hospital or medical expense coverages, ~~if~~ it provides an extension of at least ninety (90) days for expenses incurred during the period of *total disability or hospital confinement or* incurred within a period of at least ninety (90) days starting with a specific event which occurred while coverage was in force, such as an accident.
 - ~~(5)(4)~~ *Coverage for a total disability shall not be considered to have been obtained under a succeeding plan, whether it be fully insured or self-insured, if the succeeding plan excludes coverage for the total disability covered under the prior plan's extension of benefits provision.*
 - (6) Any applicable extension of benefits or accrued liability shall be described in the group policy as well as in group insurance certificates~~. The benefits payable during the period of extension or accrued liability may be~~

~~subject to the group policy's regular benefit limits, such as benefits ceasing at exhaustion of a benefit period or a maximum benefit limitation].~~

Section 12. KRS 304.18-127 is amended to read as follows:

- (1) This section shall indicate the insurer responsible for liability in those instances in which one (1) insurer's group policy replaces the group policy of another insurer.
- (2) The prior insurer shall remain liable only to the extent of its accrued liabilities, *extension*~~[extensions]~~ of benefits, and for persons who are under continued group health insurance coverage pursuant to KRS 304.18-110 at the time the group policy terminates. The position of the prior insurer shall be the same whether the group policyholder secures replacement coverage from a new insurer, self insures, or forgoes the provision of a group policy, except that termination of continued group health insurance coverage shall occur in accordance with KRS 304.18-110 *and Section 9 of this Act*.
- (3) The liability of a succeeding insurer shall be as follows:
 - (a) Each person who is eligible for coverage~~[in accordance with the succeeding insurer's plan of benefits, in respect to classes eligible, actively at work, and nonconfinement rules,]~~ shall be covered by that insurer's plan *on the effective date of coverage and in accordance with KRS 304.17A-200*~~[of benefits]~~.
 - (b) *If a person, who is eligible for coverage, is confined as of the effective date of coverage under the succeeding insurer's plan and the succeeding insurer has a nonconfinement rule, the succeeding insurer is not responsible for the cost of the person's confinement to the extent that the confinement is covered by a prior insurer's extension of benefits provision, in accordance with Section 11 of this Act*~~[Each person not covered under the succeeding insurer's plan of benefits in accordance with paragraph (a) of this subsection shall nevertheless be covered by the succeeding insurer in accordance with the following provisions if the person was validly covered, including benefit extensions, under the prior insurer on the date of termination of the prior insurer's group policy and if the person is a member of the class or classes of persons eligible for coverage under the succeeding insurer's plan. Any reference in the following provisions to a person who was or was not totally disabled shall be a reference to that person's status immediately prior to the date the succeeding insurer's coverage becomes effective.~~
 - 1.~~— The minimum level of benefits to be provided by the succeeding insurer shall be the applicable level of benefits of the prior insurer's group policy reduced by any benefits payable by the prior insurer under its group policy.~~
 - 2.~~— Coverage shall be provided by the succeeding insurer until at least the earliest of the following dates:~~
 - a.~~— The date the person becomes insured according to paragraph (a) of this subsection;~~
 - b.~~— For each type of coverage, the date the person's coverage would terminate in accordance with the succeeding insurer's group policy provisions applicable to individual termination of coverage; or~~
 - c.~~— In the case of a person who was totally disabled and the type of coverage is one for which KRS 304.18-126 requires an extension of accrued liability, the end of extension of accrued liability which is required of the prior insurer by KRS 304.18-126, or, if the prior insurer's group policy is not subject to KRS 304.18-126, would have been required of that insurer had its group policy been subject to KRS 304.18-126 at the time the prior insurer's group policy was discontinued and replaced by the succeeding insurer's plan.~~
 - (c)~~— In the case of a pre-existing conditions limitation in the succeeding insurer's group policy, the level of benefits applicable to pre-existing conditions of persons becoming covered by the succeeding insurer's plan in accordance with this subsection during the period of time this limitation applies under the succeeding insurer's group policy shall be the lesser of:~~
 - 1.~~— The benefits of the succeeding insurer's group policy determined without application of the pre-existing conditions limitation; or~~
 - 2.~~— The benefits of the prior insurer's group policy].~~

~~(c)(d)~~ The succeeding insurer, in applying any deductibles or waiting periods in its plan, shall give credit for the satisfaction or partial satisfaction of the same or similar provisions under a prior group policy. In the case of deductible provisions, the credit shall apply for the same or overlapping benefit periods and shall be given for expenses actually incurred and applied against the deductible provisions of the prior insurer's group policy during the ninety (90) days preceding the effective date of the succeeding insurer's group policy, but only to the extent these expenses are recognized under the terms of the succeeding insurer's group policy and are subject to similar deductible provisions.

~~(d)(e)~~ If a determination of the prior insurer's benefit is required by the succeeding insurer, at the succeeding insurer's request the prior insurer shall furnish a statement of the benefits available or pertinent information sufficient to permit verification of the benefit determination or the determination itself by the succeeding insurer. For purposes of this section, benefits of the prior insurer's group policy shall be determined in accordance with all of the definitions, conditions, and covered expense provisions of the prior insurer's group policy rather than those of the succeeding insurer's group policy. The benefit determination shall be made as if coverage had not been replaced by the succeeding insurer.

Section 13. KRS 304.40-075 is amended to read as follows:

- (1) As used in this section, unless the context requires otherwise:
 - (a) "Charitable health care provider" means any person, agency, clinic, or facility licensed or certified by the Commonwealth, or under a comparable provision of law of another state, territory, district, or possession of the United States, engaged in the rendering of medical care without compensation or charge, and without expectation of compensation or charge, to the individual, without payment or reimbursement by any governmental agency or insurer. "Charitable health care provider" only means those persons, agencies, clinics, or facilities engaging in primary care medicine and performing no invasive or surgical procedures;
 - (b) "Medical malpractice insurer" means every person or entity engaged as principal and as indemnitor, surety, or contractor in the business of entering into contracts to provide medical professional liability insurance, except an entity in the business of providing such medical professional liability insurance only to itself or its affiliated subsidiary, or parent corporation, or subsidiaries of its parent corporations; and
 - (c) "Medical professional liability insurance" means insurance to cover liability incurred as a result of the hands-on providing of medical professional services directly to patients by an insured in the treatment, diagnosis, or prevention of patient illness, disease, or injury.
- (2) Insurers offering medical professional liability insurance in the Commonwealth shall make available, as a condition of doing business in the Commonwealth pursuant to this chapter, medical professional liability insurance for charitable health care providers and persons volunteering to perform medical services for charitable health care providers, with the same coverage limits made available to its other insureds.
- (3)
 - (a) Premiums for policies issued under subsection (2) of this section shall be paid by the Commonwealth from the general fund upon written application for payment of the premium by the health care provider wishing to offer charitable services.
 - (b) The Department of Insurance shall, through promulgation of administrative regulations pursuant to KRS Chapter 13A, establish reasonable guidelines for the registration of charitable health care providers. The guidelines shall require the provider to supply, at a minimum, the following information:
 1. Name and address of the charitable health care provider;
 2. Number of employees of the charitable health care provider who will be rendering medical care without compensation or charge and without expectation of compensation or charge, and who will be covered under the policy issued under subsection (2) of this section;
 3. The expected number of patients to be provided charitable health care services in the year for which the insurer will offer malpractice coverage;
 4. The charitable health care provider's acknowledgment that the insurer's risk management and loss prevention policies shall be followed;~~and~~
 5. A copy of the registration filed with the Cabinet for Health Services under KRS 216.941; *and*

6. ***A copy of the medical malpractice policy, declaration page, and any other documentation the commissioner may deem necessary to determine the proper amount of premiums and taxes to be reimbursed.***
- (c) Persons insured under this section shall be required to comply with the same risk management and loss prevention policies which the insurer imposes upon its other insureds.
- (d) ***Any premium refund for medical professional liability insurance issued under subsection (2) of this section received for any reason by the charitable health care provider shall be promptly remitted to the department for transmittal to the general fund.***
- (4) This section shall only apply to charitable health care providers and persons volunteering to perform medical services for charitable health care providers who are not otherwise covered by any policy of medical professional liability insurance for the charitable health care services provided, and that meet the terms for eligibility established pursuant to this section.
- (5) Coverage offered to charitable health care providers and persons volunteering at charitable health care providers shall be at least as broad as the coverage offered by the insurer to other noncharitable health care providers or facilities and to medical professionals working at noncharitable health care facilities.
- (6) The Department of Insurance shall retrospectively review on an annual basis the premiums paid pursuant to this section as opposed to the expenses incurred by the insurers covering risks under this section to determine if the profits made for those risks were consistent with reasonable loss ratio guidelines. If the determination is made that the profits were not consistent with reasonable loss ratio guidelines, the Department of Insurance shall determine the amount of the premiums to be refunded to the Commonwealth.
- (7) The Cabinet for Health Services shall make available to the Department of Insurance information on its registration of charitable health care providers for the purpose of obtaining medical malpractice insurance.
- (8) The Department of Insurance shall not provide medical malpractice insurance as specified in subsection (3)(a) of this section to a charitable health care provider who has not registered with the Cabinet for Health Services under KRS 216.941.

SECTION 14. A NEW SECTION OF SUBTITLE 12 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

In connection with rental reimbursement coverage under an automobile insurance policy, an insurer, an employee or representative of an insurer, an agent of an insurer, a consultant, or an insurance adjuster shall not:

- (1) ***Solicit or accept a referral fee or gratuity in exchange for referring an insured or claimant to a rental vehicle agency;***
- (2) ***State or suggest, either orally or in writing, to an insured or claimant that a specific rental vehicle agency must be used to be covered under the policy; or***
- (3) ***In any way restrict the insured's or claimant's right to choose a rental vehicle agency.***

Section 15. KRS 304.17A-0952 is amended to read as follows:

Premium rates for a health benefit plan issued or renewed to an individual, a small group, or an association on or after April 10, 1998, shall be subject to the following provisions:

- (1) The premium rates charged during a rating period to an individual with similar case characteristics for the same coverage, or the rates that could be charged to that individual under the rating system for that class of business, shall not vary from the index rate by more than thirty-five percent (35%) of the index rate, except that the premium rates charged to an individual shall not vary from the index rate by more than fifty percent (50%) for two (2) consecutive years beginning January 1, 2001. ***However, upon any policy issuance or renewal, on or after January 1, 2003, the maximum variation shall revert to thirty-five percent (35%) of the index rate.***
- (2) The percentage increase in the premium rate charged to an individual for a new rating period shall not exceed the sum of the following:
 - (a) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a class of business for which the insurer is not issuing new policies, the insurer shall use the percentage change in the base premium rate;

- (b) Any adjustment, not to exceed twenty percent (20%) annually and adjusted pro rata for rating periods of less than one (1) year, due to the claim experience, mental and physical condition, including medical condition, medical history, and health service utilization, or duration of coverage of the individual and dependents as determined from the insurer's rate manual for the class of business; and
 - (c) Any adjustment due to change in coverage or change in the case characteristics of the individual as determined from the insurer's rate manual for the class of business.
- (3) The premium rates charged during a rating period to a small group or to an association member with similar case characteristics for the same coverage, or the rates that could be charged to that small group or that association member under the rating system for that class of business, shall not vary from the index rate by more than **fifty percent (50%)**~~[twenty-five percent (25%)]~~ of the index rate~~, except that the premium rate charged to a small group or association shall not vary from the index rate by more than fifty percent (50%) for two (2) consecutive years beginning January 1, 2001.~~
- (4) The percentage increase in the premium rate charged to a small group or to an association member for a new rating period shall not exceed the sum of the following:
 - (a) The percentage change in the new business premium rate measured from the first day of the prior rating period to the first day of the new rating period. In the case of a class of business for which the insurer is not issuing new policies, the insurer shall use the percentage change in the base premium rate;
 - (b) Any adjustment, not to exceed twenty percent (20%) annually and adjusted pro rata for rating periods of less than one (1) year, due to the claims experience, mental and physical condition, including medical condition, medical history, and health service utilization, or duration of coverage of the employee, association member, or dependents as determined from the insurer's rate manual for the class of business; and
 - (c) Any adjustment due to change in coverage or change in the case characteristics of the small group or association member as determined from the insurer's rate manual for the class of business.
- (5) In utilizing case characteristics, the ratio of the highest rate factor to the lowest rate factor within a class of business shall not exceed five to one (5:1). For purpose of this limitation, case characteristics include age, gender, occupation or industry, and geographic area.
- (6) Adjustments in rates for claims experience, mental and physical condition, including medical condition, medical history, and health service utilization, health status, and duration of coverage shall not be charged to an individual group member or the member's dependents. Any adjustment shall be applied uniformly to the rates charged for all individuals and dependents of the small group.
- (7) The commissioner may approve establishment of additional classes of business upon application to the commissioner and a finding by the commissioner that the additional class would enhance the efficiency and fairness for the applicable market segment.
 - (a) The index rate for a rating period for any class of business shall not exceed the index rate for any other class of business in that market segment by more than ten percent (10%).
 - (b) An insurer may establish a separate class of business only to reflect substantial differences in expected claims experience or administrative cost related to the following reasons:
 - 1. The insurer uses more than one (1) type of system for the marketing and sale of the health benefit plans; or
 - 2. The insurer has acquired a class of business from another insurer.
 - (c) Notwithstanding any other provision of this subsection, beginning January 1, 2001, a GAP participating insurer may establish a separate class of business for the purpose of separating guaranteed acceptance program qualified individuals from other individuals enrolled in their plan prior to January 1, 2001. The index rate for the separate class created under this paragraph shall be established taking into consideration expected claims experience and administrative costs of the new class of business and the previous class of business.
- (8) For the purpose of this section, a health benefit plan that utilizes a restricted provider network shall not be considered similar coverage to a health benefit plan that does not utilize a restricted provider network if utilization of the restricted provider network results in substantial differences in claims costs.

- (9) Notwithstanding any other provision of this section, an insurer shall not be required to utilize the experience of those individuals with high-cost conditions who enrolled in its plans between July 15, 1995, and April 10, 1998, to develop the insurer's index rate for its individual policies.
- (10) Nothing in this section shall be construed to prevent an insurer from offering incentives to participate in a program of disease prevention or health improvement.

Section 16. KRS 304.17A-0954 is amended to read as follows:

- (1) For purposes of this section:
 - (a) "Base premium rate" has the meaning provided in KRS 304.17A-005;
 - (b) "Employer" means a person engaged in a trade or business who has two (2) or more employees within the state in each of twenty (20) or more calendar weeks in the current or preceding calendar year;
 - (c) "Employer-organized association" means any of the following:
 - 1. Any entity which was qualified by the commissioner as an eligible association prior to April 10, 1998, and which has actively marketed a health insurance program to its members after September 8, 1996, and which is not insurer-controlled;
 - 2. An entity organized under KRS 247.240 to 247.370 that has actively marketed health insurance to its members and which is not insurer-controlled; or
 - 3. Any entity which is a bona fide association as defined in 42 U.S.C. sec. 300gg-91(d)(3), whose members consist principally of employers, and for which the entity's health insurance decisions are made by a board or committee the majority of which are representatives of employer members of the entity who obtain group health insurance coverage through the entity or through a trust or other mechanism established by the entity, and whose health insurance decisions are reflected in written minutes or other written documentation;
 - (d) "Index rate" has the meaning provided in KRS 304.17A-005.
- (2) Notwithstanding any other provision of this chapter, the amount or rate of premiums for an employer-organized association health plan may be determined, subject to the restrictions of subsection (3) of this section, based upon the experience or projected experience of the employer-organized associations whose employers obtain group coverage under the plan. Without the written consent of the employer-organized association filed with the commissioner, the index rate for the employer-organized association shall be calculated solely with respect to that employer-organized association and shall not be tied to, linked to, or otherwise adversely affected by any other index rate used by the issuing insurer.
- (3) The following restrictions shall be applied in calculating the permissible amount or rate of premiums for an employer-organized health insurance plan:
 - (a) The premium rates charged during a rating period to members of the employer-organized association with similar characteristics for the same or similar coverage, or the premium rates that could be charged to a member of the employer-organized association under the rating system for that class of business, shall not vary from its own index rate by more than **fifty percent (50%)**~~twenty-five percent (25%)~~ of its own index rate~~except that the premium rates charged to an employer-organized association shall not vary from the index rate by more than fifty percent (50%) for two (2) consecutive years beginning January 1, 2001~~.
 - (b) The percentage increase in the premium rate charged to an employer member of an employer-organized association for a new rating period shall not exceed the sum of the following:
 - 1. The percentage change in the new business premium rate for the employer-organized association measured from the first day of the prior rating period to the first day of the new rating period;
 - 2. Any adjustment, not to exceed twenty percent (20%) annually and adjusted pro rata for rating period of less than one (1) year, due to the claims experience, mental and physical condition, including medical condition, medical history, and health service utilization, or duration of coverage of the member as determined from the insurer's rate manual; and

3. Any adjustment due to change in coverage or change in the case characteristics of the member as determined by the insurer's rate manual.
- (4) In utilizing case characteristics, the ratio of the highest rate factor to the lowest rate factor within a class of business shall not exceed five to one (5:1). For purpose of this limitation, case characteristics include age, gender, occupation or industry, and geographic area.
- (5) For the purpose of this section, a health insurance contract that utilizes a restricted provider network shall not be considered similar coverage to a health insurance contract that does not utilize a restricted provider network if utilization of the restricted provider network results in measurable differences in claims costs.

Section 17. KRS 18A.225 is amended to read as follows:

- (1)
 - (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and
 - (b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.
- (2)
 - (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.
 - (c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.
 - (d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.
 - (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.
 - (f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.
 - (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.
- (3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.
- (4) The premiums may be paid by the policyholder:
- (a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;
 - (b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or
 - (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state,

municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.

- (5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.
- (6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.
- (7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.
- (8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.
- (9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.
- (10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
- (11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.
- (12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.
- (13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.
- (14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.
- (15) *If a state employee's residence and place of employment are in the same county, and if the hospital located within that county does not offer surgical services, intensive care services, obstetrical services, level II neonatal services, diagnostic cardiac catheterization services and magnetic resonance imaging services, the*

employee may select a plan available in a contiguous county that does provide those services, and the state contribution for the plan shall be the amount available in the county where the plan selected is located.

Section 18. The following KRS sections are repealed:

304.17A-137 Coverage for prescribed cancer drugs not approved by the Federal Food and Drug Administration for cancer treatment -- Review panel for off-label uses.

304.17A-260 Approval to reenter state for insurer that ceased doing business after July 15, 1995, and before April 10, 1998.

Approved April 23, 2002

CHAPTER 352

(HB 846)

AN ACT relating to health insurance for public employees.

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

Section 1. KRS 18A.225 is amended to read as follows:

- (1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and
- (b) The term "[~~state~~]-employee" for purposes of this section *means: [shall include a]*
 1. *Any person, including an elected public official, who is regularly employed by any department, board, agency, or branch of state government; [or] by a public postsecondary educational institution; or by any city [municipal], urban-county, charter county, [or] county, or consolidated local government, whose legislative body has opted to participate in the state-sponsored [state] health insurance program pursuant to KRS 79.080; and who is either a contributing member to any one (1) of the retirement systems administered by the state, including but not limited to the Kentucky Retirement Systems, Kentucky Teachers' Retirement System, the Legislators' Retirement Plan, or the Judicial Retirement Plan; or is receiving a contractual contribution from the state toward a retirement plan; or, in the case of a public postsecondary education institution, is an individual participating in an optional retirement plan authorized by KRS 161.567;*
 2. *Any certified or classified employee of a local board of education;*
 3. *Any [It shall also include a] person who [must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who] is a present or future recipient of a retirement allowance from [any of] the Kentucky Retirement Systems, Kentucky Teachers' Retirement System, the Legislators' Retirement Plan, or the Judicial Retirement Plan, except that a person who is receiving a retirement allowance and who is age sixty-five (65) or older shall not be included, with the exception of persons covered under KRS 61.702(4)(c), unless he or she is actively employed pursuant to subparagraph 1. of this paragraph; and*
 4. *Any eligible dependents and beneficiaries of participating employees and retirees who are entitled to participate in the state-sponsored health insurance program [who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of*

~~Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included].~~

- (2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage, ***that may include but not be limited to***~~including, but not limited to~~ to ~~indemnity~~ health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of ~~state~~ employees. ***With the exception of employers governed by the provisions of KRS Chapters 16, 18A, and 151B, all employers of any class of employees or former employees shall enter into a contract with the Personnel Cabinet prior to including that group in the state health insurance group. The contracts shall include but not be limited to designating the entity responsible for filing any federal forms, adoption of policies required for proper plan administration, acceptance of the contractual provisions with health insurance carriers or third-party administrators, and adoption of the payment and reimbursement methods necessary for efficient administration of the health insurance program.*** Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All ~~state~~ employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the ***Commonwealth***~~state~~ or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment.~~For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty five percent (65%) of its contracts within the geographic region with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.]~~
- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.
- (c) Any carrier bidding to offer health care coverage to ***employees***~~members of the state group~~ shall agree to provide coverage to all members of the state group, including ~~both~~ active employees and retirees ***and their eligible covered dependents and beneficiaries*** within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to ***employees***~~members of the state group~~ shall also agree to rate all ***employees***~~such members of the state group~~ as a single entity, except for those retirees whose former employers insure their active employees outside the ***state-sponsored***~~state~~ health insurance program.
- (d) Any carrier bidding to offer health care coverage to ***employees***~~any member of the state group~~ shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance ~~with~~~~of~~ data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual ***employee***~~member~~; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.
- (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall

develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall *include in the October annual report submitted pursuant to the provisions of KRS 18A.226 to the Governor, the General Assembly, and the Chief Justice of the Supreme Court, an analysis of* ~~provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on~~ the financial stability of the program, *which* ~~The report~~ shall include ~~but not be limited to~~ loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, ~~paid dependent coverage,~~ and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.

- (f) If any agency participating in the *state-sponsored* ~~state~~ employee health insurance program for its active *employees* ~~members~~ terminates participation ~~in the state employee health insurance program for its active members~~ and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, *then* neither the agency nor the employees shall receive the state-funded contribution after termination from the *state-sponsored* ~~state~~ employee health insurance program.
 - (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the *state-sponsored* ~~state~~ health insurance plan's appropriation account.
 - (h) *Each entity participating in the state-sponsored health insurance program shall provide an amount at least equal to the state contribution rate for the employer portion of the health insurance premium. For any participating entity that used the state payroll system, the employer contribution amount shall be equal to, but not greater than, the state contribution rate.*
- (3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of ~~state~~ employees. All ~~state~~ employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for ~~state~~ employees, except that the procuring of each is permissive.
- (4) The premiums may be paid by the policyholder:
- (a) Wholly from funds contributed by the ~~insured~~ employee, by payroll deduction or otherwise;
 - (b) Wholly from funds contributed by any department, board, agency, *public postsecondary education institution*, or branch of state, *city* ~~municipal~~, urban-county, charter county, ~~or~~ county, *or consolidated local* government; or
 - (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, *postsecondary education institution*, or branch of state, *city* ~~municipal~~, urban-county, charter county, ~~or~~ county, *or consolidated local* government for any other health care coverage shall be paid by the employee.
- (5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the *Commonwealth* ~~state~~ not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.
- (6) No payment of premium by any department, board, agency, *public postsecondary educational institution*, or branch of state, *city* ~~municipal~~, urban-county, charter county, ~~or~~ county, *or consolidated local* government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the

compensation of such an employee. Any premium or other expense incurred by any department, board, agency, **public postsecondary educational institution**, or branch of state, ~~city~~~~[municipal]~~, urban-county, charter county,~~or~~ county, **or consolidated local** government shall be considered a proper cost of administration.

- (7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement~~, and other provisions the commissioner of insurance may approve~~.
- ~~(8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.~~
- ~~(9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.~~
- ~~(10)~~ Group rates under this section shall be made available to the disabled child of ~~an~~~~[a state]~~ employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
- ~~(9)~~~~(11)~~ The health care contract or contracts for ~~state~~ employees shall be entered into for a period of not less than one (1) year.
- ~~(10)~~~~(12)~~ The secretary shall appoint **thirty-two (32)**~~twenty-eight (28)~~ persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the **state-sponsored**~~state~~ health insurance program for ~~state~~ employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, **two (2) members from a list of five (5) names submitted by the Kentucky Association of Counties, two (2) members from a list of five (5) names submitted by the Kentucky League of Cities**, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.
- ~~(11)~~~~(13)~~ Notwithstanding any other provision of law to the contrary, the policy or policies provided to ~~state~~ employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of ~~state~~ employees or their dependents.
- ~~(12)~~~~(14)~~ Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the **Department of Insurance**~~Personnel Cabinet~~, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.
- (13) **Any employee who is eligible for and elects to participate in the state health insurance program as a retiree, or the spouse or beneficiary of a retiree, under any one (1) of the state-sponsored retirement systems shall not be eligible to receive the state health insurance contribution toward health care coverage as a result of any other employment for which there is a public employer contribution. This does not preclude a retiree and an active employee spouse from using both contributions to the extent needed for purchase of one (1) state sponsored health insurance policy for that plan year.**

Section 2. KRS 18A.227 is amended to read as follows:

- (1) For purposes of this section, the following definitions shall apply:
 - (a) "Cafeteria plan" shall mean a flexible benefits plan which meets the requirements of Section 125 of the Federal Internal Revenue Code;

- (b) "Employee" shall mean a person, including an elected public official, who is regularly employed by any department, board, agency, or branch of state~~-, municipal, urban county, charter county, or county~~ government, and who is a contributing member to any one (1) of the retirement systems administered by the state;
 - (c) "Cabinet" shall mean the Personnel Cabinet;
 - (d) "Change in family status" shall have the same meaning as used in Section 125 of the Internal Revenue Code and regulations promulgated thereunder; and
 - (e) "Salary reduction contribution" means all employer contributions that are excludable from gross income under the Internal Revenue Code.
- (2) As part of the employee benefits provided to state employees under this chapter, the cabinet may develop and make available to eligible employees a flexible benefits plan which meets the requirements for treatment as a cafeteria plan under Section 125 of the Internal Revenue Code. The plan shall be in writing and shall be available on an equal basis to all eligible employees within each county.
- (3) Options available under the plan may include, but are not limited to:
- (a) Health insurance coverage;
 - (b) Managed health care coverage;
 - (c) Catastrophic illness coverage;
 - (d) Dental insurance;
 - (e) Term life insurance-accidental, death, or dismemberment;
 - (f) Vision insurance;
 - (g) Long term disability insurance;
 - (h) Long term medical care; and
 - (i) Any other benefits which may be offered under the provisions of the Internal Revenue Code and which the cabinet determines to be in the best interests of state employees.
- ~~(4) Any employee who is eligible for and elects to participate in the state health insurance program as a retiree, or the spouse of a retiree, under any one (1) of the Kentucky Retirement Systems shall not be eligible to receive the state health insurance contribution toward health care coverage as a result of employment under KRS Chapter 16, KRS Chapter 18A, or KRS Chapter 151B.~~
- ~~(5)~~ Any employee who desires to participate in options offered under the plan, may direct that any options elected shall be funded through payroll deduction. ~~The election shall be made in writing; and~~ Once an option is chosen, it shall not be changed until the end of the period for which election is made unless the employee experiences a change in family status, other change of status, or special enrollment rights under the Federal Health Insurance Portability and Accountability Act of 1996 which necessitates a revision of his benefit election.
- ~~(5)~~~~(6)~~ Any employee contributions required toward the purchase of the selected options shall be made by a salary reduction contribution, to the extent the benefits would be considered to be tax-free under Chapter 1 of the Internal Revenue Code, and by after-tax salary deduction where the elected option is not tax-free.

Section 3. (1) The Legislative Research Commission is directed to have a study conducted by the Interim Joint Committee on State Government, with assistance from the LRC Chief Economist, to determine the cost, if any, to members of the state health insurance group as a result of agencies participating in state-administered retirement systems while insuring their active employees outside the state health insurance group. The Interim Joint Committee on State Government shall work with representatives of the Office of Public Employee Health Insurance, the Kentucky Education Association, KACO, the League of Cities, Area Development Districts, Kentucky Community Action Agencies, regional universities and other affected governmental entities as a part of the study authorized by this subsection and subsection (2) of this section. Where the Co-chairs of the Interim Joint Committee on State Government deem appropriate, notice of meetings and written materials shall be provided to the entities affected by the studies authorized by this section. The Legislative Research Commission shall hire an actuary that has no

contractual relations with any state-administered retirement system, the Office of Public Employee Health Insurance, the Kentucky Education Association, KACO, the League of Cities, Area Development Districts, Kentucky Community Action Agencies, any regional university, or any governmental entity affected by this study to assist with the study. The committee shall develop and transmit a report of its findings to the Legislative Research Commission on or before October 1, 2002. If it is determined that there is such a cost, the report shall project the cost for at least five years into the future and recommend the administrative procedures through which this cost can be paid by these agencies.

(2) The Legislative Research Commission is also directed to have a study conducted by the Interim Joint Committee on State Government which shall focus on the entire state-sponsored health insurance program and shall report its findings to the Legislative Research Commission on or before October 1, 2003.

(3) Provisions of this section to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Section 4. KRS 18A.225 is amended to read as follows:

- (1) (a) The term "health maintenance organization" for the purposes of this section means a health maintenance organization as defined in KRS 304.38-030 or as a nonprofit hospital, medical-surgical, dental, and health service corporation, which has been licensed by the Kentucky Health Facilities and Health Services Certificate of Need and Licensure Board or its successor agency and issued a certificate of authority by the Department of Insurance as a health maintenance organization or as a nonprofit hospital, medical-surgical, dental, and health service corporation and which is qualified under the requirements of the United States Department of Health, Education and Welfare except as provided in subsection (2) of this section; and
- (b) The term "state employee" for purposes of this section shall include a person, including an elected public official, who is regularly employed by any department, board, agency, branch of state government, or any municipal, urban-county, charter county, or county government, whose legislative body has opted to participate in the state health insurance program pursuant to KRS 79.080 and who is a contributing member to any one (1) of the retirement systems administered by the state. It shall also include a person who must fulfill the requirements established by the Kentucky Board of Education for eligibility and a person who is a present or future recipient of a retirement allowance from any of the Kentucky Retirement Systems who either satisfies the requirements of KRS 61.559 or who is board authorized under KRS 61.702(1), including a beneficiary of a retired employee as defined in KRS 61.542 who is receiving a retirement allowance from any of the Kentucky Retirement Systems and includes members of the Legislators' Retirement Plan as provided in KRS 18A.2287. It shall also include a person who is a present or future recipient of a retirement allowance from the Teachers' Retirement System of Kentucky who either satisfies the requirements of KRS 161.525, 161.620, and 161.675 or who is board certified, including a beneficiary of a retired member who is receiving a retirement allowance from the Teachers' Retirement System of Kentucky, except that a member who is receiving a retirement allowance from the Teachers' Retirement System and who is age sixty-five (65) or older shall not be included.
- (2) (a) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, shall procure, in compliance with the provisions of KRS 45A.080, 45A.085, and 45A.090, from one (1) or more health insurance companies or from one (1) or more health maintenance organizations authorized to do business in this state, a policy or policies of group health care coverage including, but not limited to, indemnity, health maintenance organization (HMO), preferred provider organization (PPO), point of service (POS), and exclusive provider organization (EPO) benefit plans encompassing all or any class or classes of state employees. Health insurance coverage provided to state employees under this section shall, at a minimum, contain the same benefits as provided under Kentucky Kare Standard as of January 1, 1994. All state employees and other persons for whom the health care coverage is provided or made available shall annually be given an option to elect health care coverage through a self-funded plan offered by the state or, if a self-funded plan is not available, from a list of coverage options determined by the competitive bid process under the provisions of KRS 45A.080, 45A.085, and 45A.090 and made available during annual open enrollment. For calendar year 2001 only, an emergency shall exist when any county in which only one (1) health insurance company offers a single plan to state employees and, subsequent to the open enrollment period, the health insurance company fails to maintain at least sixty-five percent (65%) of its contracts within the geographic region

with specialty physicians who were participating in the network at the time of open enrollment. The Finance and Administration Cabinet shall immediately notify the Governor, the Legislative Research Commission, and the secretary of the Personnel Cabinet and shall be authorized to immediately negotiate and contract with additional health insurance companies for additional plans to serve any county without meeting the requirements of the Model Procurement Code under KRS Chapter 45.

- (b) The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws.
 - (c) Any carrier bidding to offer health care coverage to members of the state group shall agree to provide coverage to all members of the state group, including both active employees and retirees within the county or counties specified in its bid. Furthermore, any carrier bidding to offer health care coverage to members of the state group shall also agree to rate all such members of the state group as a single entity, except for those retirees whose former employers insure their active employees outside the state health insurance program.
 - (d) Any carrier bidding to offer health care coverage to any member of the state group shall agree to provide enrollment, claims, and utilization data to the Commonwealth in a format specified by the Personnel Cabinet with the understanding that the data shall be owned by the Commonwealth; to provide data in an electronic form and within a time frame specified by the Personnel Cabinet; and to be subject to penalties for noncompliance of data reporting requirements as specified by the Personnel Cabinet. The Personnel Cabinet shall take strict precautions to protect the confidentiality of each individual member; however, confidentiality assertions shall not relieve a carrier from the requirement of providing stipulated data to the Commonwealth.
 - (e) The Personnel Cabinet shall develop the necessary techniques and capabilities for timely analysis of data received from carriers and, to the extent possible, provide in the request-for-proposal specifics relating to data requirements, electronic reporting, and penalties for noncompliance. The Commonwealth shall own the enrollment, claims, and utilization data provided by each carrier and shall develop methods to protect the confidentiality of the individual. The Personnel Cabinet shall provide to the General Assembly in June of each year an analysis of enrollment, claims, utilization data of all carriers for the prior plan year ending December 31, and on the financial stability of the program. The report shall include, but not be limited to, loss ratios, methods of risk adjustment, measurements of carrier quality of service, prescription coverage and cost management, paid dependent coverage, and statutorily required mandates. If state self-insurance was available as a carrier option, the report also shall provide a detailed financial analysis of the self-insurance fund including, but not limited to, loss ratios, reserves, and reinsurance agreements.
 - (f) If any agency participating in the state employee health insurance program for its active members terminates participation in the state employee health insurance program for its active members and there is a state appropriation for the employer's contribution for active employees' health insurance coverage, neither the agency nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.
 - (g) Any funds in flexible spending accounts that remain after all reimbursements have been processed shall be transferred to the credit of the state health insurance plan's appropriation account.
- (3) The secretary of the Finance and Administration Cabinet, upon the recommendation of the secretary of the Personnel Cabinet, may procure from one (1) or more dental insurance companies, one (1) or more nonprofit hospital, medical-surgical, dental, and health service corporations organized under Subtitle 32 of KRS Chapter 304, or one (1) or more prepaid dental plan organizations organized under Subtitle 43 of KRS Chapter 304, a policy or policies of group dental insurance or prepaid dental plan coverage encompassing all or any class or classes of state employees. All state employees for whom the dental insurance or prepaid dental plan coverage is provided shall annually be given an option to elect either standard dental insurance coverage or coverage by a prepaid dental plan. The policy or policies shall be approved by the commissioner of insurance and may contain the provisions he approves, whether or not otherwise permitted by the insurance laws. It is intended that either dental insurance or prepaid dental plan coverage may be made available for state employees, except that the procuring of each is permissive.
- (4) The premiums may be paid by the policyholder:

- (a) Wholly from funds contributed by the insured employee, by payroll deduction or otherwise;
 - (b) Wholly from funds contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government; or
 - (c) Partly from each, except that any premium due for health care coverage or dental coverage, if any, in excess of the premium amount contributed by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government for any other health care coverage shall be paid by the employee.
- (5) If an employee moves his place of residence or employment out of the service area of a managed health care plan or of a prepaid dental plan, under which he has elected coverage, into either the service area of another managed health care plan or prepaid dental plan or into an area of the state not within a managed health care plan service area or prepaid dental plan service area, the employee shall be given an option, at the time of the move or transfer, to change his or her coverage to another health care plan or dental plan.
 - (6) No payment of premium by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall constitute compensation to an insured employee for the purposes of any statute fixing or limiting the compensation of such an employee. Any premium or other expense incurred by any department, board, agency, or branch of state, municipal, urban-county, charter county, or county government shall be considered a proper cost of administration.
 - (7) The policy or policies may contain the provisions with respect to the class or classes of employees covered, amounts of insurance or coverage for designated classes or groups of employees, policy options, terms of eligibility, continuation of insurance or coverage after retirement, and other provisions the commissioner of insurance may approve.
 - (8) The policy or policies shall contain the provision that employees or retired employees shall be allowed to change health care plans during the reopening period without any limitation for pre-existing conditions if the employee has met the pre-existing condition limitation upon initial employment or reemployment with the group.
 - (9) The secretary of the Finance and Administration Cabinet is authorized to perform all acts necessary or advisable for the purpose of contracting for and maintaining health care coverage and dental coverage under the provisions of this section.
 - (10) Group rates under this section shall be made available to the disabled child of a state employee regardless of the child's age if the entire premium for the disabled child's coverage is paid by the state employee. A child shall be considered disabled if he has been determined to be eligible for federal Social Security disability benefits.
 - (11) The health care contract or contracts for state employees shall be entered into for a period of not less than one (1) year.
 - (12) The secretary shall appoint twenty-eight (28) persons to an Advisory Committee of State Health Insurance Subscribers to advise the secretary or his designee regarding the state health insurance program for state employees. The secretary shall appoint, from a list of names submitted by appointing authorities, members representing school districts from each of the seven (7) Supreme Court districts, members representing state government from each of the seven (7) Supreme Court districts, two (2) members representing retirees under age sixty-five (65), one (1) member representing local health departments, two (2) members representing the Kentucky Teachers' Retirement System, and three (3) members at large. The secretary shall also appoint two (2) members from a list of five (5) names submitted by the Kentucky Education Association, two (2) members from a list of five (5) names submitted by the largest state employee organization of nonschool state employees, and two (2) members from a list of names consisting of five (5) names submitted by each state employee organization that has two thousand (2,000) or more members on state payroll deduction. The advisory committee shall be appointed in January of each year and shall meet quarterly.
 - (13) Notwithstanding any other provision of law to the contrary, the policy or policies provided to state employees pursuant to this section shall not provide coverage for obtaining or performing an abortion, nor shall any state funds be used for the purpose of obtaining or performing an abortion on behalf of state employees or their dependents.

- (14) Interruption of an established treatment regime with maintenance drugs shall be grounds for an insured to appeal a formulary change through the established appeal procedures approved by the Personnel Cabinet, if the physician supervising the treatment certifies that the change is not in the best interests of the patient.
- (15) *If a state employee's residence and place of employment are in the same county, and if the hospital located within that county does not offer surgical services, intensive care services, obstetrical services, level II neonatal services, diagnostic cardiac catheterization services and magnetic resonance imaging services, the employee may select a plan available in a contiguous county that does provide those services, and the state contribution for the plan shall be the amount available in the county where the plan selected is located.*

Approved April 23, 2002

CHAPTER 353

(HB 631)

AN ACT relating to reorganization.

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

Section 1. KRS 351.1041 is amended to read as follows:

- (1) The Mine Safety Review Commission is created as an independent governmental entity attached to the Public Protection and Regulation Cabinet for administrative purposes. The commission shall:
- (a) Conduct hearings and issue orders regarding a licensee, coal operation, or other person involved in the mining of coal in accordance with KRS 351.194;
 - (b) Jointly with the department establish a process for the department's referral of allegations of mine safety violations to the commission for adjudication;
 - (c) Make any recommendations to the department that it believes appropriate upon its review, consideration, and analysis of:
 1. All reports of coal mining fatalities provided by the commissioner under KRS 351.070(14);
 2. Any case in which a miner or a mine owner or operator, in the professional opinion of the department has a history of significant and substantial safety violations even though there has been no serious injury or death resulting from the violations;
 3. Any case in which a miner or a mine owner or operator has been convicted of a criminal charge for a violation of a federal mine safety standard or standards; and
 4. Any case in which the Federal Mine Safety and Health Administration has made a recommendation relating to certification of an individual certified under this chapter.
- (2) The Mine Safety Review Commission shall consist of three (3) members appointed by the Governor subject to the consent of the Senate and the House of Representatives in accordance with KRS 11.160. Of the members of the Mine Safety Review Commission first appointed under this section, one (1) shall be appointed for a term of one (1) year; one (1) shall be appointed for a term of two (2) years; and one (1) shall be appointed for a term of three (3) years. After the initial appointments, members of the board shall be appointed for terms of four (4) years. A member may be reappointed at the expiration of his or her previous term. Members shall continue to serve until a successor is appointed and qualified.
- (3) The members of the Mine Safety Review Commission shall have the qualifications required of Judges of the Court of Appeals, except for residence in a district, and shall be subject to the same standards of conduct made applicable to a part-time judge by the Rules of the Kentucky Supreme Court. The members shall receive the per diem equivalent of the salary of a Judge of the Court of Appeals for each day spent in conducting the business of the commission.
- (4) The Governor shall designate a member of the Mine Safety Review Commission to serve as chair and shall fill any vacancy in the office of chair.
- (5) The Governor may remove any member for good cause including violation of the Code of Judicial Conduct and repeated failure to perform satisfactorily the specific duties assigned in this chapter or KRS Chapter 352.

The Governor may remove the member only after furnishing him or her with a written copy of the charges against that member and holding a public hearing if requested by the member.

- (6) The commission shall meet on the call of the chair or a majority of the members of the commission.
- (7) The Public Protection and Regulation Cabinet shall provide administrative services to the Mine Safety Review Commission. If the commission deems it necessary to employ hearing officers to assist it, the Public Protection and Regulation Cabinet shall employ hearing officers to assist the commission in accordance with KRS Chapter 13B, notwithstanding the provisions of KRS 13B.030(2)(b).
- (8) The commission may conduct hearings, compel the attendance of witnesses, administer oaths, and conduct oversight activities as may be required to ensure the full implementation of its duties.
- (9) The department shall provide the Mine Safety Review Commission with all information requested by the commission for the fulfillment of its responsibilities under this chapter and KRS Chapter 352.
- (10) ***The secretary of the Public Protection and Regulation Cabinet shall effectuate the hiring of any staff deemed necessary and affordable for the efficient operations of the Mine Safety Review Commission. This may include an executive director, general counsel, or other administrative support positions, to be appointed in accordance with KRS 12.010 and 12.050.***

Section 2. The General Assembly hereby confirms Executive Order 2001-860, dated July 3, 2001, which establishes the Mine Safety Review Commission as an independent entity within the Office of the Secretary of the Public Protection and Regulation Cabinet, to the extent that it is not otherwise confirmed or superceded by this Act.

Approved April 23, 2002

CHAPTER 354

(HB 707)

AN ACT authorizing the payment of certain claims against the state which have been duly audited and approved according to law, and have not been paid because of lapsing or insufficiency of former appropriations against which claims were chargeable, making an appropriation therefor, and declaring an emergency.

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

Section 1. (1) There is appropriated out of the general fund in the State Treasury for the purpose of compensating persons and companies named below for claims which have been duly audited and approved according to law, but have not been paid because of lapsing or insufficiency of former appropriations against which the claims were chargeable, the amounts listed below:

- | | | |
|----|--|------------|
| 1. | Community and Employment Opportunities
P.O. Box 806
Cynthiana, Kentucky 41031 | \$4,481.35 |
| 2. | The Albertson Network
P.O. Box 960645
Cincinnati, Ohio 45296-0645 | \$1,278.11 |
| 3. | Deters, Benzinger and LaVelle, P.S.C.
2701 Turkeyfoot Road
Covington, Kentucky 41017 | \$6,187.51 |
| 4. | Horticultural Printers
P.O. Box 890229
Dallas, Texas 75389-0229 | \$882.63 |
| 5. | Ad Color, Inc.
620 Adcolor Drive | \$330.71 |

	Lexington, Kentucky 40511	
6.	Welch Printing Company	\$71.01
	350 Boxley Avenue	
	Louisville, Kentucky 40209-1849	
7.	Georgetown Printing, Inc.	\$1,027.00
	163 East Main Street	
	Georgetown, Kentucky 40324	
8.	Lawrenceburg Printing, Inc.	\$176.00
	248 Court Street	
	Lawrenceburg, Kentucky 40342	
9.	Stoll, Keenon, and Park, L.L.P.	\$407.50
	201 East Main Street, Suite 1000	
	Lexington, Kentucky 40507-1380	
10.	Lawrenceburg Printing, Inc.	\$190.00
	248 Court Street	
	Lawrenceburg, Kentucky 40342	
11.	Griffin and Strong, P.C.	\$4,111.80
	c/o Action Capital	
	P.O. Box 56346	
	Atlanta, Georgia 30343	
12.	Jefferson Community College	\$6,000.00
	109 East Broadway	
	Louisville, Kentucky 40202	
13.	The Daily News	\$178.90
	P.O. Box 90012	
	Bowling Green, Kentucky 42102-9012	
14.	University Anesthesia Associates, P.S.C.	\$241.50
	P.O. Box 70122	
	Louisville, Kentucky 40270-0122	
15.	Jack H. Waff	\$3,600.00
	1908 Lincoln Park Road	
	Springfield, Kentucky 40069	
16.	Sturgill, Turner, Barker and Moloney, P.L.L.C.	\$300.80
	155 East Main Street	
	Lexington, Kentucky 40507	
17.	Reynolds and Reynolds	\$4,829.44
	c/o Lloyd and McDaniel, P.L.C.	
	P.O. Box 23200	

	Louisville, Kentucky 40223	
18.	Lynn Blue Print and Supply Company, Inc. 328 Old Vine Street Lexington, Kentucky 40507	\$1,600.00
19.	Balfour P.O. Box 149207 Austin, Texas 78714-9207	\$2,386.50
20.	John E. Lange III Lange, Quill and Powers, P.S.C. 4 West Fourth Street, Suite 400 Newport, Kentucky 41071-1084	\$1,313.25
21.	Deters, Benzinger and LaVelle, P.S.C. 2701 Turkeyfoot Road Covington, Kentucky 41017	\$2,663.03
22.	Jefferson County Treasurer Jefferson County Human Services 810 Barret Avenue, Room 204 Louisville, Kentucky 40204	\$86,826.00
23.	Franklin County Fiscal Court 315 West Main Street Frankfort, Kentucky 40601	\$1,740.00
24.	Ohio County Board of Education P.O. Box 70 Hartford, Kentucky 42347	\$25,000.03
25.	Boyle County Board of Education 352 North Danville Bypass Danville, Kentucky 40423	\$16,666.66
26.	Bullitt County Board of Education 1040 Highway 44 East Shepherdsville, Kentucky 40165	\$14,608.83
27.	B and H Septic Tank Service, Inc. 5235 Cane Run Road Louisville, Kentucky 40216	\$6,747.25
28.	Konica Business Technologies, Inc. 500 Day Hill Road Windsor, Connecticut 06095	\$22,958.60
29.	Investors Heritage Printing, Inc. P.O. Box 717	\$744.50

	Frankfort, Kentucky 40602-0717	
30.	Gannett Direct Marketing	\$2,215.23
	P.O. Box 34470	
	Louisville, Kentucky 40232-4470	
31.	Gateway Press, Inc.	\$1,994.62
	P.O. Box 32548	
	Louisville, Kentucky 40232-2548	
32.	Custom Data Processing, Inc.	\$89,555.00
	Attn. Jack H. Marston, President	
	1 West Harris Avenue	
	La Grange, Illinois 60525	
33.	Southland Printing Company, Inc.	\$6,773.40
	1079 Majaun Road	
	Lexington, Kentucky 40511	
34.	T. Gerald O'Daniel, M.D.	\$5,600.00
	Aesthetic Plastic Surgery Institute	
	444 South First Street, #200	
	Louisville, Kentucky 40202	
35.	Calhoun's Garage, Inc.	\$49.35
	2024 South Lake Drive	
	Prestonsburg, Kentucky 41653	
36.	Cingular Wireless	\$47.50
	P.O. Box 70814	
	Charlotte, North Carolina 28272-0814	
37.	BellSouth	\$44.41
	P.O. Box 33009	
	Charlotte, North Carolina 28243-0001	
38.	Cingular Wireless	\$3,347.69
	P.O. Box 70812	
	Charlotte, North Carolina 28272-0812	
39.	BP Oil	\$518.24
	P.O. Box 9076	
	Des Moines, Iowa 50368-9076	
40.	Norton Suburban Hospital	\$3,117.23
	Department 94690	
	Louisville, Kentucky 40294-4690	
41.	Western Kentucky Education Cooperative	\$2,128.00
	Adult Education Consortium	

	338 Special Education Building Murray, Kentucky 42071	
42.	AJ and L Taxi 439 West First Street Morehead, Kentucky 40351	\$750.00
43.	ASCR, Inc. 2700 Highway 280 East, Suite 270E Birmingham, Alabama 35223	\$47,000.00
44.	Ashland Active Day 2700 Highway 280 East, Suite 270E Birmingham, Alabama 35223	\$11,456.28
45.	Ashland Child Development P.O. Box 2246 Ashland, Kentucky 41105	\$139.01
46.	Bath Medical Transport P.O. Box 602 Morehead, Kentucky 40351	\$5,400.00
47.	Caskey Cab 508 West Main Street Morehead, Kentucky 40351	\$69.88
48.	Central Kentucky Community Action Agency P.O. Box 830 Lebanon, Kentucky 40033	\$39,153.00
49.	Community Action of Southern Kentucky P.O. Box 90014 Bowling Green, Kentucky 42102	\$6,386.20
50.	Community Cab P.O. Box 680 Morehead, Kentucky 40351	\$2,135.45
51.	Elliott County Ambulance P.O. Box 361 Sandy Hook, Kentucky 41171	\$1,306.52
52.	Green County Ambulance 205 East Hodgenville Avenue Greensburg, Kentucky 42743	\$2,507.80
53.	Greenville Med-Van, Inc. 1740 Kennedy-Brashear Road Greenville, Kentucky 42345	\$4,542.75

54.	H and H Taxi	\$14,324.00
	201 West Fortune Street	
	Columbia, Kentucky 42728	
55.	Healthcare Transport	\$84,613.12
	131 Nahm Street	
	Paducah, Kentucky 42001	
56.	Jordan's Taxi	\$6,053.05
	1701 North Main Street	
	Munfordville, Kentucky 42765	
57.	Life First	\$13,117.40
	P.O. Box 635	
	Lebanon, Kentucky 40033	
58.	Magoffin Specialty Carrier	\$6,500.00
	P.O. Box 482	
	Sandy Hook, Kentucky 41172	
59.	Medi Cab	\$11,000.00
	P.O. Box 541	
	West Liberty, Kentucky 41472	
60.	Morehead Rowan County EMS	\$1,589.00
	P.O. Box 842	
	Morehead, Kentucky 40351	
61.	Motor Carrier Solutions	\$2,271.72
	P.O. Box 550	
	Grayson, Kentucky 41143	
62.	Nelson County Mobile Med	\$3,047.90
	P.O. Box 863	
	Bardstown, Kentucky 40004	
63.	Phil Gregory Taxi	\$5,257.04
	1203 Herndon Road	
	Russellville, Kentucky 42276	
64.	Quicksilver Taxi	\$7,000.00
	Route 7, Box 20730	
	Louisa, Kentucky 41230	
65.	Rick Lewis Taxi	\$8,664.50
	100 Caddy Road	
	Rotonda West, Florida 33947	
66.	Warren Harding Van Service	\$1,610.30
	980 Fort Avenue	

	Vine Grove, Kentucky 40175		
67.	Yellow Cab of Ashland		\$11,909.10
	1945 Greenup Avenue		
	Ashland, Kentucky 41101		
68.	Patricia Adkins		\$48.00
	5469 Highway 7		
	West Liberty, Kentucky 41472		
69.	Cheryl Murdock		\$69.00
	14963 Leitchfield Road		
	Eastview, Kentucky 42732		
70.	Lillian Nickell		\$153.60
	4981 Highway 772		
	West Liberty, Kentucky 41472		
71.	Johnda Weaver		\$243.00
	Route 2, Box 175B		
	Wallingford, Kentucky 41093		
72.	Jim Bradley		\$5,000.00
	University of Louisville Research Foundation, Inc.		
	Office of the Controller - Belknap Campus		
	Louisville, Kentucky 40292		
(2)	The claims listed below are for the payment of State Treasury checks payable to the persons or personal representatives, and the firms listed, but not presented for payment within a period of five (5) years from the date of issuance of the checks as required by KRS 41.370 and 413.120.		
		Payee	Treasury Fee Total Check
1.	Check #T3,336,523		
	dated January 8, 1986	\$506.00	\$25.00 \$481.00
	Check #T7,685,488		
	dated August 9, 1990	\$645.00	\$25.00 \$620.00
	The Estate of L.C. McCloud		
	c/o Paul R. Paletti, Jr.		
	455 South Fourth Avenue, Suite 1551		
	Louisville, Kentucky 40202 (totals)	\$1,151.00	\$50.00 \$1,101.00
2.	Check #T5,429,923		
	dated April 14, 1988	\$196.08	\$25.00 \$171.08
	Phyllis A. Bechtold		
	1937 Mount Vernon Drive		
	Covington, Kentucky 41011-3678		
3.	Check #G6,374,881		
	dated February 11, 1991	\$91.42	\$25.00 \$66.42

Spencer County Health Department

c/o Susan Hathorn

Kentucky Revenue Cabinet

Frankfort, Kentucky 40620

4. Check #E0,510,458
dated December 19, 1991 \$67.00 \$25.00 \$42.00
Kathleen Adams
3504 Lindenwood Drive
Erlanger, Kentucky 41018
5. Check #T9585921
dated July 2, 1992 \$164.76 \$25.00 \$139.76
Catherine Sagraves and Estate of Charles F. Canupp
1012 Arlington Drive
Paris, Kentucky 40361
6. Check #P0707384
dated March 8, 1993 \$484.11 \$25.00 \$459.11
Marilyn S. Hogan
c/o Pat Wilson
500 Mero Street, Room 932
Frankfort, Kentucky 40601
7. Check #L0381393
dated December 17, 1993 \$211.38 \$25.00 \$186.38
Judy K. Alvey
8208 Third Street Road
Louisville, Kentucky 40214
8. Check #P1337808
dated December 20, 1993 \$1,009.88 \$25.00 \$984.88
Allen B. Houchin
2721 Smallhouse Road
Bowling Green, Kentucky 42104
9. Check #P1351603
dated December 20, 1993 \$1,055.17 \$25.00 \$1,030.17
Kenneth Travis
754 Old Dover Road
Cadiz, Kentucky 42211
10. Check #P1781209
dated July 8, 1994 \$347.08 \$25.00 \$322.08
Patricia N. McDowell

- 71 Dowell Street
Campbellsville, Kentucky 42718
11. Check #G0777732
dated August 15, 1994 \$105.73 \$25.00 \$80.73
Owensboro Marina
4068 East Fourth Street
Owensboro, Kentucky 42303
12. Check #G0805969
dated August 25, 1994 \$194.94 \$25.00 \$169.94
Sara Bell
109 South Creek Street
Frankfort, Kentucky 40601
13. Check #T2120779
dated April 25, 1995 \$257.00 \$25.00 \$232.00
Paul R. Patton
1651 Old Highway 158, Apartment 106
Belleville, Illinois 62221
14. Check #T2429417
dated June 5, 1995 \$68.00 \$25.00 \$43.00
Freddie L. and Bessie Donald
668 Madelon Court
Louisville, Kentucky 40211-2939
15. Check #BT0025924
dated September 29, 1995 \$1,096.74 \$25.00 \$1,071.74
Catenary Coal Holdings
c/o Alice Gaviola
CityPlace One, Suite 300
St. Louis, Missouri 63141
16. Check #BT0026620
dated October 27, 1995 \$1,877.93 \$25.00 \$1,852.93
Estate of William Bruce Isaacs
c/o C. William Swinford
271 West Short Street, Suite 505
Lexington, Kentucky 40507-1369
17. Check # G2063387
dated February 13, 1996 \$103.00 \$25.00 \$78.00
Estate of Shirley L. Craig
c/o Larry D. Craig II

150 Frederica Street
Hartford, Kentucky 42347

- | | | | | |
|-----|----------------------------|----------|---------|----------|
| 18. | Check #E1114483 | \$300.00 | \$25.00 | \$275.00 |
| | dated April 10, 1996 | | | |
| | Lawrence W. Miller | | | |
| | 2439 Williams Avenue | | | |
| | Cincinnati, Ohio 45212 | | | |
| 19. | Check #T3313234 | | | |
| | dated April 25, 1996 | | | |
| | | \$157.00 | \$25.00 | \$132.00 |
| | Jeremy J. Thome | | | |
| | 3411 East Indian Trail | | | |
| | Louisville, Kentucky 40213 | | | |

Section 2. The Finance and Administration Cabinet and the State Treasurer are authorized to pay the following listed claims from the following funds:

(1) The Kentucky Retirement Systems is authorized to make payment from their retirement fund for state treasury checks payable to the person or their personal representatives but not presented for payment within a period of five (5) years from the date of issuance of the checks the following sums:

- | | | | | |
|----|---------------------------------|----------|---------|----------|
| 1. | Check #C0424262 | | | |
| | dated October 7, 1994 | | | |
| | | \$155.34 | \$25.00 | \$130.34 |
| | B.J. Shumate | | | |
| | 2418 Lower Hunters Trace | | | |
| | Louisville, Kentucky 40216-1356 | | | |

Section 3. Whereas the persons and companies named above have furnished in good faith the services, supplies, and materials enumerated, and the Commonwealth has received the same, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 23, 2002

CHAPTER 355

(HB 792)

AN ACT relating to mining.

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

Section 1. KRS 351.010 is amended to read as follows:

- (1) As used in this chapter, unless the context requires otherwise:
- (a) "Approved" means that a device, apparatus, equipment, *or* machinery, or practice employed in the mining of coal has been approved by the commissioner of the Department of Mines and Minerals;
 - (b) "Assistant mine foreman" means a certified person designated to assist the mine foreman in the supervision of a portion or the whole of a mine or of the persons employed therein;
 - (c) "Board" means the Mining Board created in KRS 351.105;
 - (d) "Commercial mine" means any coal mine from which coal is mined for sale, commercial use, or exchange. This term shall in no instance be construed to include a mine where coal is produced for own use;

- (e) "Commission" means the Mine Safety Review Commission created by KRS 351.1041;
 - (f) "Commissioner" means commissioner of the Department of Mines and Minerals;
 - (g) "Department" means the Department of Mines and Minerals;
 - (h) "Drift" means an opening through strata or coal seams with opening grades sufficient to permit coal to be hauled therefrom or which is used for the purpose of ventilation, drainage, ingress, egress, and other purposes in connection with the mining of coal;
 - (i) "Excavations and workings" means the excavated portions of a mine;
 - (j) "Fire boss" (often referred to as mine examiner) means a person certified as a mine foreman or assistant mine foreman who is designated by management to examine a mine or part of a mine for explosive gas or other dangers before a shift crew enters;
 - (k) "Gassy mine." ~~["means any mine in which there is a record of methane having been ignited, or having been detected with a permissible flame safety lamp, or where methane in the amount of twenty five hundredths percent (0.25%) or more has been found not less than twelve (12) inches from the roof, face, or rib, using approved methane testers or detectors or by analysis. However on and after June 19, 1976,]~~ All mines shall be classified as gassy or gaseous;
 - (l) "Intake air" means air that has not passed through the last working place of the split or by the unsealed entrances to abandoned workings and by analysis contains not less than nineteen and one-half percent (19.5%) oxygen, ~~["nor more than one half of one percent (0.5%) of carbon dioxide,"]~~ no dangerous quantities of flammable gas, and no harmful amounts of poisonous gas or dust;
 - (m) "Licensee" means any owner, operator, lessee, corporation, partnership, or other person who procures a license from the department to operate a coal mine;
 - (n) "Mine" means any open pit or any underground workings from which coal is produced for sale, exchange, or commercial use, and all shafts, slopes, drifts, or inclines leading thereto, and includes all buildings and equipment, above or below the surface of the ground, used in connection with the workings. Workings that are adjacent to each other and under the same management, but which are administered as distinct units shall be considered a separate mine;
 - (o) "Mine foreman" means a certified person whom the licensee or superintendent places in charge of the workings of the mine and of the persons employed therein;
 - (p) "Open-pit mine" shall include open excavations and open-cut workings including, but not limited to, auger operations and highwall mining systems for the extraction of coal;
 - (q) "Operator" means the licensee, owner, lessee, or other person who operates or controls a coal mine;
 - (r) "Permissible" refers to any equipment, device, or explosive that has been approved by the United States Bureau of Mines, the Mining Enforcement and Safety Administration, or the Mine Safety and Health Administration and that meets all requirements, restrictions, exceptions, limitations, and conditions attached to the classification by the approving agency;
 - (s) "Preshift examination" means the examination of a mine or any portion thereof where miners are scheduled to work or travel, which shall be conducted not more than three (3) hours before any on-coming shift;
 - (t) "Return air" means air that has passed through the last active working place on each split, or air that has passed through abandoned, inaccessible, or pillared workings;
 - (u) "Shaft" means a vertical opening through the strata that is used in connection with the mining of coal, for the purpose of ventilation or drainage, or for hoisting men, coal, or materials;
 - (v) "Slope" means an inclined opening used for the same purpose as a shaft;
 - (w) "Superintendent" means the person who, on behalf of the licensee, has immediate supervision of one (1) or more mines; and
 - (x) "Supervisory personnel" means a person certified under the provisions of this chapter to assist in the supervision of a portion or the whole of the mine or of the persons employed therein.
- (2) Except as the context otherwise requires, this chapter applies only to commercial coal mines.

- (3) The definitions in KRS 352.010 apply also to this chapter, unless the context requires otherwise.

Section 2. KRS 351.090 is amended to read as follows:

- (1) The Governor shall appoint an adequate number of mine inspectors to insure at least two (2) inspections annually, provided the mine is in operation the entire year or the proportionate thereof, of all mines in the Commonwealth and sufficient additional inspectors to enable the commissioner to provide adequate surveillance of coal mines where conditions or management policy dictate that more inspections are needed to insure the safety of miners. One (1) or more of the appointees may be designated as electrical mine inspectors. The Governor shall also appoint an adequate number of mine safety analysts and mine safety instructors. The term of office of each mine inspector, each mine safety analyst, each electrical inspector, and each mine safety instructor shall be during the period of capable, efficient service and good behavior.
- (2) All mine inspectors, mine safety analysts, electrical inspectors, and mine safety instructors shall have a thorough knowledge of first aid and mine rescue and be able to instruct in first aid and mine rescue, and shall possess thoroughly the knowledge required of the commissioner by KRS 351.060, and shall have a thorough and practical knowledge of mining gained by at least five (5) years' experience in coal mines in the Commonwealth. All surface mine safety analysts shall have at least five (5) years' experience in surface mines in the Commonwealth. For the purposes of this subsection, a degree in mining engineering from a recognized institution shall be deemed equivalent to two (2) years of practical experience in coal mines or an associate degree in mining technology from a recognized institution shall be deemed equivalent to one (1) year practical experience in coal mines. A person desiring to use a mining engineering or technology degree for practical experience credit shall file proof of having received a degree prior to examination.
- (3) No person shall be appointed to the office of mine inspector, underground mine safety analyst, electrical inspector, or mine safety instructor unless he holds a current mine foreman's certificate. No person shall be appointed to the office of surface mine safety analyst unless he holds a current surface mine foreman's certificate. A person appointed as mine inspector, mine safety analyst, electrical inspector, and mine safety instructor shall pass an examination administered by the board. The commissioner may recommend to the Governor applicants for the positions of mine inspector, mine safety analyst, electrical inspector, or mine safety instructor who have successfully passed the examination and are proved by worth, training, and experience to be the most competent of the applicants.
- (4) Mine inspectors, mine safety analysts, electrical inspectors, and mine safety instructors shall be of good moral character and temperate habits and shall not, while holding office, act in any official capacity in operating any coal mine.
- (5) No reimbursement for traveling expenses shall be made except on an itemized accounting for the expenses submitted by inspectors, analysts, and safety instructors who shall verify upon oath that the expenses were incurred in the discharge of their official duties.
- (6) Each mine inspector, mine safety analyst, electrical inspector, and mine safety instructor shall take oath, which shall be certified by the officer administering it. The oath, in writing, and the certificate, shall be filed in the office of the Secretary of State.
- (7) Each mine inspector, mine safety analyst, electrical inspector, and mine safety instructor shall give bond with surety approved by the Governor.

~~[(8) Persons, other than those employed by a company, who by contractual or other rights, perform mine inspection work in any capacity, shall be familiar with mining and possess experience equal to that required of a state mine inspector. They shall also be held responsible for their conduct in the performance of their inspections and related acts. This subsection shall not apply to persons excluded by other laws or those who by agreement with the licensee make mine visits for technical and investigative work.]~~

Section 3. KRS 351.102 is amended to read as follows:

- (1) No person shall be assigned **mining** duties by a licensee as a laborer or supervisor ~~{working for the purpose of mining coal}~~ unless the person holds a valid certificate of competency and qualification or a valid permit as trainee issued in accordance with this section.
- (2) A permit as trainee miner shall be issued by the commissioner to any person who has completed a program of education of a minimum of forty (40) hours for underground mining or **twenty-four (24)** ~~{sixteen (16)}~~ hours for surface mining **comprised of sixteen (16) hours of classroom training and eight (8) hours of mine**

specifics or who has completed a certified mine technology program and has passed an examination approved by the commissioner. An additional eight (8) hours of mine-specific training shall be administered to the trainee miner by the licensee, which training shall be documented on a form approved by the commissioner. This education and training program shall be determined and established by the board, as provided in KRS 351.106.

- (3) Trainee miners shall work within the sight and sound of a certified miner.
- (4) Any miner holding a certificate of competency and qualification may have one (1) person working with him and under his direction as a trainee miner. Any person certified as a mine foreman or assistant mine foreman shall have no more than five (5) persons working under his supervision or direction as trainee miners for the purpose of learning and being instructed in the duties of underground coal mining.
- (5) A certificate of competency and qualification as a miner shall be issued by the commissioner to any person who has a minimum of forty-five (45) working days' experience within a thirty-six (36) month period as a trainee miner and demonstrated competence as a miner.
- (6) All examinations for the certification of a miner shall be of a practical nature and shall determine the competency and qualification of the applicant to engage in the mining of coal with reasonable safety to himself and his fellow employees. The examination ~~may~~*shall* be given orally, *upon approval by the commissioner*, if the miner is unable to read or comprehend a written examination.
- (7) Examinations shall be held in any district office during regular business hours.
- (8) If the commissioner or his authorized representative finds that an applicant is not qualified and competent, he shall notify the applicant not more than ten (10) days after the date of examination.
- (9) Any applicant aggrieved by an action of the commissioner or his authorized representative in failing or refusing to issue a certificate of qualification and competency shall, within ten (10) days of notice of the action complained of, appeal to the commissioner who shall either affirm the action or issue the certificate to the applicant.
- (10) If the applicant is aggrieved by the action of the commissioner, he may appeal to the commission which shall hold a hearing on the matter in accordance with KRS Chapter 13B.
- (11) The applicant may appeal from the final order of the commission by filing in the Franklin Circuit Court a petition for appeal in accordance with KRS Chapter 13B.

Section 4. KRS 351.106 is amended to read as follows:

- (1) The Mining Board shall establish criteria and standards for a program of education and training to be required of prospective miners, miners, and all certified persons. This education and training shall be provided in a manner determined by the commissioner to be adequate to meet the standards established by the board, which shall include as a minimum the requirements of KRS 351.102 and the requirements of the federal government for the training of miners for new work assignments, and at least *sixteen (16)*~~eight (8)~~ hours of annual retraining and reeducation for all certified persons.
- (2) Beginning with the first full calendar year after the effective date established by the board and during each calendar year thereafter, each certified miner shall receive at least *sixteen (16)*~~eight (8)~~ hours of retraining and reeducation.
- (3) Newly-hired experienced miner training shall satisfy the miner's annual retraining requirement if a time lapse occurs between the miner's last training anniversary date and the next scheduled training anniversary date for the mine where he is newly employed, if the miner has complied with the annual retraining requirements within the last twelve (12) months from the date of his newly hired experienced miner training.
- (4) Retraining and reeducation sessions shall be conducted at times and in numbers to reasonably assure each certified miner an opportunity to attend.
- (5) The licensee shall pay all certified miners their regular wages and benefits while they receive training required by the department.
- (6) Willful failure of a working miner to complete annual retraining and reeducation requirements shall constitute grounds for revocation, suspension, or probation of his certificate.

- (7) If the department discovers a miner working without proper training or the licensee cannot provide proof of training, the miner shall be withdrawn *immediately* from the mine and the licensee shall pay the miner his regular wages until the training is administered and properly documented.
- (8) When employment is terminated, the licensee shall provide the employee a copy of his training records, upon request. If the employee does not request his training records immediately, the licensee shall, within fifteen (15) days, provide the employee with those training records.
- (9) The board may, upon its own motion or whenever requested to do so by the commissioner, deem applicable certificates issued by other states to be proof of training and education equal to the requirements of KRS 351.102 or deem training provided by appropriate federal agencies to be adequate to meet training and education requirements established by the board, if the training and education meet the minimum requirements of this chapter.
- (10) The commissioner may promulgate ~~reasonable~~ administrative regulations necessary to establish a program to implement the provisions of this chapter according to the criteria and standards established by the board. This program shall include, but not be limited to, implementation of a program of instruction and the conduct of examinations to test each applicant's knowledge and understanding of the training and instruction.
- (11) The commissioner shall keep and maintain ~~records of board meetings, activities of the board, and~~ current records on all certified miners, all of which shall be maintained by computer for ready access.
- (12) The commissioner is authorized and directed to utilize state mine inspectors, mine safety instructors, the state mine foreman examiner, private and public institutions of education, and other qualified persons available to him in implementing the program of instruction and examination.
- (13) The commissioner may make recommendations to the board as he may deem appropriate. The commissioner shall provide information to the board at the board's request. The commissioner is authorized and directed to utilize state and federal moneys and personnel that may be available to the department for educational and training purposes in the implementation of the provisions of this chapter.
- (14) All training and education required by this *section* ~~chapter~~ may be conducted in classrooms, on the job, or in simulated mines.

Section 5. KRS 351.127 is amended to read as follows:

- (1) ~~[Effective January 1, 1997,]~~A certified emergency medical technician or mine emergency technician shall be employed at every *licensed* coal mine whose employees are *actively* engaged in the extraction, production, or preparation of coal. Persons employed as mine emergency technicians shall be trained in a manner established in an administrative regulation promulgated by the department.
- (2) These emergency medical technicians or mine emergency technicians shall be employed in the following manner:
 - (a) One (1) emergency medical technician or mine emergency technician shall be employed on every shift with a workforce of up to fifty (50) employees;
 - (b) An additional emergency medical technician or mine emergency technician shall be employed for every additional fifty (50), or any portion thereof, employees per shift who are *actively* engaged in the extraction, production, or preparation of coal.
- (3) If these emergency medical technicians or mine emergency technicians are also employed in other capacities at the coal mine, they shall be available for quick response to emergencies and shall have available to them at all times the equipment necessary to respond to emergencies, as prescribed by the commissioner.
- (4) If the licensee selects existing employees to be trained as emergency medical technicians or mine emergency technicians, the employees selected shall be paid their regular wages during training.
- (5) Certified emergency medical technicians and mine emergency technicians shall receive annual retraining in the manner established in an administrative regulation promulgated by the department, during which they shall receive their regular wages.

Section 6. KRS 351.1291 is amended to read as follows:

- (1) All inexperienced surface coal miners shall complete a **twenty-four (24)**~~sixteen (16)~~ hour course of instruction **composed of sixteen (16) hours of classroom training and eight (8) hours of mine specifics that** ~~is~~ devised or approved by the department in subjects including, but not limited to: accident prevention, cutting and welding, equipment operation, fire protection, first-aid methods, ground control and transportation, handling and use of explosives, mine communications, mine electrical safety standards, mining law, including the statutory rights of miners, safety around bins and hoppers, and any other subjects deemed appropriate by the department. For purposes of this section, "inexperienced coal miners" means all persons who have not previously worked at least forty-five (45) days at a surface coal mine in this Commonwealth.
- (2) All surface coal miners shall complete an eight (8) hour course of annual retraining devised or approved by the department in the subjects identified in subsection (1) of this section.
- (3) The commissioner shall certify all surface coal miners who complete the courses of instruction required in subsections (1) and (2) of this section.

Section 7. KRS 351.310 is amended to read as follows:

As used in KRS 351.315 to 351.375 unless the context clearly indicates otherwise:

- (1) "Explosives" means any chemical compound or other substance or mechanical system intended for the purpose of producing an explosion, or that contains oxidizing and combustible units or other ingredients in such proportions or quantities that ignition by detonation may produce an explosion, capable of causing injury to persons or damage to property;
- (2) "Blasting operation" means the use of explosives in the **surface** blasting of stone, rock, ore or any other natural formation, or in any construction or demolition work, but shall not include its use in agricultural operations;
- (3) "Blaster" means a person licensed to fire or detonate explosives in blasting operations;
- (4) "Charge" means a quantity of explosive or equivalent that is to be detonated within a period of five (5) seconds;
- (5) "Subcharge" means a quantity of explosive or equivalent that is to be detonated within a period of less than eight (8) milliseconds;
- (6) "Detonation time" means the time at which the detonation is initiated;
- (7) "Department" means the Department of Mines and Minerals;
- (8) "Commissioner" means the commissioner of mines and minerals.

Section 8. KRS 352.010 is amended to read as follows:

- (1) As used in this chapter, unless the context requires otherwise:
 - (a) "Abandoned workings" means excavations, either caved or sealed, that are deserted and in which further mining is not intended, or open workings which are ventilated and not inspected regularly;
 - (b) "Active workings" means all places in a mine that are ventilated and inspected regularly;
 - (c) "Approved" means that a device, apparatus, equipment, machinery, or practice employed in the mining of coal has been approved by the commissioner of the Department of Mines and Minerals;
 - ~~(d) "Approved safety lamp" means any bonneted lamp that bears the approval plate of the Federal Bureau of Mines, the Mining Enforcement and Safety Administration, or the Mine Safety and Health Administration and is approved by the department;~~
 - ~~(e)~~ "Assistant mine foreman" means a certified person designated to assist the mine foreman in the supervision of a portion or the whole of a mine or of the persons employed therein;
 - ~~(e)~~~~(f)~~ "Board" means the Mining Board created in KRS 351.105;
 - ~~(f)~~~~(g)~~ "Commercial mine" means any coal mine from which coal is mined for sale, commercial use, or exchange. This term shall in no instance be construed to include a mine where coal is produced for own use;
 - ~~(g)~~~~(h)~~ "Commissioner" means commissioner of the Department of Mines and Minerals;
 - ~~(h)~~~~(i)~~ "Department" means the Department of Mines and Minerals;

- (i)~~{(j)}~~ "Drift" means an opening through strata or coal seams with opening grades sufficient to permit coal to be hauled therefrom, or which is used for the purpose of ventilation, drainage, ingress, egress, and other purposes in connection with the mining of coal;
- (j)~~{(k)}~~ "Excavations and workings" means the excavated portions of a mine;
- (k)~~{(l)}~~ "Face equipment" means mobile or portable mining machinery having electric motors or accessory equipment normally installed or operated in by the last open crosscut in any entry or room;
- (l)~~{(m)}~~ "Fire boss" (often referred to as mine examiner) means a person certified as a mine foreman or assistant mine foreman who is designated by management to examine a mine or part of a mine for explosive gas or other dangers before a shift crew enters;
- (m)~~{(n)}~~ "Gassy mine." ~~{ means any mine in which there is a record of methane having been ignited, or having been detected with a permissible flame safety lamp, or where methane in the amount of twenty-five hundredths percent (0.25%) or more has been found not less than twelve (12) inches from the roof, face, or rib, using approved methane testers or detectors or by analysis, provided, nevertheless, that on and after June 19, 1976, }~~ All underground mines shall be classified as gassy or gaseous;
- (n)~~{(o)}~~ "High voltage" means any voltage of one thousand (1,000) volts or more;
- (o)~~{(p)}~~ "Imminent danger" means the existence of any condition or practice which could reasonably be expected to cause death or serious physical harm before the condition or practice can be abated;
- (p)~~{(q)}~~ "Inactive workings" shall include all portions of a mine in which operations have been suspended for an indefinite period, but have not been abandoned;
- (q)~~{(r)}~~ "Intake air" means air that has not passed through the last working place of the split or by the unsealed entrances to abandoned workings and by analysis contains not less than nineteen and one-half percent (19.5%) of oxygen, ~~{ nor more than one half of one percent (0.5%) of carbon dioxide, }~~ no dangerous quantities of flammable gas, and no harmful amounts of poisonous gas or dust;
- (r)~~{(s)}~~ "Licensee" means any owner, operator, lessee, corporation, partnership, or other person who procures a license from the department to operate a coal mine;
- (s)~~{(t)}~~ "Low voltage" means up to and including six hundred sixty (660) volts;
- (t)~~{(u)}~~ "Medium voltage" means voltages greater than six hundred sixty (660) and up to nine hundred ninety-nine (999) volts;
- (u)~~{(v)}~~ "Mine" means any open pit or any underground workings from which coal is produced for sale, exchange, or commercial use, and all shafts, slopes, drifts, or inclines leading thereto, and includes all buildings and equipment, above or below the surface of the ground, used in connection with the workings. Workings that are adjacent to each other and under the same management and which are administered as distinct units shall be considered separate mines;
- (v)~~{(w)}~~ "Mine foreman" means a certified person whom the licensee or superintendent places in charge of the workings of the mine and of persons employed therein;
- (w)~~{(x)}~~ "Open-pit mine" shall include open excavations and open-cut workings including auger **operations and highwall mining systems** ~~{mines}~~ for the extraction of coal;
- (x)~~{(y)}~~ "Operator" means the licensee, owner, lessee, or other person who operates or controls a coal mine;
- (y)~~{(z)}~~ "Permissible" means that any equipment, device, or explosive that has been approved by the United States Bureau of Mines, the Mining Enforcement and Safety Administration, or the Mine Safety and Health Administration meets all requirements, restrictions, exceptions, limitations, and conditions attached to the classification;
- (z)~~{(aa)}~~ "Preshift examination" **refers to** ~~{means}~~ the examination of an underground mine or part of a mine where miners are scheduled to work or travel, and shall be conducted not more than three (3) hours before any on-coming shift;

- (aa)~~((bb))~~ "Return air" means air that has passed through the last active working place on each split, or air that has passed through abandoned, inaccessible, or pillared workings;
- (ab)~~((cc))~~ "Shaft" means a vertical opening through the strata that is or may be used, in connection with the mining of coal, for the purpose of ventilation or drainage, or for hoisting men, coal, or materials;
- (ac)~~((dd))~~ "Slope" means an inclined opening used for the same purpose as a shaft;
- (ad)~~((ee))~~ "Superintendent" means the person who, on behalf of the licensee, has immediate supervision of one (1) or more mines;
- (ae)~~((ff))~~ "Supervisory personnel" shall mean a person or persons certified under the provisions of KRS Chapter 351 to assist in the supervision of a portion or the whole of the mine or of the persons employed therein;
- (af)~~((gg))~~ "Tipple or dumping point" means the structure where coal is dumped or unloaded from the mine car into railroad cars, trucks, wagons, or other means of conveyance;
- (ag)~~((hh))~~ "Working face" means any place in a coal mine at which the extraction of coal from its natural deposit in the earth is performed during the mining cycle;
- (ah)~~((ii))~~ "Working place" means the area of a coal mine in by the last open crosscut; and
- (ai)~~((jj))~~ "Working section" means all areas of a coal mine from the loading point to and including the working faces.

- (2) The definitions in KRS 351.010 apply also to this chapter, unless the context requires otherwise.
- (3) Except as the context otherwise requires, this chapter applies only to commercial mines as defined in KRS 351.010.

Section 9. KRS 352.020 is amended to read as follows:

- (1) The ventilation of all underground coal mines shall be produced by means of mechanically operated fans located outside the mine in fireproof housing and offset at least fifteen (15) feet to one (1) side or above the opening, protected by explosion doors or weak walls and arranged so that ventilating current may be reversed if necessary. The fan shall be installed so as to prevent recirculation of mine air. The main fan shall be operated from a power circuit independent from the mine circuit. If inside auxiliary fans are required to ventilate working places the commissioner must first approve the installation.
- (2) The licensee, superintendent, or foreman of every coal mine worked by shaft, slope, or drift shall provide and maintain for every mine ***two (2) separate and distinct escapeways, one (1) of which is vented by the intake air. However, if a mine was originally licensed prior to January 1, 1990, the commissioner may approve an alternate ventilation plan***~~adequate ventilation~~. Each active working section shall be ventilated by a separate split of intake air. In all mines the quantity of air passing through the last open crosscut between the intake and return in any pair or sets of entries shall be not less than nine thousand (9,000) cubic feet of air per minute and as much more as is necessary to dilute and render harmless and carry away flammable and harmful gases. All working faces from which coal is being cut, mined, or loaded in a working section between the intake and return airway entries shall be ventilated with a minimum quantity of three thousand (3,000) cubic feet of air per minute and as much more as is necessary to dilute and render harmless and carry away flammable and harmful gases. The quantity of air reaching the last crosscut in pillar sections may be less than nine thousand (9,000) cubic feet of air per minute if at least nine thousand (9,000) cubic feet of air per minute is being delivered to the intake of the pillar line. The air current shall under any conditions have a sufficient volume and velocity to reduce and carry away smoke from blasting and any flammable or harmful gases. All active underground working places in a mine shall be ventilated by a current of air containing not less than nineteen and one-half percent (19.5%) of oxygen,~~not more than one half percent (0.5%) of carbon dioxide,~~ and no harmful quantities of other noxious or poisonous gases.
- (3) All mines shall maintain at least nine thousand (9,000) cubic feet of air per minute at the points mentioned in subsection (2) of this section. The commissioner shall have the authority to require additional air in any mine when he deems it necessary for the safety of the employees.
- (4) When the air from a split has passed through and has ventilated all the working places in an air split of a mine it shall then be designated as return air.

- (5) As working places advance, breakthroughs for air shall be made not more than ninety (90) feet apart, except that where longwall or modern systems of mining are used the commissioner *or his authorized representative* may approve a greater distance between breakthroughs or the method of ventilating such longwall or modern systems of mining. If any breakthroughs between intake and return airways are not required for the passage of air, they shall be closed with stoppings. All permanent stoppings shall be substantially built with suitable incombustible or fire resistant material subject to the approval of the mine inspector so as to keep the working places well ventilated. All brattice cloth and ventilation tubing shall be flame resistant. Doors on the main haulways shall be avoided where practicable, and overcasts, built of concrete or other suitable material and of ample strength, shall be adopted. Where doors are used they shall be built in a substantial manner, and shall be hung so as to close automatically when unobstructed.
- (6) In a mine where methane can be found to an extent of one percent (1%) or more on the return of any one (1) split, the inspector, with the approval of the commissioner may require the mine to be ventilated by the exhaust system, requiring the haulage roads and all trolley and feed wires to be located on the intake air and the electrical system to be so arranged that no wires carrying electrical current shall be on return air. A period of not more than ninety (90) days from date of notification shall be allowed to make the changes required.

Section 10. KRS 352.030 is amended to read as follows:

- (1) As many as sixty (60) persons may work in the same air current or split, and with the approval of the mine inspector and the commissioner, as many as eighty (80) persons may work in the same air current. Each active section in a mine shall be ventilated by a separate split of intake air. Every mine, and all portions thereof, shall be ventilated by one (1) or more currents of air, which shall contain not less than nineteen and one-half percent (19.5%) of oxygen, ~~[nor more than one-half percent (0.5%) of carbon dioxide,]~~ nor any dangerous quantities of ~~flammable~~~~[inflammable]~~ gas, nor any harmful amount of poisonous gases or dust, when the current of air enters into each split. The ventilation shall be sufficient to prevent methane accumulations, so far as practicable, and to keep the methane percentage in the return of any split to not more than two percent (2%).
- (2) The ventilating current shall be circulated through the haulageways, travelways, and airways to reach all portions of the mine, except sealed sections; and it shall be circulated through the entries and rooms around the ends of line brattice and along pillar lines. It shall be conducted to the last breakthrough, or to the working faces if required, by means of stoppings, check doors, curtains, and brattice that may be necessary or required, in order to dilute, render harmless, and carry away the noxious and dangerous gases, smoke, and dust liberated therein, and to supply a sufficient quantity of ventilation for all emergencies. The ventilating current in the area of a mine's belt entries shall be directed to an air return before the ventilating current reaches the face area, unless the department, under certain conditions issues a permit for belt air to be used at the coal face. The department shall render a final written decision within sixty (60) calendar days of receipt of the permit application.
- (3) When mine ventilation, formerly satisfactory and adequate, becomes deficient in quality or quantity, the department shall have authority to order improvement of the ventilation.
- (4) No licensee, superintendent, or mine foreman shall permit any person to work at a place where sufficient ventilation cannot be maintained, except persons employed to make the places of employment safe in compliance with the requirements of this chapter, and while repair work necessary to comply with the requirements is in progress no person shall be permitted to enter that part of the mine affected except those actually employed in doing the repair work. The repair work shall be done under the constant supervision of a certified official designated by the mine foreman.
- (5) Each licensee shall adopt a plan ~~[within sixty (60) days after June 16, 1972,]~~ which shall provide that when any mine fan stops, immediate action shall be taken by the licensee or his agent:
 - (a) To withdraw all persons from the working sections;
 - (b) To cut off the power in the mine in a timely manner;
 - (c) To provide for restoration of power and resumption of work if ventilation is restored within a reasonable period, of not more than fifteen (15) minutes, as set forth in the plan after the working places and other active workings where methane is likely to accumulate are reexamined by a certified person to determine if methane in amounts of one percent (1%) or more exists therein; and

- (d) To provide for withdrawal of all persons from the mine if ventilation cannot be restored within a reasonable time, of not more than fifteen (15) minutes.

The plan and revisions thereof approved by the commissioner or his authorized representative shall be set out in printed form and a copy shall be furnished to the commissioner or his authorized representative.

Section 11. KRS 352.090 is amended to read as follows:

- (1) All unused workings and abandoned parts of mines shall be protected by safeguards that will prevent ~~[-, so far as practicable,]~~ the accumulation or overflow of gas, and all avenues leading thereto shall be so arranged and conducted as to give warning to all persons of the danger of entering, and notice shall be posted warning all unauthorized persons not to enter these parts of the mine. If the area cannot be adequately ventilated, and examined, *or evaluated* it shall be sealed in a timely manner.
- (2) No person, except persons authorized to make examination thereof, shall enter any unused or abandoned part of a mine after the warning has been posted.
- (3) Where the practice is to seal abandoned workings, the sealing shall be done immediately in an effective manner with noncombustible material. In every sealed area, one (1) or more of the seals shall be fitted with a pipe and cap or valve to permit the gases behind the seals to be sampled and also to provide a means of determining any existing hydrostatic pressure. When required by the mine inspector and commissioner, drill holes shall be extended from the surface to the sealed area, or vent pipes shall be extended from the sealed area to a return air course. Sufficient ventilation shall be provided at each seal to prevent dangerous gases from accumulating.

Section 12. KRS 352.100 is amended to read as follows:

No person shall attempt to enter, explore or survey an abandoned mine or portion thereof without the approval of the mine inspector or the commissioner *and unless he adheres to conditions prescribed by the commissioner.*

Section 13. KRS 352.133 is amended to read as follows:

All underground miners shall be provided with an approved *self-contained* self-rescuer device and shall have that device within twenty-five (25) feet of them at all times *unless the licensee receives approval from the commissioner to store self-contained self-rescuers more than twenty-five (25) feet away from underground miners.* The *self-contained* self-rescuer shall be provided to the miners by the licensee at no cost to the miners.

Section 14. KRS 352.140 is amended to read as follows:

- (1) *Only a certified hoistman* ~~[No operator or superintendent of any mine worked by shaft, slope, or incline]~~ shall *be placed* ~~[place]~~ in charge of any *mechanism* ~~[engine or drum]~~ used for lowering or hoisting any persons employed in the mine ~~[any but competent and sober engineers or drum runners]~~. Where automatic elevators are used and all safety devices are provided, the services of a *hoistman* ~~[hoisting engineer]~~ are not required. A *certified hoistman* ~~[Hoisting engineers and drum runners]~~ shall pass a test as to *his* ~~[their]~~ knowledge of hoisting equipment and the precautions to be taken when raising or lowering men or materials. Certification of *hoistmen* ~~[hoisting engineers and drum runners]~~ shall be under such conditions and by tests prescribed by the commissioner.
- (2) No *hoistman* ~~[engineer]~~ in charge of such machinery shall allow any person except such as may be designated for this purpose by the operator or superintendent to interfere with any part of the machinery.
- (3) ~~[No person shall interfere with or intimidate the engineer or drum runner in the discharge of his duties.]~~
- (4) In a mine worked by shaft, slope, or incline, no more than twenty (20) persons shall ride in any cage or car at one (1) time, without the approval of the mine inspector and the commissioner of the department, and no person shall ride on a loaded cage or car, except that where special man-cars or cages are employed to haul workmen on inclines the commissioner may regulate the method and procedure of handling of man-cars, cages, and workmen. Each cage or elevator installed after June 16, 1972, which is used for lowering and raising men shall have at least two and one-half (2-1/2) square feet of floor space for each person.

Section 15. KRS 352.150 is amended to read as follows:

- (1) After June 16, 1972, on single-track haulage roads in mines, which the persons employed in the mine must use while performing their work or while traveling on foot to and from their work, there shall be places of refuge on one (1) side not less than five (5) feet in depth from the side of the mine car, and five (5) feet wide, and not more than ninety (90) feet apart. Refuge holes of the same dimensions shall also be provided at switch throws.

- (2) Special places of refuge are not required on haulage roads on which room necks or breakthroughs occur at regular intervals not exceeding ninety (90) feet, and thus furnish places of refuge, or on haulage roads in which the track is so laid as to give a minimum clearance on one (1) side of not less than thirty (30) inches from the side of any haulage engine or any mine car, the clearance to be on the side of the road opposite that upon which electric wires are strung, if electric wires are strung in the road.
- (3) No unauthorized person shall travel on foot to or from work upon any haulage road or slope where transportation is by track, when other roads in proper condition for travel are available.
- (4) On all main haulage roads where hauling is done by machinery the mine foreman shall provide a proper system of signals, and a conspicuous light or marker approved by the commissioner on the front and rear of every trip or train of cars when in motion in the mine.
- (5) Man-trips shall be operated at safe speeds consistent with the condition of roads and type of equipment used and shall be so controlled that they can be stopped within the limits of visibility, in no event at a speed in excess of twelve (12) miles per hour.
- (6) Each man-trip consisting of more than one (1) mine car of men shall be under the charge of a certified official, and it shall be operated independently of any loaded trip of coal or other material.
- (7) Cars on the man-trip shall not be overloaded, and sufficient cars in good mechanical condition shall be provided.
- (8) No person shall ride under the trolley wire unless suitably covered man-cars are used.
- (9) No material or tools except small hand tools shall be transported in the same car with men on any man-trip unless in a separate, enclosed compartment of the car, and all persons shall ride inside of man-trip cars, except the motorman and brakeman or trip rider.
- (10) Men shall not load or unload before the cars in which they are to ride or are riding come to a full stop, and men shall proceed in an orderly manner to and from man-trips.
- (11) A waiting station shall be provided where men are required to wait for man-trips or man-cages. It shall have sufficient room, ample clearance from moving equipment, and adequate seating facilities.
- (12) Trolley and power wires shall be guarded effectively at man-trip stations where there is a possibility of any person coming in contact with energized electric wiring while loading or unloading from the man-trip.
- (13) Cars used for transporting men on slopes shall be equipped with a safety device capable of stopping the trip in event of failure of the rope or couplings. The device shall be approved by the commissioner.
- (14) Where belts are used for transporting men, ***unless the commissioner finds that a safety hazard exists which cannot be corrected, the belt transport will be allowed and*** a minimum clearance of eighteen (18) inches shall be maintained between the belt and the roof or cross bars, projecting equipment, cap pieces, overhead cables, wiring, and other objects; but where the height of the coal bed permits, the clearance shall not be less than twenty-four (24) inches.
- (15) Unless a greater speed is allowed by special permission from the commissioner, in which event the conditions, limitations, and rules imposed in connection with the grant of permission shall be observed, the belt speed shall not exceed two hundred fifty (250) feet per minute where the minimum overhead clearance is eighteen (18) inches, or three hundred (300) feet per minute when the minimum overhead clearance is twenty-four (24) inches, while men are loading, unloading, or being transported.
- (16) The space between men riding on a belt line shall not be less than six (6) feet.
- (17) Loading and unloading stations shall be illuminated properly.
- (18) A certified official or some other supervisory personnel appointed by the mine foreman shall supervise all man-trips.
- (19) At all mines utilizing track haulage or transportation, there shall be developed a safe and uniform system of traveling through all switch points to prevent collisions. This system shall be designed in a manner which ensures that all persons can determine who has the right of way in all circumstances. Information concerning this system shall be included in annual retraining.

- (20) Efficient equipment, either mobile or self-propelled, equipped with sufficient first-aid equipment and supplies, shall be available on all underground sections where men are present to transport injured workers to the surface.
- (21) At those mines that do not have a contract or other arrangement for providing ambulance service, a 4-wheel-drive vehicle or other vehicle suitable to the terrain equipped with sufficient first-aid equipment and supplies shall be available to the mines or preparation facilities for the transportation of injured workers. At those mines that have a contract or other arrangement for providing ambulance service, the access road to the mine or preparation facility shall be kept in a condition which is passable by the ambulance vehicle.
- (22) The commissioner shall be empowered to draft additional administrative regulations providing for transportation of men when necessary.

Section 16. KRS 352.170 is amended to read as follows:

- (1) ~~Within six (6) months after June 16, 1972, } All underground mines shall be worked exclusively by the use of approved electric lamps for personal lighting.~~
- (2) ~~Flame safety lamps and approved electric lamps shall be in charge of some person designated by the licensee or superintendent. Two (2) flame safety lamps shall be kept at every coal mine whether the mine liberates explosive gas or not, if the mine inspector and the commissioner deem it desirable. } All mine foremen and fire bosses employed in { gassy } mines shall {, at all times, } carry { an } approved *gas detection devices* { flame safety lamp or other approved device } for the purpose of detecting the presence of explosive and dangerous gases and { or } deficiencies of oxygen.~~
- (3) No person shall at any time carry into any mine any intoxicants. No person shall at any time enter any underground mine with matches, pipes, cigars, cigarettes, or any device for making lights or fire not authorized or approved, and the licensee shall at frequent intervals search, or cause to be searched, any person entering or about to enter the mine or inside the mine, to prevent the person from taking, carrying, or using the articles therein.

Section 17. KRS 352.241 is amended to read as follows:

- (1) Explosives or detonators carried anywhere underground by any person shall be in containers constructed substantially of nonconductive material, maintained in good condition, and kept closed.
- (2) When explosives or detonators are transported underground in cars moved by means of a locomotive or rope, or in shuttle cars, they shall be in substantial covered cars or in special substantial covered containers used specifically for transporting detonators or explosives:
 - (a) The bodies and covers of the cars and containers shall be constructed or lined with nonconductive material;
 - (b) If explosives and detonators are hauled in the same explosives car or in the same special container, they shall be separated by at least a four (4) inch substantially fastened hardwood partition or the equivalent;
 - (c) Explosives, detonators, or other explosive items shall not be transported on the same trip with men;
 - (d) When explosives or detonators are transported in special cars or containers in cars, they shall be hauled in special trips not connected to any other trip. However, this does not prohibit the use of the additional cars as needed to lower a rope trip, or to haul supplies including timbers. Materials so transported shall not project above the top of the car. Exposed highly flammable materials such as ~~hay,~~ oil, or grease shall not be hauled on the same trip with explosives; and
 - (e) Explosives or detonators shall not be hauled into or out of a mine within five (5) minutes preceding or following a man trip or any other trip.
- (3) Explosives and detonators shall be transported underground by belt only under the following conditions:
 - (a) In the original and unopened case, in special closed cases constructed of nonconductive material, or in suitable individual containers;
 - (b) Clearance requirements shall be the same as those for transporting men on belts;
 - (c) Suitable loading and unloading stations shall be provided; and

- (d) Stop controls shall be provided at loading and unloading points, and an attendant shall supervise the loading and unloading of explosives and detonators.
- (4) Neither explosives nor detonators shall be transported on flight or shaking conveyors, scrapers, mechanical loading machines, locomotives, cutting machines, **track drills**~~[drill tracks]~~, or any self-propelled mobile equipment. However, this does not prohibit the transportation of explosives or detonators in special substantial covered containers as used in subsection (2) of this section in shuttle cars or in equipment designed especially to transport explosives or detonators.
- (5) When supplies of explosives and detonators for use in one (1) or more sections are stored underground, they shall be kept in section boxes or magazines of substantial construction with no metal exposed on the inside, located at least twenty-five (25) feet from roadways and power wires, and in a reasonably dry, well-rock-dusted location protected from falls of roof. In pitching beds, where it is not possible to comply with the location requirement, the boxes shall be placed in niches cut into the solid coal or rock.
- (6) When explosives or detonators are stored in the section, they shall be kept preferably in separate boxes or magazines not less than five (5) feet apart; if kept in the same box or magazine, they shall be separated by at least a four (4) inch substantially fastened hardwood partition or the equivalent. Not more than a forty-eight (48) hour supply of explosives or detonators shall be stored underground in any one (1) section in the boxes or magazines.
- (7) Explosives and detonators stored near the working faces shall be in separate closed containers, and shall be in a location out of line of blast not less than fifty (50) feet from the face and fifteen (15) feet from any pipeline, powerline, rail, or conveyor; except that if kept in niches in the rib, the distance from pipeline, powerline, rail, or conveyor shall be at least fifteen (15) feet. Explosives and detonators, when stored, shall be separated by a distance of at least ten (10) feet.
- (8) Explosives and detonators shall be kept in their containers until immediately before use at the working faces.
- (9) Only nonmetallic tools shall be used for opening wooden explosives containers. Tools or other materials shall not be stored with explosives or detonators.
- (10) All explosives used underground in underground mines except in sinking shafts and slopes from the surface shall be of the permissible type, specifically designed and manufactured for underground use, and shall be used as follows:
 - (a) Fired only with electric detonators of proper strength;
 - (b) Fired with a permissible shot-firing unit of adequate capacity to fire all caps; however, if firing is done from the surface when all men are out of the mine, the firing unit does not need to meet specifications of permissibility;
 - (c) Where the coal is cut, shots shall not be fired if the blast hole is drilled beyond the limits of the cut;
 - (d) Boreholes shall be cleaned, and they shall be checked to see that they are placed properly and are of correct depth, in relation to the cut, before being charged;
 - (e) All blasting charges shall have a burden of at least eighteen (18) inches in all directions if the height of the seam permits;
 - (f) Boreholes shall be stemmed with at least twenty-four (24) inches of incombustible material, or at least one-half (1/2) of the length of the hole shall be stemmed if the hole is less than four (4) feet in depth unless other permissible stemming devices or methods are used;
 - (g) Examinations for gas shall be made immediately before firing each shot or group of multiple shots and after blasting is completed;
 - (h) Shots shall not be fired in any place where methane **greater than one percent (1%)** can be detected with **approved gas detection devices**~~[a flame safety lamp or other approved device]~~ when tested at a point not less than twelve (12) inches from the roof, face or rib;
 - (i) Charges exceeding one and one-half (1-1/2) pounds, but not exceeding three (3) pounds, shall be used only if boreholes are six (6) feet or more in depth, the explosives are charged in a continuous train, with no cartridges deliberately deformed or crushed, with all cartridges in contact with each other and with

the end cartridges touching the back of the hole and the stemming respectively. However the three (3) pound limit does not apply to special solid rock work if the mine is evacuated or if approved by the department;

- (j) Shots shall be charged and fired by certified shotfirers designated by the mine foreman;
 - (k) Boreholes shall not be charged while any other work is being done at the face, and the shot or shots shall be fired before any other work is done in the zone of danger from blasting except that which is necessary to safeguard the employees;
 - (l) Only nonmetallic tamping bars shall be used for charging and tamping boreholes. This does not prohibit the use of a nonmetallic tamping bar with a nonsparking metallic scraper on one (1) end;
 - (m) The leg wires of electric detonators shall be kept shunted until ready to connect to the firing cable;
 - (n) Shots shall not be fired from the power of signal circuit while any men are in the mine;
 - (o) The roof and ribs of working places shall be tested before and after firing each shot or group of multiple shots;
 - (p) Ample warning shall be given before shots are fired, and care shall be taken to ascertain that all persons are in the clear. Men shall be removed from adjoining working places when there is danger of a shot blowing through;
 - (q) Mixed types or brands of explosives shall not be charged or fired in any borehole;
 - (r) Mudcaps (adobes) or other unconfined shots shall not be fired underground in a mine;
 - (s) Before blasting, the continuity of the blasting circuits shall be tested with a permissible blaster's galvanometer specifically designed for this purpose;
 - (t) No instantaneous detonator shall be connected in a circuit containing short-period delay detonators. The first charge in a sequence shall be initiated by a short period delay detonator having a nominal delay period of not less than twenty-five (25) milliseconds;
 - (u) All short period delay detonators shall be wired in series;
 - (v) Each primer shall be made with care to insure that the detonator is inserted properly and does not protrude from the wrapping and that the leg wires are secured to the cartridge in a manner so that the detonator will not become dislodged in handling and charging;
 - (w) In making a primer, a powder punch of nonsparking material shall be used. The hole in the cartridge shall be at least one-half (1/2) inch deeper than the detonator used. Rolling the end of a cartridge to receive a detonator is prohibited;
 - (x) The primer shall be placed in the borehole first pointing outward and the rest of the charge shall be pushed in a continuous train to the back of the borehole to prevent cuttings from getting between the cartridges; and
 - (y) Suitable clean-up of loose coal and coal dust with adequate rock-dusting or wetting down at the face of each working place shall be completed prior to charging shot holes.
- (11) Blasting cables shall be:
- (a) Well insulated and as long as may be necessary to permit the shotfirer to get in a safe place around a corner;
 - (b) Short-circuited at the battery end until ready to attach to the blasting unit;
 - (c) Staggered as to length or the ends kept well separated when attached to the detonator leg wires; and
 - (d) Kept clear of power wires and all other possible sources of active or stray electric current.
- (12) Where misfires occur with electric detonators, a waiting period of at least five (5) minutes shall elapse before anyone returns to the shot. After the failure, the blasting cable shall be disconnected from the source of power and the battery ends short-circuited before electric connections are examined.

- (13) Explosives shall be removed by firing a separate charge at least two (2) feet away from, and parallel to, the misfired charge or by washing the stemming and the charge from the borehole with water, or by inserting and firing a new primer after the stemming has been washed out.
- (14) A very careful search of the working place, and, if necessary, of the blasted material after it reaches the surface shall be made after blasting a misfired hole, to recover any undetonated explosive.
- (15) The handling of a misfired shot shall be under the direct supervision of the mine foreman or a competent person designated by him.

~~{(16) Where compressed air is used for blasting or breaking coal, the following shall apply:~~

- ~~(a) Compressed air shall be conducted from the compressor to within a practical working distance of the face by steel airlines tested to withstand an approximate pressure of twenty thousand (20,000) pounds per square inch;~~
- ~~(b) Air lines shall be grounded at the compressor and, if possible, at other low resistance ground connections along the lines, such as at borehole casings. They shall not be connected in any way to tracks, water lines, or other electric power return conductors and shall be suitably insulated where they cross electric wires or underneath the track;~~
- ~~(c) Shutoff valves shall be installed every one thousand (1,000) feet in all compressed air blasting lines and in all branch lines at a point near the main lines;~~
- ~~(d) Compressed air blasting lines shall be protected at places where equipment passes over, under, or adjacent to them;~~
- ~~(e) Steel, copper, or other lines shall not be handled or repaired when air pressure is in the line;~~
- ~~(f) Air lines shall be examined periodically for kinks or other weaknesses and replaced immediately when defects are found;~~
- ~~(g) Copper tubing shall be coiled and uncoiled properly. The part of the tubing that is affected by frequent coiling and uncoiling shall be renewed periodically because of the dangers from kinks and crystallization;~~
- ~~(h) Blowdown valves shall not be less than forty five (45) feet from the face and shall be around a right angle;~~
- ~~(i) Holes for compressed air tubes shall be within the limits of the cut;~~
- ~~(j) When blowdown valves are opened to discharge the tube, they shall remain open until time to place the tube in the next borehole except where shear strip or shear pin tubes are used;~~
- ~~(k) After breaking down the coal in any one (1) place, the tube shall be disconnected at once from the air line and not reconnected until ready to be used in the next place;~~
- ~~(l) When a differential pressure type tube fails to discharge, the line leading to the tube shall be disconnected at the blowdown valve, and the tube shall be dragged by means of the line to an inactive place, marked with warning signs, and left one (1) hour before any repair work is done thereon; and~~
- ~~(m) All persons shall be removed from adjoining working places where there is danger of breaking through and shall be at a safe distance around a right angle while coal breaking is in progress.}~~

Section 18. KRS 352.280 is amended to read as follows:

In all mines the licensee or superintendent shall employ one (1) or more ~~certified fire bosses or other~~ properly certified persons. ~~A[The fire boss or other]~~ properly certified person shall examine carefully within three (3) hours before each shift enters the mine, every working place, all places adjacent to live workings, every roadway where persons are required to work or travel, all abandoned panels on the intake, every *set of seals*~~[seal]~~ on the intake, and all roof falls near active workings on the intake and on the working sections. Before proceeding with the examination he shall see that the air current is traveling its proper course. In making the examination he shall use ~~an~~ approved *gas detection devices*~~[safety lamp or other approved device]~~. ~~A[The fire boss or other]~~ properly certified person shall examine for all dangers in all portions of the mines under his charge, and after examination he shall leave at or as close as possible to the face of every place examined the date and time of the examination and his initials as evidence

that he has performed his duty. He shall also examine the entrances to all worked-out and abandoned portions adjacent to the roadways and working places under his charge where explosive gas is likely to accumulate, and he shall place a danger signal across the entrance to every place where explosive gas is discovered or where immediate danger is found to exist from any other cause. The signal shall be sufficient warning for persons not to enter. When the mine is idle and workmen are required to go into the mine, the section, portion, or part of the mine entered must be inspected by ~~a fire boss or other~~ properly certified person within three (3) hours before the workmen enter. Each week, ~~a properly~~ ~~the fire boss or some other~~ certified person designated by the mine foreman shall examine each ~~set of seals~~ ~~seal~~ on the return, all ~~designated~~ ~~main~~ intake and return entries, and all escapeways.

Section 19. KRS 352.371 is amended to read as follows:

Whenever any working place approaches within fifty (50) feet of abandoned areas in the mine as shown by surveys made and certified by a registered engineer, or within two hundred (200) feet of any other abandoned areas of the mine which cannot be inspected and which may contain dangerous accumulations of water or gas, or within two hundred (200) feet of any workings of an adjacent mine, a borehole or boreholes shall be drilled to a distance of at least twenty (20) feet in advance of the working face of the working place and shall be continually maintained to a distance of at least ten (10) feet in advance of the advancing working face. When there is more than one (1) borehole, they shall be drilled sufficiently close to each other to insure that the advancing working face will not accidentally hole through into abandoned areas or adjacent mines. Boreholes shall also be drilled not more than eight (8) feet apart in the rib of the working place to a distance of at least twenty (20) feet and at an angle of forty-five (45) degrees before additional cuts are taken. Rib holes shall be drilled in one (1) or both ribs of the working place as may be necessary for adequate protection of miners in such place. ***Alternative plans which afford equal or greater protection may be approved by the commissioner or his authorized representative.***

Section 20. KRS 352.400 is amended to read as follows:

- (1) The licensee of any mine may adopt special rules consistent with KRS Chapter 351 and this chapter for the government and operation of his mine, and covering all the work pertaining thereto in and out of the mine. Before the rules are put into effect they shall be approved in writing by the commissioner. ~~[The rules, when adopted and approved in writing by the commissioner, shall be printed on cardboard in the language spoken by seventy-five percent (75%) or more of the employees at the mine, and shall be posted on a bulletin board or some other conspicuous place about the mine where they may be seen by the employees at the mine. Before the rules are so adopted, approved and posted, the representative of the employees at the mine shall be given a copy thereof, and be deemed to have agreed thereto, before the employees are required to obey the rules.]~~
- (2) The mine rules shall be printed in a form prescribed by the commissioner.
- (3) The licensee shall furnish each employee a copy of the mine rules, and each employee shall sign a statement indicating his receipt of a copy of the rules and his agreement to comply with them.
- (4) The mine rules shall be included in the subjects taught during annual retraining of the mine's employees.

Section 21. KRS 352.410 is amended to read as follows:

- (1) Each superintendent shall, on behalf and at the expense of the ~~licensee~~ ~~operator~~, keep on hand at or within convenient distance of the mine, not to exceed 500 feet, a sufficient quantity of all materials and supplies required to preserve the safety of employees, as ordered by the mine foreman and required by law. If the superintendent cannot procure the necessary materials or supplies, he shall at once notify the mine foreman, who shall withdraw the men from the mine until the materials or supplies are received.
- (2) The superintendent shall, at least once each week, read and examine carefully and countersign all reports entered in the mine record book of the mine foreman.
- (3) The ~~licensee~~ ~~operator~~ or superintendent shall cooperate with the mine foreman and other officials in the fulfillment of their duties under KRS Chapter 351 and this chapter, and shall direct that the mine foreman and all other employees under him comply with the law, especially when his attention is called by the mine inspector or by the commissioner to any violations of the laws.
- (4) The superintendent shall keep on hand at the mine a supply of printed rules, notices, and record books required by this chapter. The superintendent shall see that rules, notices, and record books are delivered to the proper persons at the mine and are properly cared for, and that the rules and notices are posted in conspicuous places at or near the entrance to the mine and kept legible.

Section 22. KRS 352.420 is amended to read as follows:

- (1) The operator or superintendent of each mine shall give the commissioner at least ten (10) days' notice of the following:
 - (a) Abandonment of a mine;
 - (b) Resumption of work in a mine after an abandonment or discontinuance for a period of two (2) weeks or more;
 - (c) Change in the operator or name of a mine.
- (2) Each mine shall be inspected and approved by the department before operations are resumed after an abandonment~~[-or discontinuance for two (2) weeks or more]~~.

Section 23. KRS 352.450 is amended to read as follows:

- (1) The operator or superintendent of each underground mine shall annually make or cause to be made a map of the workings of the mine which is accurate and of professional quality, on a scale of not less than one hundred (100) and not more than five hundred (500) feet to the inch, showing the area mined and the forms of the excavations up to January 1, together with the location and connection of the property and mineral lease lines of all adjoining lands within one thousand (1,000) feet of the excavations and, marked on each tract, the name of each owner or lessee of adjoining lands and of mine property for which the map is being filed. Such map shall also show:
 - (a) The proposed general plan of mining for the next twelve (12) months;
 - (b) All pillared, worked-out, and abandoned areas;
 - (c) Entries and aircourses with the direction of airflow indicated by arrows;
 - (d) Dip of the coal bed;
 - (e) Escapeways;
 - (f) Major roof falls;
 - (g) Any worked-out areas within one thousand (1,000) feet of the projections proposed for the next twelve (12) months, designating whether active, abandoned or pillared, and showing precautions to be taken if mines are projected towards old workings which cannot be examined;
 - (h) Mines above or below;
 - (i) Water pools above;
 - (j) Location of all known oil and gas wells (both producing and abandoned) within the area required to be mapped, as well as owners and well numbers when possible;
 - (k) Such map shall identify those areas of the mine which are inaccessible or cannot be entered safely and on which no information is available;
 - (l) The name and address of the mine, the mine number, seam, seam thickness;
 - (m) The scale and orientation of the map, longitude and latitude, and corresponding USGS 7.5 minute quadrangle map;
 - (n) The property or boundary lines of the mine, indicating the twenty-five (25) foot barrier required by KRS 352.490 between projections and property lines;
 - (o) All known drill holes that penetrate the coal bed being mined;
 - (p) All shaft, slope, drift, and tunnel openings and auger and strip mined areas of the coal bed being mined;
 - (q) The location of all surface mine ventilation fans; the location may be designated on the mine map by symbols;
 - (r) The location of railroad tracks and public highways leading to the mine, and mine buildings of a permanent nature with identifying names shown, and water sheds near openings of the mine;
 - (s) The location and description of at least two (2) permanent base line points coordinated with the underground and surface mine traverses, and the location and description of at least two (2) permanent

elevation bench marks used in connection with establishing or referencing mine elevation surveys, and any other identifying permanent landmarks;

- (t) The location and elevation of any body of water dammed in the mine or held back in any portion of the mine; provided, however, such bodies of water may be shown on overlays or tracings attached to the mine maps used to show contour lines;
- (u) The elevations of tops and bottoms of shafts and slopes, and the floor at the entrance to drift and tunnel openings;
- (v) The elevation of the floor at intervals of not more than two hundred (200) feet in:
 - 1. At least one (1) entry of each working section, main entry and cross entries;
 - 2. The last line of open crosscuts of each working section, and main and cross entries before such sections and main and cross entries are abandoned;
 - 3. Rooms advancing toward or adjacent to property or boundary lines or adjacent mines; and
- (w) Contour lines passing through whole number elevations of the coal bed being mined. The spacing of such lines shall not exceed ten (10) foot elevation levels, except that a broader spacing of contour lines may be approved by the commissioner or his authorized representative for steeply-pitching coal beds. Contour lines may be placed on overlays or tracings attached to mine maps.

The operator or superintendent shall deposit a true copy of the map with *his license application to* the commissioner within forty-five (45) days after January 1, and another copy of the map shall be kept at the office of the mine. A copy shall also be furnished the district office of the department.

- (2) After making and filing the map with the commissioner, the operator or superintendent thereafter is only required to file annually with the commissioner, within the time specified, such additional map and statement as is necessary to show the progress of the workings, the amount and forms of excavations and the property lines within one thousand (1,000) feet of the excavations extended since the date of the preceding map. The commissioner shall annually, before January 1, give notice that the map is required.
- (3) The commissioner may require any operator or superintendent to furnish a map other than those required in subsections (1) and (2) of this section or of a surface mine, and the operator or superintendent shall immediately comply with the requirement.
- (4) The mine inspector shall have the authority to stop production at the mine of any operator who does not furnish within thirty (30) days of notification of specific deficiencies a map which fully complies with the requirements of this section.

Section 24. KRS 352.480 is amended to read as follows:

- (1) The commissioner shall, upon the application therefor in ~~written~~*the* form ~~of an affidavit~~ by any *interested party*~~licensee, owner, lessee, or operator~~, make or cause to be made, at the expense of the applicant, a duplicate of any *final or abandoned mine* map on file ~~with the department~~*in his office of any mine owned, leased or operated by the applicant*.
- (2) No copy of ~~any~~*such a* map *of an active mine* shall be made without the consent of the licensee, owner, lessee, or operator, except that when the owner of any land adjacent to or near the land of the licensee, owner, lessee, or operator files an affidavit with the commissioner showing ownership of the adjacent or nearby property, and alleging that he believes that the licensee, owner, lessee, or operator is encroaching upon or mining on his property, the commissioner shall cause to be furnished to the affiant, at the expense of the affiant, a duplicate of the map filed by the licensee, owner, operator, or lessee.
- (3) When any underground mine is worked out or is about to be abandoned or indefinitely closed, the licensee shall make or cause to be made a final ~~map~~*survey* of the mine, to show the entire worked-out area at the time the mine was abandoned or closed. *A certified copy of the mine workings, on a scale of not less than one hundred (100) and not more than five hundred (500) feet to the inch*~~The results shall be indicated on the map of the mine previously made, and a copy of the survey~~ shall be filed with the commissioner.

- (4) When satisfactory evidence, in the form of an affidavit, is furnished by any person planning to open or reopen a mine, a duplicate copy of a map of any abandoned mine which might affect the safety of the men to be employed in the proposed mine may be furnished the applicant upon request to the commissioner. The duplicate copy of the map shall be made at the expense of the applicant.

Approved April 23, 2002

CHAPTER 356

(HCR 285)

A CONCURRENT RESOLUTION confirming the appointment of Stephen B. Catron to the Governor's Postsecondary Education Nominating Committee.

WHEREAS, pursuant to KRS 164.005, the Governor has appointed Stephen B. Catron as a member of the Governor's Postsecondary Education Nominating Committee representing the Second Supreme Court District; and

WHEREAS, appointments to the Governor's Postsecondary Education Nominating Committee are subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, by letter of March 27, 2002, the Governor has delivered Stephen B. Catron's name for confirmation as a member of the board, as required by KRS 11.160; and

WHEREAS, the House of Representatives and the Senate find that Stephen B. Catron meets the requirements established in KRS 164.005 for membership on the Governor's Postsecondary Education Nominating Committee;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate hereby confirm the appointment of Stephen B. Catron to the Governor's Postsecondary Education Nominating Committee for a term ending April 14, 2008.

Section 2. The Clerk of the House of Representatives, pursuant to KRS 11.160(2), shall notify Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky, 40601 and Stephen B. Catron, 146 Ridgewood Drive, Bowling Green, Kentucky 42103, in writing, of the General Assembly's action.

Approved April 23, 2002

CHAPTER 357

(HCR 286)

A CONCURRENT RESOLUTION confirming the appointment of LaVerne M. Waldrop to the Governor's Postsecondary Education Nominating Committee.

WHEREAS, pursuant to KRS 164.005, the Governor has appointed LaVerne M. Waldrop as a member of the Governor's Postsecondary Education Nominating Committee representing the First Supreme Court District; and

WHEREAS, appointments to the Governor's Postsecondary Education Nominating Committee are subject to confirmation by the Senate and the House of Representatives; and

WHEREAS, by letter of March 27, 2002, the Governor has delivered LaVerne M. Waldrop's name for confirmation as a member of the board, as required by KRS 11.160; and

WHEREAS, the House of Representatives and the Senate find that LaVerne M. Waldrop meets the requirements established in KRS 164.005 for membership on the Governor's Postsecondary Education Nominating Committee;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The House of Representatives and the Senate hereby confirm the appointment of LaVerne M. Waldrop to the Governor's Postsecondary Education Nominating Committee for a term ending April 14, 2008.

Section 2. The Clerk of the House of Representatives, pursuant to KRS 11.160(2), shall notify Governor Paul E. Patton, Room 100, State Capitol, Frankfort, Kentucky, 40601 and LaVerne M. Waldrop, 1101 Beaumont Centre Lane, Apartment 4104, Lexington, Kentucky, 40513, in writing, of the General Assembly's action.

Approved April 23, 2002

CHAPTER 358

(SB 143)

AN ACT relating to planning and zoning.

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

Section 1. KRS 100.111 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Administrative official" means any department, employee, or advisory, elected or appointed body which is authorized to administer any provision of the zoning regulation, subdivision regulations, and if delegated, any provision of any housing or building regulation or any other land use control regulation;
- (2) "Agricultural use" means the use of a tract of at least five (5) contiguous acres for the production of agricultural or horticultural crops, including but not limited to livestock, livestock products, poultry, poultry products, grain, hay, pastures, soybeans, tobacco, timber, orchard fruits, vegetables, flowers or ornamental plants, including provision for dwellings for persons and their families who are engaged in the above agricultural use on the tract, but not including residential building development for sale or lease to the public, and shall also include, regardless of the size of the tract of land used, small wineries licensed under KRS 243.155, and farm wineries licensed under the provisions of KRS 243.156;
- (3) "Board" means the board of adjustment unless the context indicates otherwise;
- (4) "Citizen member" means any member of the planning commission or board of adjustment who is not an elected or appointed official or employee of the city or county;
- (5) "Commission" means planning commission;
- (6) "Conditional use" means a use which is essential to or would promote the public health, safety, or welfare in one (1) or more zones, but which would impair the integrity and character of the zone in which it is located, or in adjoining zones, unless restrictions on location, size, extent, and character of performance are imposed in addition to those imposed in the zoning regulation;
- (7) "Conditional use permit" means legal authorization to undertake a conditional use, issued by the administrative official pursuant to authorization by the board of adjustment, consisting of two (2) parts:
 - (a) A statement of the factual determination by the board of adjustment which justifies the issuance of the permit; and
 - (b) A statement of the specific conditions which must be met in order for the use to be permitted;
- (8) "Development plan" means written and graphic material for the provision of a development, including any or all of the following: location and bulk of buildings and other structures, intensity of use, density of development, streets, ways, parking facilities, signs, drainage of surface water, access points, a plan for screening or buffering, utilities, existing manmade and natural conditions, and all other conditions agreed to by the applicant;
- (9) "Fiscal court" means the chief body of the county with legislative power, whether it is the fiscal court, county commissioners, or otherwise;
- (10) "Housing or building regulation" means the Kentucky Building Code, the Kentucky Plumbing Code and any other building or structural code promulgated by the Commonwealth or by its political subdivisions;

- (11) "Legislative body" means the chief body of the city with legislative power, whether it is the board of aldermen, the general council, the common council, the city council, the board of commissioners, or otherwise; at times it also implies the county's fiscal court;
- (12) "Mayor" means the chief elected official of the city whether the official designation of his office is mayor or otherwise;
- (13) "Nonconforming use or structure" means an activity or a building, sign, structure or a portion thereof which lawfully existed before the adoption or amendment of the zoning regulation, but which does not conform to all of the regulations contained in the zoning regulation which pertain to the zone in which it is located;
- (14) "Planning operations" means the formulating of plans for the physical development and social and economic well-being of a planning unit, and the formulating of proposals for means of implementing the plans;
- (15) "Planning unit" means any city or county, or any combination of cities, counties, or parts of counties engaged in planning operations;
- (16) "Plat" means the map of a subdivision;
- (17) "Political subdivision" means any city or county;
- (18) "Several" means two (2) or more;
- (19) "Public facility" means any use of land whether publicly or privately owned for transportation, utilities, or communications, or for the benefit of the general public, including, but not limited to, libraries, streets, schools, fire or police stations, county buildings, municipal buildings, recreational centers including parks, and cemeteries;
- (20) "Street" means any vehicular way;
- (21) "Structure" means anything constructed or made, the use of which requires permanent location in or on the ground or attachment to something having a permanent location in or on the ground, including buildings and signs;
- (22) "Subdivision" means the division of a parcel of land into three (3) or more lots or parcels except in a county containing a city of the first, second or third class or in an urban-county government where a subdivision means the division of a parcel of land into two (2) or more lots or parcels; for the purpose, whether immediate or future, of sale, lease, or building development, or if a new street is involved, any division of a parcel of land; provided that a division of land for agricultural use and not involving a new street shall not be deemed a subdivision. The term includes resubdivision and when appropriate to the context, shall relate to the process of subdivision or to the land subdivided; any division or redivision of land into parcels of less than one (1) acre occurring within twelve (12) months following a division of the same land shall be deemed a subdivision within the meaning of this section;
- (23) "Unit" means planning unit; and
- (24) "Variance" means a departure from dimensional terms of the zoning regulation pertaining to the height, width, *length*, or location of structures, and the size of yards and open spaces where such departure meets the requirements of KRS 100.241 to 100.247.

Approved April 23, 2002

CHAPTER 359

(SJR 16)

A JOINT RESOLUTION requiring state agencies to perform certain functions.

WHEREAS, Hays, Kentucky was the first stop on the now-defunct Kentucky and Ohio Railroad heading north out of Jackson, Kentucky; and

WHEREAS, the Kentucky and Ohio Railroad ceased operation in 1933 and the track was removed in 1934; and

WHEREAS, members of the Hays family still live in the Jackson, Kentucky area to this day; and

WHEREAS, it is fitting and proper that the General Assembly take steps to preserve and pass on some sense of the history of this community;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. The Transportation Cabinet shall name the bridge currently under construction to connect Kentucky Route 15 and Kentucky Route 3193, the "Hays Depot Bridge."

Section 2. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs on the road specified in Section 1 of this Act that read "Hays Depot Bridge."

Section 3. The Transportation Cabinet is directed to extend the segment of KY 231 named the "Bill Monroe Memorial Boulevard," currently ending in Hartford, to the Western Kentucky Parkway.

Section 4. The Transportation Cabinet shall immediately begin preparing the appropriate highway signs to facilitate their erection upon the effective date of this Resolution.

Section 5. The Transportation Cabinet shall name Kentucky Route 680 in Floyd County in memory of Lovel Hall.

Section 6. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs on Kentucky Route 680 in Floyd County that read "The Lovel Hall Memorial Highway."

Section 7. The Legislative Research Commission shall conduct a study to determine the feasibility of constructing a state park at the birthplace of Bill Monroe. The study shall incorporate input from interested parties, to include but not be limited to the Tourism Development Cabinet, the Bill Monroe Foundation, and the city of Rosine.

Section 8. The study findings and recommendations shall be reported to the Legislative Research Commission no later than October 1, 2003.

Section 9. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Section 10. The Transportation Cabinet shall name the state highway garage in Burkesville in memory and honor of Bruce Perry Parrish for his many years of dedicated service to the Commonwealth.

Section 11. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs naming the "Bruce Perry Parrish Garage."

Section 12. The Transportation Cabinet shall name Kentucky Route 15 in Letcher County, from the Knott County line to the intersection of Kentucky Route 15 and United States Route 119 in Whitesburg, the "Paul Mason Memorial Highway."

Section 13. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs on Kentucky Route 15 in Letcher County, at the Knott County line and at the intersection of Kentucky Route 15 and United States Route 119 in Whitesburg, that read "Paul Mason Memorial Highway."

Section 14. The Transportation Cabinet is directed to name Kentucky Route 3 from the intersection with United States Route 23 north to Kentucky Route 1185 and Kentucky Route 1185 from the intersection of Kentucky Route 3 to the Yatesville Lake State Park Marina the "Freedom Is Not Free Veterans Memorial Highway."

Section 15. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs that read "Freedom Is Not Free Veterans Memorial Highway" at each end of the route specified in Section 14 of this Resolution and at appropriate intervals along the route.

Section 16. The Transportation Cabinet shall name the state highway maintenance garage in Kemper the "Rick Slone Garage."

Section 17. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs naming the "Rick Slone Garage."

Section 18. The Transportation Cabinet shall name Kentucky Route 72 in Bell County the "Coal Miners Memorial Highway."

Section 19. The Transportation Cabinet shall, within thirty days of the effective date of this Resolution, erect signs at each end of the route specified in Section 18 of this Resolution that read "Coal Miners Memorial Highway."

Section 20. The Off-road Motorcycle and All-terrain Vehicle Task Force is created to study policies and issues surrounding the use of private and public lands by all-terrain vehicles and off-road motorcycles. The task force shall examine state policies and the effect this issue has on highway safety and Kentucky tourism.

Section 21. The task force shall consist of fifteen (15) members as follows:

- (1) Two (2) members of the Senate Transportation Committee, appointed by the President of the Senate;
- (2) Two (2) members of the House Transportation Committee, appointed by the Speaker of the House;
- (3) The Secretary of the Transportation Cabinet, or the secretary's designee;
- (4) The Secretary of the Tourism Cabinet, or the secretary's designee;
- (5) The Commissioner of the Department of Fish and Wildlife Resources, or the commissioner's designee;
- (6) The Commissioner of the Kentucky State Police, or the commissioner's designee;
- (7) The Secretary of the Natural Resources and Environmental Protection Cabinet, or the secretary's designee;
- (8) Two (2) members of the Kentucky Motorcycle Association, appointed by the Legislative Research Commission; and
- (9) One (1) member of the Kentucky League of Sportsmen, appointed by the Legislative Research Commission; and
- (10) One (1) member of the Kentucky Council of Area Development Districts, appointed by the Legislative Research Commission; and
- (11) One (1) member of an ATV association based in a county located within the boundaries of the East Kentucky Corporation as defined by KRS 154.33-510(1); and
- (12) One (1) member of an ATV association based in a county located within the boundaries of the West Kentucky Corporation as defined by KRS 154.85-010(1).

Section 22. A majority of members shall serve as a quorum. The President of the Senate shall appoint one (1) of the Senate members to serve as co-chair of the task force and the Speaker of the House shall appoint one (1) of the House members to serve as co-chair of the task force. The task force shall be staffed by Legislative Research Commission staff.

Section 23. The task force shall report its findings and legislative recommendations to the Legislative Research Commission no later than September 30, 2003, for action during the 2004 Regular Session of the General Assembly.

Section 24. Provisions of this resolution to the contrary notwithstanding, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to an interim joint committee or subcommittee thereof, and to designate a study completion date.

Approved April 23, 2002

CHAPTER 360

(SB 80)

AN ACT relating to crimes and punishments.

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

Section 1. KRS 508.025 is amended to read as follows:

- (1) A person is guilty of assault in the third degree when the actor:
 - (a) Recklessly, with a deadly weapon or dangerous instrument, or intentionally causes or attempts to cause physical injury to:

1. A state, county, city, or federal peace officer;
 2. An employee of a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or adjudicated delinquent because of a public offense or as a youthful offender;
 3. An employee of the Department for Community Based Services employed as a social worker to provide direct client services, if the event occurs while the worker is performing job related duties; or
 4. A probation and parole officer;~~{or}~~
 5. *A public or private elementary or secondary school or school district classified or certified employee, school bus driver, or other school employee acting in the course and scope of the employee's employment; or*
 6. *A public or private elementary or secondary school or school district volunteer acting in the course and scope of that person's volunteer service for the school or school district; or*
- (b) Being a person confined in a detention facility, or state residential treatment facility or state staff secure facility for residential treatment which provides for the care, treatment, or detention of a juvenile charged with or adjudicated delinquent because of a public offense or as a youthful offender, inflicts physical injury upon or throws or causes feces, or urine, or other bodily fluid to be thrown upon an employee of the facility.
- (2) Assault in the third degree is a Class D felony.

Approved April 23, 2002

CHAPTER 361

(SB 193)

AN ACT relating to the assessment and expenditure of revenue.

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

Section 1. KRS 224.60-115 is amended to read as follows:

As used in KRS 224.60-120 to 224.60-150, unless the context otherwise requires:

- (1) "Bodily injury and property damage" means only those actual economic losses to an individual or the individual's property resulting from bodily injuries and damages to property caused by a release into the environment from a petroleum storage tank. In this context, property damage includes damage to natural resources;
- (2) "Cabinet" means the Natural Resources and Environmental Protection Cabinet;
- (3) "Claim" means any demand in writing for a certain sum;
- (4) "Corrective action" means those actions necessary to protect human health and the environment in the event of a release from a petroleum storage tank. Corrective action includes initial responses taken pursuant to KRS 224.60-135, remedial actions to clean up contaminated groundwater, surface waters, or soil, actions to address residual effects after initial corrective action is taken, and actions taken to restore or replace potable water supplies. Corrective action also includes actions necessary to monitor, assess, and evaluate a release, as well as actions necessary to monitor, assess, and evaluate the effectiveness of remedial action after a release has occurred;
- (5) "Dealer" means a person required to be licensed as a gasoline or special fuels dealer as defined in KRS 138.210(2);
- (6) "Facility" means, with respect to any owner or operator, all petroleum storage tanks which are owned or operated by an owner or operator and are located on a single parcel of property or on any contiguous or adjacent property;

- (7) "Federal regulations" means regulations for underground petroleum storage tanks promulgated by the United States Environmental Protection Agency pursuant to Subtitle I of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act;
- (8) "Free product" means a regulated substance that is present as a non-aqueous phase liquid;
- (9) "Fund" means the petroleum storage tank environmental assurance fund *and its subaccounts, the financial responsibility account and the petroleum storage tank account* established pursuant to KRS 224.60-140;
- (10) "Gasoline" means gasoline as defined in KRS 138.210(4);
- (11) "Motor fuel" means petroleum or a petroleum-based substance that is motor gasoline, aviation gasoline, No. 1 or No. 2 diesel fuel, or any grade of gasohol, that is typically used in the operation of a motor engine, jet fuel, and any petroleum or petroleum-based substance typically used in the operation of a motor vehicle, including used motor vehicle lubricants and oils;
- (12) "Occurrence" means a release, or releases, of an accidental nature, requiring corrective action, from a petroleum storage tank or tanks located at the same facility, due to continuous or repeated exposure to conditions. An additional release or releases at the same facility in which the area requiring remedial action is separate from a previous remediation area or areas shall be considered a separate occurrence;
- (13) "Office" means the Office of Petroleum Storage Tank Environmental Assurance Fund;
- (14) "Person" means an individual, trust, firm, joint stock company, federal agency, corporation, the state, a municipality, commission, or political subdivision of the state. The term includes a consortium, a joint venture, the United States government, or a commercial entity;
- (15) "Petroleum" and "petroleum products" means crude oil, or any fraction thereof, which is liquid at standard conditions of temperature and pressure, which means at sixty (60) degrees Fahrenheit and 14.7 pounds per square inch absolute. The term includes motor gasoline, gasohol, other alcohol-blended fuels, diesel fuel, heating oil, special fuels, lubricants, and used oil;
- (16) "Petroleum storage tank" means an underground storage tank, as defined by KRS 224.60-100, which contains petroleum or petroleum products but, for the purpose of participation or eligibility for the fund, shall only include tanks containing motor fuels and shall not include petroleum storage tanks used exclusively for storage of fuel used in the operation of a commercial ship or vessel or tanks used exclusively for storage of fuel used for the purposes of powering locomotives or tanks owned by a federal agency or the United States government;
- (17) "Petroleum storage tank operator" means any person in control of, or having responsibility for, the daily operation of a petroleum storage tank;
- (18) "Petroleum storage tank owner" means the person who owns a petroleum storage tank, except that petroleum storage tank owner does not include any person who, without participation in the management of a petroleum storage tank, holds indicia of ownership primarily to protect a security interest in the tank;
- (19) "Received" means the same as defined in KRS 138.210(5);
- (20) "Release" means any spilling, leaking, emitting, discharging, escaping, leaching, or disposing from a petroleum storage tank into groundwater, surface water, or surface or subsurface soils. The term shall not include releases that are permitted or authorized by the state or federal law;
- (21) "Special fuels" means special fuels as defined in KRS 138.210(4); and
- (22) "Third party" means a person other than the owner or operator of a facility, or the agents or employees of the owner or operator, who sustains bodily injury or property damage as a result of a release from that facility.

Section 2. KRS 224.60-130 is amended to read as follows:

- (1) There is created within the Public Protection and Regulation Cabinet, Office of the Secretary, the Office of Petroleum Storage Tank Environmental Assurance Fund.
- (2) The Office of Petroleum Storage Tank Environmental Assurance Fund shall:
 - (a) Establish by administrative regulation the policy, guidelines, and procedures to administer the *financial responsibility and petroleum storage tank accounts of the* petroleum storage tank environmental assurance fund. In adopting administrative regulations to carry out this section, the office may

distinguish between types, classes, and ages of petroleum storage tanks. The office may establish a range of amounts to be paid from the fund, or may base payments on methods such as pay for performance, task order, or firm fixed pricing, which are designed to provide incentives for contractors to more tightly control corrective action costs, and shall establish criteria to be met by persons who contract to perform corrective action to be eligible for reimbursement from the fund. The criteria may include the certification of individuals, partnerships, and companies. Criteria shall be established to certify laboratories that contract to perform analytical testing related to the underground storage tank program. ~~[The criteria for certification of laboratories shall be established no later than January 1, 1999. After April 1, 1999,]~~ Owners and operators shall have all required analytical testing performed by a certified laboratory to be eligible for fund participation. Persons who contract with petroleum storage tank owners or operators shall not be paid more than the amount authorized by the office for reimbursement from the fund for the performance of corrective action. At a minimum, the office shall promulgate administrative regulations that will insure an unobligated balance in the fund adequate to meet financial assurance requirements and corrective action requirements of KRS 224.60-135(2) and (4). If the unobligated balance in the fund is not adequate to meet the requirements of this paragraph, the office shall obligate funds necessary to meet these requirements;

- (b) Establish by administrative regulation the criteria to be met to be eligible to participate in the ***financial responsibility and petroleum storage tank accounts***~~[fund]~~ and to receive reimbursement from ~~these accounts~~~~[the fund]~~. The office may establish eligibility criteria ***for the petroleum storage tank account*** based upon the financial ability of the petroleum storage tank owner or operator. ***Owners or operators seeking coverage under the petroleum storage tank account shall file for eligibility and for financial assistance with the office on or before January 15, 2004.*** To insure cost effectiveness, the office shall promulgate administrative regulations specifying the circumstances under which prior approval of corrective action costs shall be required for those costs to be eligible for reimbursement from the fund. In promulgating administrative regulations to carry out this section, the office may distinguish between types, classes, and ages of petroleum storage tanks and the degree of compliance of the facility with any administrative regulations of the cabinet promulgated pursuant to KRS 224.60-105 or applicable federal regulations;
- (c) Establish a financial responsibility account within the fund which may be used by petroleum storage tank owners and operators to demonstrate financial responsibility as required by administrative regulations of the cabinet or the federal ***regulations applicable to***~~[government for]~~ petroleum storage tanks, consistent with the intent of the General Assembly as set forth in KRS 224.60-120(5). ***The account shall receive four-tenths of one cent (\$0.004) from the one and four-tenths cent (\$0.014) paid on each gallon of gasoline and special fuels received in this state pursuant to KRS 224.60-145***~~[The amount to be maintained in this account shall be established by the office]~~. To be eligible to use this account to demonstrate compliance with financial responsibility requirements of the cabinet or federal regulations, or to receive reimbursement from this account for taking corrective action and for compensating third parties for bodily injury and property damage, the petroleum storage tank owner or operator shall meet the eligibility requirements established by administrative regulation promulgated by the office;
- (d) Establish a small operator assistance account within the fund which may be used by the office to make or participate in the making of loans, to purchase or participate in the purchase of the loans, which purchase may be from eligible lenders, or to insure loans made by eligible lenders;
- (e) Establish a petroleum storage tank account within the fund to be used to pay the costs of corrective action due to a release from a petroleum storage tank not eligible for reimbursement from the financial responsibility account. ***Reimbursements of corrective action projects performed under the petroleum storage tank account shall be carried out on or before July 15, 2009. Any corrective action costs incurred after this date shall not be eligible for reimbursement under the petroleum storage tank account. The account shall receive one cent (\$0.01) from the one and four-tenths cent (\$0.014) paid on each gallon of gasoline and special fuels received in this state pursuant to KRS 224.60-145.*** This account shall not be used to compensate third parties for bodily injury and property damage. ***Within three (3) months after the effective date of this Act, the office shall develop a plan to address the payment of claims and completion of corrective action at facilities eligible for reimbursement from this account.*** The office shall establish a ranking system to be used for the distribution of amounts from this account for the purpose of corrective action. In promulgating administrative regulations to carry out this section, the office shall consider the financial ability of the petroleum storage tank owner or

- operator to perform corrective action and the extent of damage caused by a release into the environment from a petroleum storage tank;
- (f) Hear complaints brought before the office regarding the payment of claims from the fund in accordance with KRS Chapter 13B;
 - (g) Establish and maintain necessary offices within this state, appoint employees and agents as necessary, and prescribe their duties and compensation;
 - (h) Employ, in accordance with the procedures found in KRS 45A.690 to 45A.725 for awarding personal service contracts, a qualified actuary to perform~~[-an]~~ actuarial ~~studies~~~~[study]~~, ***as directed by the office, for determining an appropriate reserve in the financial responsibility account and the petroleum storage tank account sufficient to satisfy the obligations in each account for all eligible facilities and to satisfy future liabilities and expenses necessary to operate each account***~~[no less than every two (2) years, that recommends to the office an actuarially sound entry level to the fund prior to two (2) years from April 9, 1990]~~. The office shall, by administrative regulation, set the entry level for participation in the fund;
 - (i) Authorize expenditures from the fund to carry out the purpose of KRS 224.60-105 to 224.60-160, including reasonable costs of administering the fund, the procurement of legal services, and the procurement of analytical testing services when necessary to confirm the accuracy of analytical testing results obtained by a petroleum storage tank owner or operator. ***The expenditures shall be paid from the appropriate account;***
 - (j) Establish a small operators' tank removal account within the fund to reimburse the reasonable cost of tank system removal for small owners and operators. The account shall not be used when an owner or operator is removing the tank with the intention of replacing or upgrading the tank. In promulgating administrative regulations to carry out this paragraph, the office may distinguish among owners and operators based on income, number of tanks, number of facilities, and types and classes of tanks;
 - (k) Establish by administrative regulation the policy, guidelines, and procedures to perform financial audits of any petroleum storage tank owner or operator receiving reimbursement from the fund or any entity contracting or subcontracting to provide corrective action services for facilities eligible for fund reimbursement. Financial audits shall be limited to those files, records, computer records, receipts, and other documents related to corrective action performed at a facility where the costs of corrective action have been reimbursed by the fund. Files, records, computer records, receipts, and other documents related to corrective action reimbursed by the fund shall be subject to a financial audit for a period of three (3) years after the date of final reimbursement from the fund. Results of the audits shall be protected from disclosure as allowed by KRS 61.878(1)(c). Financial auditing services may be contracted for or personnel may be employed as needed to implement the requirements of this paragraph;
 - (l) Be authorized to enter and inspect any facility intending to seek reimbursement for the cost of corrective action to determine the reasonableness and necessity of the cost of corrective action. The office may collect soil or water samples or require storage tank owners or operators to split samples with the office for analytical testing. Refusal to allow entry and inspection of a facility or refusal to allow the office to collect or split samples shall make the facility ineligible for fund participation;~~[-and]~~
 - (m) Have~~[-after April 1, 1999,]~~ assurance fund auditors on site at all tank system removals. Failure to comply with this provision shall make the facility ineligible for fund participation. A petroleum storage tank owner or operator may request through certified mail that the office schedule an assurance fund auditor to be present at an upcoming tank removal. If the request is made at least two (2) weeks before the time for the removal and an auditor fails to be present at the time scheduled, the tank removal may proceed without making the facility ineligible for fund participation unless the owner is notified by the assurance fund no later than ten (10) days prior to the proposed date that an auditor is not available on the proposed date, in which event a representative of the assurance fund shall contact the operator and schedule a new date. If no auditor is present at the rescheduled date, the removal may then proceed without penalty; ***and***

- (n) *Establish that the deadline for submission of final reimbursement requests under the petroleum storage tank account is two (2) years after receipt of a no further action letter or by July 15, 2010, whichever is earlier. Claims received after July 15, 2010, are not eligible for reimbursement.*

The funding and operations of the small operator assistance account and the small operator's tank removal account shall end on July 15, 2004.

- (3) The office may advise the cabinet on the promulgation of administrative regulations concerning petroleum storage tanks.
- (4) The office may sue and be sued in its own name.
- (5) *The office may transfer funds from the petroleum storage tank account to the small operator tank removal account as needed to satisfy the obligations, future liabilities, and expenses necessary to operate that account. The office may transfer funds to the financial responsibility account as needed to maintain within that account sufficient funds to demonstrate financial responsibility and to ensure payment of claims as provided in subsection (2)(c) of this section.*

Section 3. KRS 224.60-137 is amended to read as follows:

- (1) *It is the intent of the General Assembly, when funds are available, that the University of Kentucky update the study completed in July, 1995, and recommend amendments to standards for levels of petroleum contamination, including lead and other additives, requiring corrective action to adequately protect human health, safety, and the environment established in administrative regulations promulgated by the cabinet, based on new information or changes in federal law*~~[The office shall have a study performed to identify appropriate standards for corrective action for a release into the environment from a petroleum storage tank. The study shall address, but not be limited to, standards for levels of petroleum contamination, including lead, requiring corrective action to adequately protect human health, safety, and the environment consistent with accepted scientific and technical principles and federal law. The standards shall take into account distances to environmentally sensitive features, including surface waters, wetlands, nature preserves, protected ecological areas, springs and wells used for domestic water supply, and well head protection areas. The office shall contract with a person or persons to perform the study qualified in the areas of engineering, hydrogeology, geology, toxicology, epidemiology, biology, public health, chemistry, and risk assessment. The office shall provide for the October 18, 1993 study performed by the University of Kentucky to be completed within one hundred twenty (120) days of April 11, 1994, to comply with the requirements of this subsection].~~
- (2) The office shall contract with the University of Kentucky *when funds are available*~~[, or another person or persons having the qualifications established in subsection (1) of this section, to recommend revisions or amendments to the study based upon new information or changes in federal law, and to review and comment to the office upon the consistency with the completed study of administrative regulations proposed by the cabinet pursuant to subsection (3) of this section. The person contracted with to recommend revisions or amendments to the study shall identify in writing any inconsistencies of the draft administrative regulations required by subsection (4) of this section with the completed study. The cabinet shall comment to the office on the completed study report and any proposed revisions or amendments to the study. The office shall approve the completed study report and any revisions or amendments to the study].~~
- (3) The cabinet shall, by administrative regulation, *adopt*~~[establish]~~ standards for corrective action for a release into the environment from a petroleum storage tank. The administrative regulations shall adequately protect human health, safety, and the environment, and *may consider*~~[shall incorporate]~~ the study *and any revisions or amendments to it* performed for the office, except as necessary to comply with federal law~~[or as provided in subsection (4) of this section].~~
- (4)~~[~~ Within ninety (90) days of the receipt of the completed study report, the cabinet shall prepare draft administrative regulations for submission to and review by the person performing the study. The comments required pursuant to subsection (2) of this section shall be filed with the office and the cabinet within sixty (60) days of receipt of the draft administrative regulations by the office. If any inconsistencies are identified, the person conducting the review and the cabinet shall confer to resolve the inconsistencies, and report to the office within sixty (60) days. If the person conducting the review and the cabinet are unable to resolve the inconsistencies, the cabinet and the office shall appoint an independent peer review group to resolve the inconsistencies and recommend amendments to the draft administrative regulations within sixty (60) days of appointment. The peer review group shall be appointed by agreement of the cabinet and the office. The cabinet shall amend the draft administrative regulations to incorporate the amendments recommended by the peer

~~review group and file the administrative regulations with the Legislative Research Commission within sixty (60) days of receipt. The administrative regulations shall be promulgated pursuant to the provisions of KRS Chapter 13A.~~

- ~~(5)}~~ *Within ninety (90) days of the effective date of this Act, the cabinet shall develop an inventory of facilities eligible for reimbursement from the financial responsibility account and the petroleum storage tank account and information on the current status of each facility within the corrective action process. The cabinet shall update the inventory and the status of the facilities and submit the information quarterly to the Legislative Research Commission.* ~~Notwithstanding any provisions of law or KRS Chapter 13A to the contrary, the emergency administrative regulations filed by the cabinet in February 1994 shall remain in effect until the administrative regulations required by subsection (3) of this section are adopted and effective pursuant to the provisions of KRS 13A.330.~~

Section 4. KRS 224.60-140 is amended to read as follows:

- (1) There is hereby created the petroleum storage tank environmental assurance fund. The fund *shall consist of a financial responsibility account and a petroleum storage tank account. Each account* shall be maintained as a separate and distinct interest-bearing account. *Interest credited to an account shall be retained in that account.* All of the following amounts shall be deposited in the fund:
 - (a) *Four-tenths of one cent (\$0.004) from the one and four-tenths cent (\$0.014) paid on each gallon of gasoline and special fuels received in this state pursuant to KRS 224.60-145 to the financial responsibility account.* ~~Any interest earned upon money deposited in the fund;~~
 - (b) *One cent (\$0.01) from the one and four-tenths cent (\$0.014) paid on each gallon of gasoline and special fuels received in this state pursuant to KRS 224.60-145 to the petroleum storage tank account;*
 - (c) Money appropriated by the General Assembly for deposit in *each account* ~~the fund~~;
 - ~~(d)(e)}~~ Any money recovered by the fund pursuant to this section *shall be deposited in the appropriate account;* and
 - ~~(e)(d)}~~ Any money collected in the form of penalties levied pursuant to KRS 224.60-155 *shall be deposited to the appropriate account.*
- (2) Money in the *fund, financial responsibility account and the petroleum storage tank account shall* ~~fund may~~ be used by the office for the following purposes:
 - (a) To reimburse petroleum storage tank owners or operators for the costs, expenses, and other obligations incurred for corrective action *required by the cabinet to be undertaken* as the result of a release into the environment from a petroleum storage tank. Reimbursement shall be limited to only those costs, expenses, and other obligations incurred to comply with corrective action requirements established *in law or administrative regulation* by the cabinet. Additional costs related to compliance with a local program operating under KRS 224.60-105(4) shall be neither reimbursable by the fund nor imposed on the owner or operator. Reimbursement shall not include the costs related to the removal, or actions incidental to the removal, of a tank system except as authorized under KRS 224.60-130(2)(j);
 - (b) For payment of or reimbursement for third-party claims for bodily injury and property damage, *related to a facility eligible for participation in the financial responsibility account*, which are asserted against a petroleum storage tank owner or operator as a result of a release into the environment from a petroleum storage tank;
 - (c) To pay the reasonable, *prorated* costs incurred by the office in administering *each account* ~~the fund~~; *and*
 - ~~(d)~~ ~~Payment to the cabinet of the costs of implementing the tank registration required by KRS 224.60-142; and~~
 - ~~(e)}~~ *The cost* to operate the small operators' assistance account pursuant to KRS 224.60-130(2)(d), the small operators' tank removal account pursuant to KRS 224.60-130(2)(j), to perform or contract for the performance of financial audits conducted under KRS 224.60-130(2)(k), and to employ sufficient

assurance fund auditors to carry out the provisions of KRS 224.60-130 and to set forth their duties.
These costs shall be prorated to each account.

- (3) The use of the fund shall not exceed one million dollars (\$1,000,000) per occurrence for corrective action and one million dollars (\$1,000,000) per occurrence for compensating third parties for bodily injury and property damage.
- (4) Money in the fund may be used by the cabinet for costs incurred by the cabinet for corrective action taken pursuant to KRS 224.60-135(2) and (4).
- (5) The fund shall be used to guarantee payment of reasonable costs and expenses to a contractor performing corrective action under contract with a petroleum storage tank owner or operator subject to entry level amounts payable by the petroleum storage tank owner or operator. Money in the fund shall be obligated to secure the guarantee.
- (6) A petroleum storage tank owner or operator may apply to the office for reimbursement from the fund of costs to perform corrective action, except that the petroleum storage tank owner or operator shall be responsible for and shall not be reimbursed for an amount equal to the entry level into the fund as set pursuant to administrative regulation of the office.
- (7) The office or its designated agent shall issue all decisions made on claims filed pursuant to this section in writing, with notification to all appropriate parties, within ninety (90) days after submission of the claim, unless all parties to the claim agree in writing to an extension of time. ***The office shall by phone or facsimile transmission immediately notify the claim applicant and its consultant, if applicable, when the claim is determined to be deficient. The notification shall provide sufficient information to allow the applicant and its consultant, if applicable, to begin to correct the deficiency. The office shall then notify the applicant and its consultant, if applicable, by certified mail of the deficiency. The notice shall indicate how many days remain in the ninety (90) day review period from the time of mailing. The review period shall be tolled pending submittal of information responding to the deficiency, but not to exceed thirty (30) days. When the office receives information that corrects the deficiency, or at the end of the thirty (30) day period, the office shall complete the review of the claim within the time remaining in the ninety (90) day review period. Nothing in this section shall be construed as preventing the fund from making partial reimbursement as appropriate.***
- (8) Except as provided in subsection (9), any costs incurred and payable from the fund for corrective action taken pursuant to KRS 224.60-135(2) shall be recovered by the office from the petroleum storage tank owner or operator which released the petroleum or petroleum products into the environment.
- (9) The liability of a petroleum storage tank owner or operator subject to a cost recovery under this section shall not exceed an amount equal to the entry level into the fund, the office's cost incurred in the cost recovery, and any penalties applied in accordance with KRS 224.60-155. This amount shall include any expenditures made by the petroleum storage tank owner or operator for the release into the environment from the petroleum storage tank that is the subject of the cost of recovery.
- (10) The amount of costs determined pursuant to subsections (8) and (19) of this section shall be recoverable in a civil action. This subsection does not deprive a party of any defense the party may have.
- (11) Money recovered by the office pursuant to this section shall be deposited in the ***appropriate account***~~fund~~.
- (12) Upon motion and sufficient showing by any party, the court shall join to the action any person who may be liable for costs or expenditures recoverable pursuant to this section.
- (13)
 - (a) Any party found liable for any costs or expenditures recoverable under this section who establishes that only a portion of those costs or expenditures are attributable to their actions, shall pay only for that portion.
 - (b) If the trier of fact finds the evidence insufficient to establish each party's portion of costs or expenditures pursuant to subsection (12) of this section, the court shall apportion those costs or expenditures, to the extent practicable according to equitable principles among the defendants.
 - (c) The ***appropriate account***~~fund~~ shall pay any portion of the judgment in excess of the aggregate amount of costs or expenditures apportioned under paragraphs (a) and (b) of this subsection.
- (14)
 - (a) No indemnification, hold harmless, conveyance, or similar agreement shall be effective to transfer any liability for costs recoverable under this section. This subsection shall not bar any agreement to insure,

hold harmless, or indemnify a party to the agreement for any costs under KRS 224.60-105 to 224.60-160.

- (b) The entry of judgment against any party to the action shall not bar any future action by the fund against any other person who is later discovered to be potentially liable for costs paid from the fund.
 - (c) Payment of any claim by the fund pursuant to KRS 224.60-105 to 224.60-160 shall be subject to the state acquiring by subrogation the rights of the claimant to recover those costs of corrective action for which it has compensated the claimant from the person responsible or liable for the release.
- (15) This section shall not be construed as authorizing recovery for costs of corrective action resulting from any release authorized or permitted pursuant to state or federal law.
- (16) The cabinet shall attempt, to the maximum extent practicable, to secure or obtain funds that may be available for corrective actions under federal laws. However, nothing in this subsection shall prevent the cabinet from expending any funds available under KRS 224.60-105 to 224.60-160 if such federal funds are determined to be unavailable.
- (17) The fund shall not be used for corrective action, reimbursement, or third-party liability resulting from releases from petroleum storage tanks used exclusively for storage of fuel used in the operation of a commercial ship or vessel oil tanks used exclusively for storage of fuel used for the purposes of powering locomotives.
- (18) (a) Any person filing a claim for reimbursement from the office shall, prior to filing the claim for reimbursement, ensure full payment of the claims of all vendors and subcontractors who have performed work or supplied materials related to corrective action at an underground storage tank facility, where labor or materials supplied by a vendor or subcontractor form a basis for at least part of the claim for reimbursement.
- (b) A vendor or subcontractor may waive, in writing, his right to receive full payment before the person files the claim for reimbursement. Any vendor or subcontractor who waives, in writing, his right to full payment shall also waive, in writing, his right to take legal recourse against the office and the underground storage tank facility owner or operator for nonpayment from a prime contractor for work performed or materials supplied to the prime contractor during corrective action at an underground storage tank facility. Any vendor or subcontractor who waives, in writing, his right to full payment prior to the filing of the claim for reimbursement shall acknowledge in the written waiver that his, his heirs', successors', and assigns' sole recourse for the nonpayment of work performed or materials supplied to a prime contractor during corrective action at an underground storage tank facility is to proceed against the prime contractor for whom he performed the work or supplied materials. Any vendor or subcontractor who waives, in writing, his right to full payment prior to the filing of the claim for reimbursement shall release and discharge any liens filed as a result of work performed or materials provided at the underground storage tank facility. Subcontractor and vendor waivers must be made on standard forms furnished by the office. Their signatures must be notarized.
- (c) Unless the provisions of paragraph (b) of this subsection apply, any person filing a claim for reimbursement from the office shall certify, by affidavit, on standard forms furnished by the office, that all vendors and subcontractors who have performed work or supplied materials related to corrective action at an underground storage tank facility, where labor and materials supplied by a vendor or subcontractor form a basis for at least part of the claim for reimbursement, have been paid in full as of the date of submission of the claim for reimbursement. A single affidavit may be made for each claim for reimbursement, provided, however, that the representations made in the affidavit shall be applied to each vendor or subcontractor individually, and, where false, shall be treated, as to each vendor or subcontractor, as a separate violation for the purpose of applying any criminal statute.
- (d) Any person with responsibility for administering the office who believes, or has information, that an affidavit submitted pursuant to this subsection contains false or misleading information, or any person with responsibility for administering the office who believes or has information that an application for financial assistance or a claim for reimbursement contains false or misleading information, shall provide that information to the Commonwealth's attorney whose jurisdiction includes the county where the majority of the subject underground storage tank facility is located. That person may additionally provide the information to any other interested prosecutor with jurisdiction to prosecute crimes pertaining to an application for financial assistance or the claim for reimbursement.

- (19) Any person who knowingly makes a false statement, representation, or certification in an application for reimbursement from the fund, or in any supporting documentation attached thereto, shall be responsible for and shall not be reimbursed for any amounts incurred based upon the false statement, representation, or certification. Any costs incurred and paid from the fund which are based on a false statement, representation, or certification in an application for reimbursement from the fund, or in any supporting documentation attached thereto, shall be recovered by the fund administrators from the person who asserted the false statement, representation, or certification.

Section 5. KRS 224.60-142 is amended to read as follows:

- (1) To be eligible to participate in the fund, *the owner of any petroleum storage tank containing motor fuels installed and placed in operation after July 15, 2002, shall register the petroleum storage tank with the cabinet as required by KRS 224.60-105 prior to applying for participation in the financial responsibility account.*
- (2) The owner of any petroleum storage tank containing motor fuels currently existing, or removed from the ground after January 1, 1974, shall register the petroleum storage tank containing motor fuels with the cabinet prior to applying to the fund, and shall register the petroleum storage tank containing motor fuels by July 15, 2004~~[2002]~~. *Owners or operators may submit affidavits and applications, relevant to current petroleum storage tank accounts through July 15, 2004.*

Section 6. KRS 224.60-145 is amended to read as follows:

- (1) Except as provided in subsection (2) of this section, there is established a petroleum environmental assurance fee to be paid by dealers on each gallon of gasoline and special fuels received in this state.
- (2) All deductions detailed in KRS 138.240(2), gasoline and special fuels sold for agricultural purposes, and special fuels sold exclusively to heat a personal residence are exempt from the fee. If a dealer has on file, pursuant to KRS Chapter 138, a statement supporting a claimed exemption, an additional statement shall not be required for claiming exemption from the fee.
- (3) The fee shall be reported and paid to the Revenue Cabinet at the same time and in the same manner as is required for the reporting and payment of the gasoline and special fuels taxes as provided by law.
- (4) The petroleum environmental assurance fee shall be set at ~~a rate up to but not to exceed~~ one and four-tenths cent (\$0.014) for each gallon. *Four-tenths of a cent (\$0.004) per gallon shall be deposited in the financial responsibility account and one cent (\$0.01) shall be deposited in the petroleum storage tank account.*
- (5) *Within thirty (30) days of the close of fiscal year 2001-2002 and each fiscal year thereafter, the state budget director shall review the balance of each account to determine if a surplus exists. "Surplus" means funds in excess of the amounts necessary to satisfy the obligations in each account for all eligible facilities, to satisfy future liabilities and expenses necessary to operate each account, and to maintain an appropriate reserve in the financial responsibility account to demonstrate financial responsibility and compensate for third-party claims. The state budget director shall report the determination to the Interim Joint Committee on Appropriations and Revenue. After a determination that a surplus exists, the surplus shall be transferred to a restricted account and retained until appropriated by the General Assembly.*~~[The office shall review the unobligated fund balance at least quarterly and report to the Revenue Cabinet the rate of the fee to be applied for the next quarter].~~
- (6) All provisions of law related to the Revenue Cabinet's administration and enforcement of the gasoline and special fuels tax and all other powers generally conveyed to the Revenue Cabinet by the Kentucky Revised Statutes for the assessment and collection of taxes shall apply with regard to the fee levied by KRS 224.60-105 to 224.60-160.
- (7) The Revenue Cabinet shall refund the fee imposed by KRS 224.60-145(1) to any person who paid the fee provided they are entitled to a refund of motor fuel tax under KRS 138.344 to KRS 138.355 and to any person who paid the fee on transactions exempted under KRS 224.60-145(2).
- (8) *Notwithstanding any other provisions of this Act to the contrary, the small operator assistance account and small operator tank removal account established under Section 2 of this Act shall continue in effect until July 15, 2004 and thereafter until all eligible claims related to tanks registered by that date are resolved, and sufficient money shall be allocated to and maintained in that account to assure prompt payment of all eligible claims, and to provide for removal of tanks for eligible owners and operators as directed by this chapter.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO READ AS FOLLOWS:

As used in Sections 7 to 10 of this Act, unless context otherwise requires:

- (1) *"Board" means the board of trustees of an industrial taxing district;*
- (2) *"District" means an industrial taxing district; and*
- (3) *"Governmental services" means services to include fire protection, solid waste management, water, electric, sewer, telecommunications, and other services as may be specified by the fiscal court of the county in which the district is located.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO READ AS FOLLOWS:

A portion of territory in a county that includes property that will be used in an economic development project that will result in the creation of at least five hundred (500) new jobs may be organized into a district for the purpose of levying taxes to pay for the establishment, operation, and maintenance of the level of governmental services provided to the district that exceeds the level of services provided to the other territory of the county.

SECTION 9. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO READ AS FOLLOWS:

- (1) *Districts shall be organized under the procedures of Section 8 of this Act.*
- (2) *A district created under Section 8 of this Act shall constitute a taxing district within the meaning of Section 157 of the Constitution of Kentucky.*
- (3) *A special ad valorem tax and an occupational license tax may be imposed for the establishment, maintenance, and operation of the governmental services provided to the district.*
 - (a) *The ad valorem tax levied shall not exceed ten cents (\$0.10) per one hundred dollars (\$100) of the assessed valuation of all property in the district.*
 - (b) *The occupational license tax may be assessed after the approval of the fiscal court of the county in which the district is located under the provisions of KRS 68.178, 68.180, 68.185, 68.190, 68.195, 68.197, 68.198, 68.200 and KRS 68.202, as may be amended from time to time.*
- (4) *All special ad valorem taxes and occupational license taxes authorized by Sections 7 to 10, 11, and 12 of this Act shall be collected in the same manner as are other county ad valorem taxes and occupational license taxes in each county affected and shall be turned over to the board, or to the fiscal court if there is no board. The special ad valorem tax shall be in addition to all other ad valorem taxes.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO READ AS FOLLOWS:

- (1) *A district shall be administered by the fiscal court of the county creating it, which shall control and manage the affairs of the district. The fiscal court may, by a majority vote of its members, establish a board of trustees to control and manage the affairs of the district.*
- (2) *The board of trustees created under subsection (1) of this section shall operate in accordance with the following:*
 - (a) *The term of office of each trustee shall be four (4) years except as specified. The board shall consist of four (4) members who shall be appointed by the county judge/executive, with the approval of the fiscal court. Initial appointments shall be for terms of one (1), two (2), three (3), and four (4) years, as designated by the county judge/executive. Thereafter, each successor shall be appointed for a term of four (4) years. No more than three (3) members of the board shall be members of the same political party.*
 - (b) *The board shall elect its chairman from among its members. The board may appoint a secretary, an executive director, and other officials and employees who need not be members of the board. Members of the board shall not receive compensation for their services, but shall be reimbursed for their actual expenses incurred in the performance of their duties. A quorum for the transacting of the business of the board shall consist of three (3) members.*
 - (c) *A member of the board may be removed from office as provided by KRS 65.007.*

Section 11. KRS 65.180 is amended to read as follows:

As used in KRS 65.182 to 65.190, unless the context otherwise requires, the word "taxing district" shall mean, and the provisions of KRS 65.182 to 65.190 shall apply to, any special district authorized by statute to levy ad valorem taxes within the meaning of Section 157 of the Constitution of Kentucky *or to levy ad valorem taxes under the provisions of Section 8 of this Act* and governed by the following statutes: *Section 12 of this Act*, KRS 75.010 to 75.260, 107.310 to 107.500, 108.080 to 108.180, 109.115 to 109.190, 173.450 to 173.650, 173.710 to 173.800, 179.700 to 179.990, 212.720 to 212.760, 216.310 to 216.360, 266.010 to 266.990, and 268.010 to 268.990.

Section 12. KRS 65.182 is amended to read as follows:

Except as otherwise provided by state law, the sole methods of creating a taxing district shall be in accordance with the following:

- (1) (a) Persons desiring to form a taxing district shall present a petition to the fiscal court clerk and to each member of the fiscal court, meeting the criteria of KRS 65.184, and signed by a number of registered voters equal to or greater than twenty-five percent (25%) of an average of the voters living in the proposed taxing district and voting in the last four (4) general elections. At time of its submission to fiscal court, each petition shall be accompanied by a plan of service, showing such of the following as may be germane to the purposes for which the taxing district is being formed:
 1. ~~((a))~~ The statutory authority under which the district is created and under which the taxing district will operate;
 2. ~~((b))~~ Demographic characteristics of the area including but not limited to population, density, projected growth, and assessed valuation;
 3. ~~((c))~~ A description of the service area including but not limited to the population to be served, a metes and bounds description of the area of the proposed taxing district, the anticipated date of beginning service, the nature and extent of the proposed service, the projected effect of providing service on the social and economic growth of the area, and projected growth in service demand or need;
 4. ~~((d))~~ A three (3) year projection of cost versus revenue;
 5. ~~((e))~~ Justification for formation of the taxing district including but not limited to the location of nearby governmental and nongovernmental providers of like services; and
 6. ~~((f))~~ Any additional information, such as land use plans, existing land uses, drainage patterns, health problems, and other similar analyses which bear on the necessity and means of providing the proposed service.
- (b) *A majority of the members of a fiscal court may vote to form a taxing district set forth in a plan of service that shall contain those items set forth in paragraph (a)1. to 6. of this subsection as may be germane to the purposes for which the taxing district is being formed.*
- (2) The fiscal court clerk shall notify all planning commissions, cities, and area development districts within whose jurisdiction the proposed service area is located and any state agencies required by law to be notified of the proposal for the creation of the taxing district.
- (3) The fiscal court clerk shall schedule a hearing on the proposal for no earlier than thirty (30) nor later than ninety (90) days following receipt of the petition, charter, and plan of service, and shall, in accordance with the provisions of KRS Chapter 424, publish notice of the time and place of the public hearing and an accurate map of the area or a description in layman's terms reasonably identifying the area.
- (4) At the public hearing, the fiscal court shall take testimony of interested parties and solicit the recommendations of any planning commission, city, area development district, or state agency meeting the criteria of subsection (2) of this section.
- (5) The fiscal court may extend the hearing, from time-to-time, for ninety (90) days from the date of the initial hearing and shall render a decision within thirty (30) days of the final adjournment of the hearing.
- (6) Following the hearing, the fiscal court shall set forth its written findings of fact and shall approve or disapprove the formation of the taxing district to provide service as described in the plan of service and to exercise the powers granted by the specific statutes that apply to the taxing district being formed.

- (7) The creation of a taxing district shall be of legal effect only upon the adoption of an ordinance, in accordance with the provisions of KRS 67.075 and 67.077, creating the taxing district, and compliance with the requirements of KRS 65.005.
- (8) A certified copy of the ordinance creating the taxing district shall be filed with the county clerk who shall add the levy to the tax bills of the county. For taxing purposes, the effective date of the tax levy shall be January 1 of the year following the certification of the creation of the taxing district.
- (9) Nothing in this section shall be construed to enlarge upon or to restrict the powers granted a taxing district under the taxing district's specific authorizing statutes.
- (10) In a county which does not contain a city of the first class, the fiscal court may adopt the procedures of KRS 65.192 to create a fire protection district or a volunteer fire department district, but only those qualified voters who live within the boundaries of the proposed district shall vote on the question of whether it shall be established.

SECTION 13. A NEW SECTION OF KRS CHAPTER 183 IS CREATED TO READ AS FOLLOWS:

- (1) *All statutes to the contrary notwithstanding, any property owner who resides in a county with a population of thirty-five thousand (35,000) or greater, and who owns at least one thousand (1,000) contiguous acres, may construct a landing strip for their personal use that is capable of handling two (2) private aircraft. The landing strip shall not be used for public or commercial purposes.*
- (2) *The landing strip authorized under this section shall meet all regulations or standards promulgated by the Federal Aviation Administration concerning areas regulated for the safe maneuvering approach and landing of aircraft.*
- (3) *All local governments shall be prohibited from regulating landing strips authorized under this section and shall be prohibited from enacting planning and zoning ordinances contrary to the provisions of this section.*
- (4) *For the purposes of this section, roadways or railroad rights-of-way shall not be considered a separation of contiguous acres.*
- (5) *The property owner may be required to pay a fee of one hundred dollars (\$100) per year to the county in which the airport is located.*

Section 14. KRS 139.470 is amended to read as follows:

There are excluded from the computation of the amount of taxes imposed by this chapter:

- (1) Gross receipts from the sale of, and the storage, use, or other consumption in this state of, tangible personal property the gross receipts from the sale of which, or the storage, use, or other consumption of which, this state is prohibited from taxing under the Constitution or laws of the United States, or under the Constitution of this state;
- (2) Gross receipts from sales of, and the storage, use, or other consumption in this state of:
 - (a) Nonreturnable and returnable containers when sold without the contents to persons who place the contents in the container and sell the contents together with the container; and
 - (b) Returnable containers when sold with the contents in connection with a retail sale of the contents or when resold for refilling;

As used in this section the term "returnable containers" means containers of a kind customarily returned by the buyer of the contents for reuse. All other containers are "nonreturnable containers";

- (3) Gross receipts from the sale of, and the storage, use, or other consumption in this state of, tangible personal property used for the performance of a lump-sum, fixed-fee contract of public works executed prior to February 5, 1960;
- (4) Gross receipts from occasional sales of tangible personal property and the storage, use, or other consumption in this state of tangible personal property, the transfer of which to the purchaser is an occasional sale;
- (5) Gross receipts from sales of tangible personal property to a common carrier, shipped by the seller via the purchasing carrier under a bill of lading, whether the freight is paid in advance or the shipment is made freight

charges collect, to a point outside this state and the property is actually transported to the out-of-state destination for use by the carrier in the conduct of its business as a common carrier;

- (6) Gross receipts from sales of tangible personal property sold through coin-operated bulk vending machines, if the sale amounts to fifty cents (\$0.50) or less, if the retailer is primarily engaged in making the sales and maintains records satisfactory to the cabinet. As used in this subsection, "bulk vending machine" means a vending machine containing unsorted merchandise which, upon insertion of a coin, dispenses the same in approximately equal portions, at random and without selection by the customer;
- (7) Gross receipts from sales to any cabinet, department, bureau, commission, board, or other statutory or constitutional agency of the state and gross receipts from sales to counties, cities, or special districts as defined in KRS 65.005. This exemption shall apply only to purchases of property or services for use solely in the government function. A purchaser not qualifying as a governmental agency or unit shall not be entitled to the exemption even though the purchaser may be the recipient of public funds or grants;
- (8)
 - (a) Gross receipts from the sale of sewer services, water, and fuel to Kentucky residents for use in heating, water heating, cooking, lighting, and other residential uses. As used in this subsection, "fuel" shall include, but not be limited to, natural gas, electricity, fuel oil, bottled gas, coal, coke, and wood. Determinations of eligibility for the exemption shall be made by the Revenue Cabinet;
 - (b) In making the determinations of eligibility, the cabinet shall exempt from taxation all gross receipts derived from sales:
 1. Classified as "residential" by a utility company as defined by applicable tariffs filed with and accepted by the Public Service Commission;
 2. Classified as "residential" by a municipally-owned electric distributor which purchases its power at wholesale from the Tennessee Valley Authority;
 3. Classified as "residential" by the governing body of a municipally-owned electric distributor which does not purchase its power from the Tennessee Valley Authority, if the "residential" classification is reasonably consistent with the definitions of "residential" contained in tariff filings accepted and approved by the Public Service Commission with respect to utilities which are subject to Public Service Commission regulation.

If the service is classified as residential, use other than for "residential" purposes by the customer shall not negate the exemption;
 - (c) The exemption shall not apply if charges for sewer service, water, and fuel are billed to an owner or operator of a multi-unit residential rental facility or mobile home and recreational vehicle park other than residential classification; and
 - (d) The exemption shall apply also to residential property which may be held by legal or equitable title, by the entireties, jointly, in common, as a condominium, or indirectly by the stock ownership or membership representing the owner's or member's proprietary interest in a corporation owning a fee or a leasehold initially in excess of ninety-eight (98) years;
- (9) Any rate increase for school taxes and any other charges or surcharges added to the total amount of a residential telephone bill;
- (10) Gross receipts from sales to an out-of-state agency, organization, or institution exempt from sales and use tax in its state of residence when that agency, organization, or institution gives proof of its tax-exempt status to the seller and the seller maintains a file of the proof;
- (11) Gross receipts derived from the sale of, and the storage, use, or other consumption in this state of, tangible personal property to be used in the manufacturing or industrial processing of tangible personal property at a plant facility and which will be for sale are not subject to the sales or use tax. The property shall be regarded as having been purchased for resale. "Plant facility" shall have the same meaning as defined in KRS 139.170(3). For purposes of this subsection, a manufacturer or industrial processor includes an individual or business entity that performs only part of the manufacturing or industrial processing activity and the person or business entity need not take title to tangible personal property that is incorporated into, or becomes the product of, the activity.

- (a) Industrial processing includes refining, extraction of petroleum and natural gas, mining, quarrying, fabricating, and industrial assembling. As defined herein, tangible personal property to be used in the manufacturing or industrial processing of tangible personal property which will be for sale shall mean:
 - 1. Materials which enter into and become an ingredient or component part of the manufactured product.
 - 2. Other tangible personal property which is directly used in manufacturing or industrial processing, if the property has a useful life of less than one (1) year. Specifically these items are categorized as follows:
 - a. Materials. This refers to the raw materials which become an ingredient or component part of supplies or industrial tools exempt under subdivisions b. and c. below.
 - b. Supplies. This category includes supplies such as lubricating and compounding oils, grease, machine waste, abrasives, chemicals, solvents, fluxes, anodes, filtering materials, fire brick, catalysts, dyes, refrigerants, explosives, etc. The supplies indicated above need not come in direct contact with a manufactured product to be exempt. "Supplies" does not include repair, replacement, or spare parts of any kind.
 - c. Industrial tools. This group is limited to hand tools such as jigs, dies, drills, cutters, rolls, reamers, chucks, saws, spray guns, etc., and to tools attached to a machine such as molds, grinding balls, grinding wheels, dies, bits, cutting blades, etc. Normally, for industrial tools to be considered directly used in manufacturing, they shall come into direct contact with the product being manufactured.
 - 3. Materials and supplies that are not reusable in the same manufacturing process at the completion of a single manufacturing cycle, excluding repair, replacement, or spare parts of any kind. A single manufacturing cycle shall be considered to be the period elapsing from the time the raw materials enter into the manufacturing process until the finished product emerges at the end of the manufacturing process.
- (b) It shall be noted that in none of the three (3) categories is any exemption provided for repair, replacement, or spare parts. Repair, replacement, or spare parts shall not be considered to be materials, supplies, or industrial tools directly used in manufacturing or industrial processing. "Repair, replacement, or spare parts" shall have the same meaning as set forth in KRS 139.170;
- (12) Any water use fee paid or passed through to the Kentucky River Authority by facilities using water from the Kentucky River basin to the Kentucky River Authority in accordance with KRS 151.700 to 151.730 and administrative regulations promulgated by the authority;
- (13) Gross receipts from the sale of newspaper inserts or catalogs purchased for storage, use, or other consumption outside this state and delivered by the seller's own vehicle to a location outside this state, or delivered to the United States Postal Service, a common carrier, or a contract carrier for delivery outside this state, regardless of whether the carrier is selected by the buyer or seller or an agent or representative of the buyer or seller, or whether the F.O.B. is seller's shipping point or buyer's destination.
 - (a) As used in this subsection:
 - 1. "Catalogs" means tangible personal property that is printed to the special order of the purchaser and composed substantially of information regarding goods and services offered for sale; and
 - 2. "Newspaper inserts" means printed materials that are placed in or distributed with a newspaper of general circulation.
 - (b) The seller shall be responsible for establishing that delivery was made to a non-Kentucky location through shipping documents or other credible evidence as determined by the cabinet;
- (14) Gross receipts from the sale of water used in the raising of equine as a business; and
- (15) Gross receipts from the sale of metal retail fixtures manufactured in this state and purchased for storage, use, or other consumption outside this state and delivered by the seller's own vehicle to a location outside this state, or delivered to the United States Postal Service, a common carrier, or a contract carrier for delivery outside this

state, regardless of whether the carrier is selected by the buyer or seller or an agent or representative of the buyer or seller, or whether the F.O.B. is seller's shipping point or buyer's destination.

- (a) As used in this subsection, "metal retail fixtures" means check stands and belted and nonbelted checkout counters, whether made in bulk or pursuant to specific customer specifications, that are to be used directly by the purchaser or to be distributed by the purchaser.
- (b) The seller shall be responsible for establishing that delivery was made to a non-Kentucky location through shipping documents or other credible evidence as determined by the cabinet; **and**

- (16) ***Gross receipts from the sale of unenriched or enriched uranium purchased for ultimate storage, use, or other consumption outside this state and delivered to a common carrier in this state for delivery outside this state, regardless of whether the carrier is selected by the buyer or seller, or is an agent or representative of the buyer or seller, or whether the F.O.B. is seller's shipping point or buyer's destination.***

Section 15. Section 14 of this Act takes effect August 1, 2002.

Approved April 23, 2002

CHAPTER 362

(SB 262)

AN ACT relating to the administration of estates.

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

Section 1. KRS 391.030 is amended to read as follows:

- (1) Except as otherwise provided in this chapter, where any person dies intestate as to his **or her** personal estate, or any part thereof, the surplus, after payment of funeral expenses, charges of administration, and debts, shall pass and be distributed among the same persons, and in the proportions, to whom and in which real estate is directed to descend, except as follows:
 - (a) The personal estate of an infant shall be distributed as if he **or she** had died after full age.
 - (b) An alien may be distributee as though he **or she** were a citizen.
 - (c) Personal property or money on hand or in **a bank or other depository** to the amount of **fifteen**~~seven~~ thousand~~five hundred~~ dollars **(\$15,000)**~~(\$7,500)~~ shall be exempt from distribution and sale and shall be set apart by the District Court having jurisdiction over the estate on application to the surviving spouse, or, if there is no surviving spouse, to the **surviving** children~~surviving~~.
- (2) The surviving spouse~~of any deceased person~~ may, at any time before the property or money is set apart by the court, procure on petition from the judge of the District Court having jurisdiction over administration of ~~the~~**his** estate, an order authorizing **the surviving spouse**~~him~~ to withdraw from any bank or other depository not exceeding one thousand dollars (\$1,000) belonging to the estate of the deceased. Upon presentation of the order, the bank or depository shall permit **the surviving spouse**~~him~~ to withdraw the sum and shall lodge the order, endorsing thereon the amount withdrawn, with the circuit clerk ~~who~~~~and he~~ shall retain it in his **or her** files to be considered in connection with further proceedings in the estate and the withdrawal shall be treated as a charge against the property of the estate exempt from distribution.
- (3) In the application for the setting apart of property or money under **subsection (1) of** this section, the surviving spouse~~or~~, or if there is no surviving spouse, the **surviving** children may make their selection out of the personal property of the estate to the extent that the value of the property selected does not exceed the amount of **fifteen**~~seven~~ thousand~~five hundred~~ dollars **(\$15,000)**~~(\$7,500)~~.
- (4) The exemption provided in this section applies where the husband or wife dies testate.

Section 2. KRS 395.605 is amended to read as follows:

- (1) Upon the sworn application of any fiduciary, that the fiduciary is the sole beneficiary of any estate, the court may dispense with the requirements of this chapter regarding settlement of fiduciaries' accounts and may dispense with the requirements of a surety for the fiduciary and shall accept from the fiduciary an informal settlement. The informal settlement shall be made, under oath, by the fiduciary and shall state that the estate was solvent; that all legal claims and debts have been paid, or if not paid, the manner in which the claims and

debts have been provided for; that the requirements of the inheritance, estate or similar death statutes have been met and the tax paid, if due and payable; that all court costs have been paid; the name of the attorney(s), if any, representing the fiduciary, and the amount of the attorney's fee, and that the beneficiary has received his share. An informal settlement may be filed at any time after expiration of six (6) months from the fiduciary's appointment. Upon the filing of the informal settlement, the court may enter an order discharging the fiduciary, and his surety, if any. When a settlement is effected in the informal manner, no notice to any person shall be required nor shall the court be compelled to inquire into detailed items of income or disbursements.

- (2) If a proposed settlement of a fiduciary is accompanied by a verified waiver executed by all of the beneficiaries of an estate, and none of the beneficiaries is under a disability, the court shall accept from the fiduciary an informal settlement which meets the requirements of subsection (1) of this section. ***Said beneficiaries may request an accounting of the assets of the estate prior to execution of the waiver.*** No verified waiver need be obtained from a nonresiduary legatee who has received and receipted for his legacy, the canceled check or signed receipt attached to the proposed settlement being sufficient evidence of satisfaction. The court may require the fiduciary to execute bond with or without surety to insure the application of the estate assets to the debts of the decedent.
- (3) In the event that one (1) or more of the beneficiaries of the estate is under a disability, the court may allow the filing of an informal settlement if the court is of the opinion that the best interests of the person under the disability would be served.

Approved April 23, 2002

CHAPTER 363

(SB 91)

AN ACT relating to medical records for health care providers participating in Medicaid.

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

SECTION 1. A NEW SECTION OF KRS 205.510 TO 205.630 IS CREATED TO READ AS FOLLOWS:

- (1) (a) ***To the extent allowable by federal law, any Medicaid-participating health care provider who provides services to any medical assistance recipient may, at the discretion of the health care provider, maintain in an electronic medical record database the medical record for each medical assistance recipient receiving services by the health care provider.***
 - (b) ***An electronic signature shall be accepted for any medical record maintained under paragraph (a) of this subsection.***
- (2) ***Any electronic medical record database maintained under subsection (1) of this section shall be capable of printing a complete written medical record of each medical assistance recipient.***
- (3) ***Any provider who maintains an electronic medical record database under subsection (1) of this section shall:***
 - (a) ***Notify the department of the existence of the electronic medical record database;***
 - (b) ***Certify that the electronic medical record database will be confidential and that patient privacy will be protected;***
 - (c) ***Institute best practices to prevent access to the medical record database by any person who would not otherwise be authorized to review or obtain a written version of the medical records; and***
 - (d) ***Institute the best practices to assure the security of the database.***

Approved April 23, 2002

CHAPTER 364**(SB 234)**

AN ACT relating to real estate appraisers.

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

Section 1. KRS 324A.060 is amended to read as follows:

- (1) Effective July 1, 1992, the board shall be empowered to employ an executive director and other personnel as may be necessary to discharge the duties imposed by the provisions of KRS 324A.010 to 324A.090. The board shall outline the duties of all personnel and fix their compensation in accordance with KRS Chapter 18A. The board is also empowered to obtain office space, utilities, furniture, supplies, and other goods and services as shall be reasonably necessary for carrying out the provisions of KRS 324A.010 to 324A.090.
- (2) *Each executive director assuming office after July 15, 2002, shall be a certified general or certified residential real property appraiser and shall possess not less than ten (10) years of experience as an appraiser within the Commonwealth of Kentucky.*

Approved April 24, 2002

CHAPTER 365**(SB 257)**

AN ACT relating to electric generating facilities and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 9 of this Act, unless the context requires otherwise:

- (1) *"Board" means the Kentucky State Board on Electric Generation and Transmission Siting created in Section 2 of this Act;*
- (2) *"Merchant electric generating facility" means, except for a qualifying cogeneration facility as defined in subsection (7) of this section, an electricity generating plant, together with associated facilities, that:*
 - (a) *Is capable of operating at a capacity of ten megawatts (10MW) or more; and*
 - (b) *Sells the electricity it produces in the wholesale market, at rates and charges not regulated by the Public Service Commission;*
- (3) *"Person" means any individual, corporation, public corporation, political subdivision, governmental agency, municipality, partnership, cooperative association, trust, estate, two (2) or more persons having a joint or common interest, or any other entity, and no portion of Sections 1 to 9, 10, 11, 12, 13, or 14 of this Act shall apply to a utility owned by a municipality unless the utility is a merchant plant as defined in this section;*
- (4) *"Commence to construct" means physical on-site placement, assembly, or installation of materials or equipment which will make up part of the ultimate structure of the facility. In order to qualify, these activities must take place at the site of the proposed facility or must be site-specific. Activities such as site clearing and excavation work will not satisfy the commence to construct requirements;*
- (5) *"Nonregulated electric transmission line" means an electric transmission line and related appurtenances for which no certificate of public convenience and necessity is required; which is not operated as an activity regulated by the Public Service Commission; and which is capable of operating at or above sixty-nine thousand (69,000) volts;*
- (6) *"Residential neighborhood" means a populated area of five (5) or more acres containing at least one (1) residential structure per acre; and*

- (7) *"Qualifying cogeneration facility" means a facility as defined in 16 U.S.C. sec. 796(18)(b), which does not exceed a capacity of one hundred fifty megawatts (150MW), that is located on site at a manufacturer's plant and that uses steam from the cogeneration facility in its manufacturing process.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) *There is hereby established the Kentucky State Board on Electric Generation and Transmission Siting. The board shall be composed of seven (7) members as follows:*
- (a) *The three (3) members of the Kentucky Public Service Commission;*
 - (b) *The secretary of the Natural Resources and Environmental Protection Cabinet or the secretary's designee;*
 - (c) *The secretary of the Cabinet for Economic Development or the secretary's designee;*
 - (d) *1. If the facility subject to board approval is proposed to be located in one (1) county, two (2) ad hoc public members to be appointed by the Governor from a county where a facility subject to board approval is proposed to be located:*
 - a. *One (1) of the ad hoc public members shall be the chairman of the planning commission with jurisdiction over an area in which a facility subject to board approval is proposed to be located. If the proposed location is not within a jurisdiction with a planning commission, then the Governor shall appoint either the county judge/executive of a county that contains the proposed location of the facility or the mayor of a city, if the facility is proposed to be within a city; and*
 - b. *One (1) of the ad hoc public members shall be appointed by the Governor and shall be a resident of the county in which the facility is proposed to be located.*
 - 2. If the facility subject to board approval is proposed to be located in more than one (1) county, two (2) ad hoc public members to be chosen as follows:*
 - a. *One (1) ad hoc public member shall be the county judge/executive of a county in which the facility is proposed to be located, to be chosen by majority vote of the county judge/executives of the counties in which the facility is proposed to be located; and*
 - b. *One (1) ad hoc public member shall be a resident of a county in which the facility is proposed to be located, and shall be appointed by the Governor.*
 - If a member has not been chosen by majority vote, as provided in subdivision a. of this subparagraph, by thirty (30) days after the filing of the application, the Governor shall directly appoint the member.*
 - 3. Ad hoc public members appointed to the board shall have no direct financial interest in the facility proposed to be constructed.*
- (2) *The term of service for the ad hoc members of the board shall continue until the board issues a final determination in the proceeding for which they were appointed. The remaining members of the board shall be permanent members.*
- (3) *The board shall be attached to the Public Service Commission for administrative purposes. The commission staff shall serve as permanent administrative staff for the board. The members of the board identified in subsection (1)(a) to (d) of this section shall promulgate administrative regulations in accordance with KRS Chapter 13A to implement Sections 1 to 9 of this Act.*
- (4) *No member of the board shall receive any salary or fee for service on the board or shall have any financial interest in any facility the application for which comes before the board, but each member shall be reimbursed for actual travel and expenses directly related to service on the board.*
- (5) *The chairman of the Public Service Commission shall be the chairman of the board. The chairman shall designate one (1) member of the board as vice chairman. A majority of the members of the board shall constitute a quorum for the transaction of business. No vacancy on the board shall impair the right of the remaining members to exercise all of the powers of the board. The board shall convene upon the call of the chairman.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) *No person shall commence to construct a merchant electric generating facility until that person has applied for and obtained a construction certificate for the facility from the board. The construction certificate shall be valid for a period of two (2) years after the issuance date of the last permit required to be obtained from the Natural Resources and Environmental Protection Cabinet after which the certificate shall be void. The certificate shall be conditioned upon the applicant obtaining necessary air, water, and waste permits. If an applicant has not obtained all necessary permits and has not commenced to construct prior to the expiration date of the certificate, the applicant shall be required to obtain a valid certificate from the board.*
- (2) *Except as provided in subsections (3), (4), and (5) of this section, no person shall commence to construct a merchant electric generating facility unless the exhaust stack of the proposed facility is at least one thousand (1,000) feet from the property boundary of any adjoining property owner and two thousand (2,000) feet from any residential neighborhood, school, hospital, or nursing home facility.*
- (3) *If the merchant electric generating facility is proposed to be located in a county or a municipality with planning and zoning, then setback requirements from a residential neighborhood, school, hospital, or nursing home facility may be established by the planning and zoning commission. Any setback established by a planning and zoning commission for a facility in an area over which it has jurisdiction shall:*
 - (a) *Have primacy over the setback requirement in subsections (2) and (5) of this section; and*
 - (b) *Not be subject to modification or waiver by the board through a request for deviation by the applicant, as provided in subsection (4) of this section.*
- (4) *The board may grant a deviation from the requirements of subsection (2) of this section on a finding that the proposed facility is designed and located to meet the goals of the Act at a distance closer than those provided in subsection (2) of this Section.*
- (5) *If the merchant electric generating facility is proposed to be located on a site of a former coal processing plant in the Commonwealth where the electric generating facility will utilize on-site waste coal as a fuel source, then the one thousand (1,000) foot property boundary requirement in subsection (2) of this section shall not be applicable; however, the applicant shall be required to meet any other setback requirements contained in subsection (2) of this section.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) *Any person seeking to obtain a construction certificate from the board to construct a merchant electric generating facility shall file an application at the office of the Public Service Commission.*
- (2) *A completed application shall include the following:*
 - (a) *The name, address, and telephone number of the person proposing to construct and own the merchant electric generating facility;*
 - (b) *A full description of the proposed site, including a map showing the distance of the proposed site from residential neighborhoods, the nearest residential structures, schools, and public and private parks that are located within a two (2) mile radius of the proposed facility;*
 - (c) *Evidence of public notice that shall include the location of the proposed site and a general description of the project, state that the proposed construction is subject to approval by the board, and provide the telephone number and address of the Public Service Commission. Public notice shall be given within thirty (30) days immediately preceding the application filing to:*
 1. *Landowners whose property borders the proposed site; and*
 2. *The general public in a newspaper of general circulation in the county or municipality in which the plant is proposed to be located;*
 - (d) *A statement certifying that the proposed plant will be in compliance with all local ordinances and regulations concerning noise control and with any local planning and zoning ordinances. The statement shall also disclose setback requirements established by the planning and zoning commission as provided under subsection (3) of Section 3 of this Act;*
 - (e) *If the facility is not proposed to be located on site of a former coal processing plant and the facility will use on-site waste coal as a fuel source or in an area where a planning and zoning commission has established a setback requirement pursuant to subsection (3) of Section 3 of this Act, a statement*

that the proposed site is at least one thousand (1,000) feet from the property boundary of any adjoining property owner and two thousand (2,000) feet from any residential neighborhood, school, hospital, or nursing home facility, unless facilities capable of generating ten megawatts (10MW) or more currently exist on the site. If the facility is proposed to be located on site of a former coal processing plant and the facility will use on-site waste coal as a fuel source, a statement that the proposed site is compatible with the setback requirements provided under subsection (5) of Section 3 of this Act. If the facility is proposed to be located in a jurisdiction that has established setback requirements pursuant to subsection (3) of Section 3 of this Act, a statement that the proposed site is compatible with those established setback requirements;

- (f) A complete report of the applicant's public involvement program activities undertaken prior to the filing of the application, including any use of media coverage, direct mailing, fliers, newsletters, public meetings, establishment of a community advisory group, and any other efforts to obtain local involvement in the siting process;*
 - (g) A summary of the efforts made by the applicant to locate the proposed facility on a site where existing electric generating facilities are located;*
 - (h) Proof of service of a copy of the application upon the chief executive officer of each county and municipal corporation in which the proposed facility is to be located, and upon the chief officer of each public agency charged with the duty of planning land use in the jurisdiction in which the facility is proposed to be located;*
 - (i) An analysis of the proposed facility's projected effect on the electricity transmission system in Kentucky;*
 - (j) An analysis of the proposed facility's economic impact on the affected region and the state;*
 - (k) A detailed listing of all violations by it, or any person with an ownership interest, of federal or state environmental laws, rules, or administrative regulations, whether judicial or administrative, where violations have resulted in criminal convictions or civil or administrative fines exceeding five thousand dollars (\$5,000). The status of any pending action, whether judicial or administrative, shall also be submitted; and*
 - (l) A site assessment report as specified in Section 5 of this Act. The applicant may submit and the board may accept documentation of compliance with the National Environmental Policy Act (NEPA) rather than a site assessment report.*
- (3) Application fees for a construction certificate shall be set by the board and deposited into a trust and agency account to the credit of the commission.*
 - (4) Replacement of a merchant electric generating facility with a like facility, or the repair, modification, retrofitting, enhancement, or reconfiguration of a merchant electric generating facility shall not, for the purposes of Sections 3, 4, 5, 6, 7 and 10 of this Act, constitute construction of a merchant electric generating facility.*
 - (5) The board shall promulgate administrative regulations prescribing fees to pay expenses associated with its review of applications filed with it pursuant to Sections 1 to 9 of this Act. All application fees collected by the board shall be deposited in a trust and agency account to the credit of the Public Service Commission. If a majority of the members of the board find that an applicant's initial fees are insufficient to pay the board's expenses associated with the application, including the board's expenses associated with legal review thereof, the board shall assess a supplemental application fee to cover the additional expenses. An applicant's failure to pay a fee assessed pursuant to this subsection shall be grounds for denial of the application.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) Any person proposing to construct a merchant electric generating facility shall file a site assessment report with the board as required under subsection (2)(l) of Section 4 of this Act.*
- (2) A site assessment report shall be prepared by the applicant or its designee.*
- (3) A completed site assessment report shall include:*

- (a) *A description of the proposed facility that shall include a proposed site development plan that describes:*
 - 1. *Surrounding land uses for residential, commercial, agricultural, and recreational purposes;*
 - 2. *The legal boundaries of the proposed site;*
 - 3. *Proposed access control to the site;*
 - 4. *The location of facility buildings, transmission lines, and other structures;*
 - 5. *Location and use of access ways, internal roads, and railways;*
 - 6. *Existing or proposed utilities to service the facility;*
 - 7. *Compliance with applicable setback requirements as provided under subsections (2), (3), or (5) of Section 3 of this Act; and*
 - 8. *Evaluation of the noise levels expected to be produced by the facility;*
 - (b) *An evaluation of the compatibility of the facility with scenic surroundings;*
 - (c) *The potential changes in property values resulting from the siting, construction, and operation of the proposed facility for property owners adjacent to the facility;*
 - (d) *Evaluation of anticipated peak and average noise levels associated with the facility's construction and operation at the property boundary; and*
 - (e) *The impact of the facility's operation on road and rail traffic to and within the facility, including anticipated levels of fugitive dust created by the traffic and any anticipated degradation of roads and lands in the vicinity of the facility.*
- (4) *The site assessment report shall also suggest any mitigating measures to be implemented by the applicant including planting trees, changing outside lighting, erecting noise barriers, and suppressing fugitive dust.*
 - (5) *The board shall have the authority to hire a consultant to review the site assessment report and provide recommendations concerning the adequacy of the report and proposed mitigation measures. The board may direct the consultant to prepare a separate site assessment report. Any expenses or fees incurred by the board's hiring of a consultant shall be borne by the applicant.*
 - (6) *The applicant shall be given the opportunity to present evidence to the board regarding any mitigation measures. As a condition of approval for an application to obtain a construction certificate, the board may require the implementation of any mitigation measures that the board deems appropriate.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) *Within ninety (90) days of receipt of an administratively complete application, or within one hundred twenty (120) days of receipt of an administratively complete application if a hearing is requested, the board shall, by majority vote, grant or deny a construction certificate, either in whole or in part, based upon the following criteria:*
 - (a) *Impact of the facility on scenic surroundings, property values, the pattern and type of development of adjacent property, and surrounding roads;*
 - (b) *Anticipated noise levels expected as a result of construction and operation of the proposed facility;*
 - (c) *The economic impact of the facility upon the affected region and the state;*
 - (d) *Whether the facility is proposed for a site upon which existing generating facilities, capable of generating ten megawatts (10MW) or more of electricity, are currently located;*
 - (e) *Whether the proposed facility will meet all local planning and zoning requirements that existed on the date the application was filed;*
 - (f) *Whether the additional load imposed upon the electricity transmission system by use of the merchant electric generating facility will adversely affect the reliability of service for retail customers of electric utilities regulated by the Public Service Commission;*
 - (g) *Except where the facility is subject to a statewide setback established by a planning and zoning commission as provided in subsection (3) of Section 3 of this Act and except for a facility proposed to*

be located on site of a former coal processing plant and the facility will use on-site waste coal as a fuel source, whether the exhaust stack of the proposed merchant electric generating facility is at least one thousand (1,000) feet from the property boundary of any adjoining property owner and two thousand (2,000) feet from any residential neighborhood, school, hospital, or nursing home facility. If a planning and zoning commission has established setback requirements that differ from those under subsection (2) of Section 3 of this Act, the applicant shall provide evidence of compliance. If the facility is proposed to be located on site of a former coal processing plant and the facility will use on-site waste coal as a fuel source, the applicant shall provide evidence of compliance with the setback requirements provided in subsection (5) of Section 3 of this Act;

- (h) The efficacy of any proposed measures to mitigate adverse impacts that are identified pursuant to paragraphs (a), (b), (e), or (f) of this subsection from the construction or operation of the proposed facility; and*
- (i) Whether the applicant has a good environmental compliance history.*
- (2) When considering an application for a construction certificate for a merchant electric generating facility, the board may consider the policy of the General Assembly to encourage the use of coal as a principal fuel for electricity generation as set forth in KRS 152.210, provided that any facility, regardless of fuel choice, shall comply fully with Sections 1 to 9, 10, 11, and 13 of this Act.*
- (3) A person that has received a construction certificate for a merchant electric generating facility shall not transfer rights and obligation under the certificate without having first applied for and received a board determination that:*
 - (a) The acquirer has a good environmental compliance history; and*
 - (b) The acquirer has the financial, technical, and managerial capacity to meet the obligations imposed by the terms of the approval or has the ability to contract to meet these obligations.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) The board may convene a local public hearing upon receipt of a request by not less than three (3) interested persons that reside in a county or municipal corporation in which the facility is proposed to be constructed to consider the application for a construction certificate. The board shall convene a local public hearing in response to a request from the planning and zoning commission, mayor of a city, or county fiscal court of a jurisdiction where the facility is proposed to be located. If the facility is proposed to be located in more than one (1) county, the board may convene a local public hearing and the hearing shall be held in the county with the largest population not more than sixty (60) days after receipt of a completed application. Absent the minimum number of requests for a local public hearing, the board may conduct all evidentiary proceedings in Franklin County.*
- (2) In any hearing on an application for a construction certificate, the board shall not be bound by the technical rules of legal evidence. Any hearing shall be conducted pursuant to and in conformance with rules and requirements set forth by the board in administrative regulations promulgated pursuant to subsection (2) of Section 2 of this Act.*
- (3) The parties to a proceeding before the board shall include:*
 - (a) The applicant; and*
 - (b) Any person having been granted the right of intervention pursuant to subsection (4) of this section.*
- (4) Any interested person, including a person residing in a county or municipal corporation in which the facility is proposed to be constructed may, upon motion to the board, be granted leave to intervene as a party to a proceeding held pursuant to this section.*
- (5) Any party to a proceeding held pursuant to this section or any final determination pursuant to Section 6 of this Act may, within thirty (30) days after service of the board's final ruling, bring an action against the board in the Circuit Court of the county in which the facility is proposed to be constructed to vacate or set aside the ruling on grounds that the ruling is arbitrary, capricious, or otherwise unlawful or unreasonable. Any party instituting an action for review of the board's ruling in the Circuit Court of the county in which the facility is proposed to be constructed shall give notice to all parties of record in the board's proceeding.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) *No person shall commence to construct a nonregulated electric transmission line without a construction certificate issued by the board. An application for a construction certificate shall be filed at the offices of the Public Service Commission along with an application fee as set forth in subsection (5) of this section.*
- (2) *A completed application shall include the following:*
 - (a) *The name, address, and telephone number of the person proposing construction of the nonregulated transmission line;*
 - (b) *A full description of the proposed route of the transmission line and its appurtenances. The description shall include a map or maps showing:*
 1. *The location of the proposed line and all proposed structures that will support it;*
 2. *The proposed right-of-way limits;*
 3. *Existing property lines and the names of persons who own the property over which the line will cross; and*
 4. *The distance of the proposed line from residential neighborhoods, schools, and public and private parks within one (1) mile of the proposed facilities;*
 - (c) *A full description of the proposed line and appurtenances, including the following:*
 1. *Initial and design voltages and capacities;*
 2. *Length of line;*
 3. *Terminal points; and*
 4. *Substation connections;*
 - (d) *A statement that the proposed transmission line and appurtenances will be constructed and maintained in accordance with accepted engineering practices and the National Electric Safety Code;*
 - (e) *Evidence that public notice has been given by publication in a newspaper of general circulation in the general area concerned. Public notice shall include the location of the proposed line, shall state that the proposed line is subject to approval by the board, and shall provide the telephone number and address of the Public Service Commission; and*
 - (f) *Proof of service of a copy of the application upon the chief executive officer of each county and municipal corporation in which the proposed line is to be located, and upon the chief officer of each public agency charged with the duty of planning land use in the general area in which the line is proposed to be located.*
- (3) *Within ninety (90) days of receipt of the application, or one hundred twenty (120) days if a local public hearing is held, the board shall, by majority vote, grant or deny the construction certificate either in whole or in part. Action to grant the certificate shall be based on the board's determination that the proposed route of the line will minimize significant adverse impact on the scenic assets of Kentucky and that the applicant will construct and maintain the line according to all applicable legal requirements. If the board determines that locating the transmission line will result in significant degradation of scenic factors or if the board determines that the construction and maintenance of the line will be in violation of applicable legal requirements, the board may deny the application or condition the application's approval upon relocation of the route of the line, or changes in design or configuration of the line.*
- (4) *A public hearing on an application to construct a nonregulated electric transmission line may be held in accordance with the provisions of Section 7 of this Act.*
- (5) *The board shall promulgate administrative regulations to establish an application fee for a construction certificate for a nonregulated transmission line in accordance with subsection (3) of Section 4 of this Act.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 278 IS CREATED TO READ AS FOLLOWS:

- (1) *There is hereby created a trust and agency account in the Public Service Commission called the "siting fund."*

- (2) *All fees received by the board for the purpose of administering Sections 1 to 9 of this Act shall be deposited into the siting fund. The fund shall not lapse and all expenditures from the fund shall be used to implement Sections 1 to 9 of this Act.*

SECTION 10. A NEW SECTION OF SUBCHAPTER 10 OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

- (1) *Except for a person that commenced construction of a facility prior to April 15, 2002, or that has received a certificate of public convenience and necessity from the Public Service Commission prior to April 15, 2002, no person shall commence to construct a facility to be used for the generation of electricity unless the person:*
- (a) *Submits a cumulative environmental assessment to the cabinet with the permit application; and*
 - (b) *Remits a fee set pursuant to KRS 224.10-100(20) by the cabinet to defray the cost of processing the cumulative environmental assessment.*
- (2) *The person may submit and the cabinet may accept documentation of compliance with the National Environmental Policy Act (NEPA) as satisfying the requirements to file a cumulative environmental assessment under subsection (1) of this section.*
- (3) *The cumulative environmental assessment shall contain a description, with appropriate analytical support, of:*
- (a) *For air pollutants:*
 - 1. *Types and quantities of air pollutants that will be emitted from the facility; and*
 - 2. *A description of the methods to be used to control those emissions;*
 - (b) *For water pollutants:*
 - 1. *Types and quantities of water pollutants that will be discharged from the facility into the waters of the Commonwealth; and*
 - 2. *A description of the methods to be used to control those discharges;*
 - (c) *For wastes:*
 - 1. *Types and quantities of wastes that will be generated by the facility; and*
 - 2. *A description of the methods to be used to manage and dispose of such wastes; and*
 - (d) *For water withdrawal:*
 - 1. *Identification of the source and volume of anticipated water withdrawal needed to support facility construction and operations; and*
 - 2. *A description of the methods to be used for managing water usage and withdrawal.*
- (4) *The cabinet may impose such conditions regarding the timing, volume, duration, or type of pollutants on a permit, registration, general permit, or permit-by-rule for a facility subject to this section as are necessary to comply with applicable standards.*
- (5) *The cabinet may promulgate administrative regulations to implement the provisions of this section.*

SECTION 11. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

- (1) *No utility shall begin the construction or installation of any property, equipment, or facility to establish an electrical interconnection with a merchant electric generating facility in excess of ten megawatts (10MW) until the plans and specifications for the electrical interconnection have been filed with the commission.*
- (2) *Notwithstanding any other provision of law, any costs or expenses associated with upgrading the existing electricity transmission grid, as a result of the additional load caused by a merchant electric generating facility, shall be borne solely by the person constructing the merchant electric generating facility and shall in no way be borne by the retail electric customers of the Commonwealth.*

SECTION 12. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

When a utility or generation and transmission cooperative engaged in the transmission of electricity experiences on its transmission facilities an emergency or other event that necessitates a curtailment or interruption of service, the utility or generation and transmission cooperative shall not curtail or interrupt retail electric service within its certified territory, or curtail or interrupt wholesale electric energy furnished to a member distribution cooperative for retail electric service within the cooperative's certified territory, except for customers who have agreed to receive interruptible service, until after service has been interrupted to all other customers whose interruption may relieve the emergency or other event.

SECTION 13. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

- (1) *Except for a utility as defined under subsection (9) of Section 15 of this Act that has been granted a certificate of public convenience and necessity prior to April 15, 2002, no utility shall begin the construction of a facility for the generation of electricity capable of generating in aggregate more than ten megawatts (10MW) without having first obtained a site compatibility certificate from the commission.*
- (2) *An application for a site compatibility certificate shall include the submission of a site assessment report as prescribed in subsections (3) and (4) of Section 5 of this Act, except that a utility which proposes to construct a facility on a site that already contains facilities capable of generating ten megawatts (10MW) or more of electricity shall not be required to comply with setback requirements established pursuant to subsection (3) of Section 3 of this Act. A utility may submit and the board may accept documentation of compliance with the National Environmental Policy Act (NEPA) rather than a site assessment report.*
- (3) *The commission may deny an application filed pursuant to, and in compliance with, this section. The commission may require reasonable mitigation of impacts disclosed in the site assessment report including planting trees, changing outside lighting, erecting noise barriers, and suppressing fugitive dust, but the commission shall, in no event, order relocation of the facility.*
- (4) *The commission may also grant a deviation from any applicable setback requirements on a finding that the proposed facility is designed and located to meet the goals of the Act at a distance closer than those provided by the applicable setback requirements.*
- (5) *Nothing contained in this section shall be construed to limit a utility's exemption provided under KRS 100.324.*
- (6) *Unless specifically stated otherwise, for the purposes of this section, "utility" has the same meaning as in KRS 278.010(3)(a) or (9).*

SECTION 14. A NEW SECTION OF KRS 278.010 TO 278.450 IS CREATED TO READ AS FOLLOWS:

- (1) *No person shall acquire or transfer ownership of or control, or the right to control, any assets that are owned by a utility as defined under subsection (3)(a) of Section 15 of this Act without prior approval of the commission, if the assets have an original book value of one million dollars (\$1,000,000) or more and:*
 - (a) *The assets are to be transferred by the utility for reasons other than obsolescence; or*
 - (b) *The assets will continue to be used to provide the same or similar service to the utility or its customers.*
- (2) *The commission shall grant its approval if the transaction is for a proper purpose and is consistent with the public interest.*

Section 15. KRS 278.010 is amended to read as follows:

As used in KRS 278.010 to 278.450, and in KRS 278.990, unless the context otherwise requires:

- (1) "Corporation" includes private, quasipublic, and public corporations, and all boards, agencies, and instrumentalities thereof, associations, joint-stock companies, and business trusts;
- (2) "Person" includes natural persons, partnerships, corporations, and two (2) or more persons having a joint or common interest;
- (3) "Utility" means any person except, for purposes of paragraphs (a), (b), (c), (d), and (f) of this subsection, a city, who owns, controls, operates, or manages any facility used or to be used for or in connection with:
 - (a) The generation, production, transmission, or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses;

- (b) The production, manufacture, storage, distribution, sale, or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power, or other uses;
 - (c) The transporting or conveying of gas, crude oil, or other fluid substance by pipeline to or for the public, for compensation;
 - (d) The diverting, developing, pumping, impounding, distributing, or furnishing of water to or for the public, for compensation;
 - (e) The transmission or conveyance over wire, in air, or otherwise, of any message by telephone or telegraph for the public, for compensation; or
 - (f) The collection, transmission, or treatment of sewage for the public, for compensation, if the facility is a subdivision collection, transmission, or treatment facility plant that is affixed to real property and is located in a county containing a city of the first class or is a sewage collection, transmission, or treatment facility that is affixed to real property, that is located in any other county, and that is not subject to regulation by a metropolitan sewer district or any sanitation district created pursuant to KRS Chapter 220;
- (4) "Retail electric supplier" means any person, firm, corporation, association, or cooperative corporation, excluding municipal corporations, engaged in the furnishing of retail electric service;
 - (5) "Certified territory" shall mean the areas as certified by and pursuant to KRS 278.017;
 - (6) "Existing distribution line" shall mean an electric line which on June 16, 1972, is being or has been substantially used to supply retail electric service and includes all lines from the distribution substation to the electric consuming facility but does not include any transmission facilities used primarily to transfer energy in bulk;
 - (7) "Retail electric service" means electric service furnished to a consumer for ultimate consumption, but does not include wholesale electric energy furnished by an electric supplier to another electric supplier for resale;
 - (8) "Electric-consuming facilities" means everything that utilizes electric energy from a central station source;
 - (9) "Generation and transmission cooperative," or "G&T," means a utility formed under KRS Chapter 279 that provides electric generation and transmission services;
 - (10) "Distribution cooperative" means a utility formed under KRS Chapter 279 that provides retail electric service;
 - (11) "Facility" includes all property, means, and instrumentalities owned, operated, leased, licensed, used, furnished, or supplied for, by, or in connection with the business of any utility;
 - (12) "Rate" means any individual or joint fare, toll, charge, rental, or other compensation for service rendered or to be rendered by any utility, and any rule, regulation, practice, act, requirement, or privilege in any way relating to such fare, toll, charge, rental, or other compensation, and any schedule or tariff or part of a schedule or tariff thereof;
 - (13) "Service" includes any practice or requirement in any way relating to the service of any utility, including the voltage of electricity, the heat units and pressure of gas, the purity, pressure, and quantity of water, and in general the quality, quantity, and pressure of any commodity or product used or to be used for or in connection with the business of any utility;
 - (14) "Adequate service" means having sufficient capacity to meet the maximum estimated requirements of the customer to be served during the year following the commencement of permanent service and to meet the maximum estimated requirements of other actual customers to be supplied from the same lines or facilities during such year and to assure such customers of reasonable continuity of service;
 - (15) "Commission" means the Public Service Commission of Kentucky;
 - (16) "Commissioner" means one (1) of the members of the commission;
 - (17) "Demand-side management" means any conservation, load management, or other utility activity intended to influence the level or pattern of customer usage or demand, including home energy assistance programs;
 - (18) "Affiliate" means a person that controls or that is controlled by, or is under common control with, a utility;

- (19) "Control" means the power to direct the management or policies of a person through ownership, by contract, or otherwise;
- (20) "CAM" means a cost allocation manual which is an indexed compilation and documentation of a company's cost allocation policies and related procedures;
- (21) "Nonregulated activity" means the provision of competitive retail gas or electric services or other products or services over which the commission exerts no regulatory authority;
- (22) "Nonregulated" means that which is not subject to regulation by the commission;
- (23) "Regulated activity" means a service provided by a utility *or other person*, the rates and charges of which are regulated by the commission;
- (24) "USoA" means uniform system of accounts which is a system of accounts for public utilities established by the FERC and adopted by the commission;
- (25) "Arm's length" means the standard of conduct under which unrelated parties, each party acting in its own best interest, would negotiate and carry out a particular transaction;
- (26) "Subsidize" means the recovery of costs or the transfer of value from one (1) class of customer, activity, or business unit that is attributable to another;
- (27) "Solicit" means to engage in or offer for sale a good or service, either directly or indirectly and irrespective of place or audience;
- (28) "USDA" means the United States Department of Agriculture;
- (29) "FERC" means the Federal Energy Regulatory Commission; and
- (30) "SEC" means the Securities and Exchange Commission.

Section 16. The following KRS section is repealed:

278.025 Certificate of environmental compatibility -- Requirements.

Section 17. Whereas the regulatory agencies charged with the implementation of this Act will need time sufficient to revise administrative regulations and place them in effect prior to the expiration of the moratorium on the issuance of permits for new electricity generating facilities, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Approved April 24, 2002

CHAPTER 366

(HB 614)

AN ACT relating to revenue and taxation.

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

Section 1. KRS 131.400 is amended to read as follows:

- (1) KRS 131.410 to 131.445 shall be known as and may be cited as the "Kentucky Tax Amnesty Act."
- (2) The Revenue Cabinet shall develop and administer a ~~one (1) time~~ tax amnesty program as provided in KRS 131.410 to 131.445.
- (3) As used in KRS 131.410 to 131.445, unless the context requires otherwise:
 - (a) "Cabinet" means the Revenue Cabinet.
 - (b) "Taxpayer" means any individual, partnership, joint venture, association, corporation, receiver, trustee, guardian, executor, administrator, fiduciary, *limited liability company, limited liability partnership*, or any other entity of any kind subject to any tax set forth in subsection (4) of this section or any person required to collect any such tax under subsection (4) of this section.
 - (c) "Account receivable" means an amount of state tax, penalty, *fee*, or interest which has been recorded as due and entered in the account records of the cabinet, or which the taxpayer should reasonably expect to

become due as a direct or indirect result of any pending or completed audit or investigation which the taxpayer knows is being conducted by any governmental taxing authority, federal, state or local.

- (d) ~~"[Final,]~~Due and owing" means an assessment which has become final and is owed to the Commonwealth due to either the expiration of the taxpayer's appeal rights pursuant to KRS 131.110 or, if an assessment has been appealed to the board of tax appeals, the rendition of a final order by the board or by any court of this Commonwealth. For the purposes of KRS 131.410 to 131.445, assessments that have been appealed to the board of tax appeals shall be final, due and owing fifteen (15) days after the last unappealed or unappealable order sustaining the assessment or any part thereof has become final.
- (4) Notwithstanding the provisions of any other law to the contrary, the tax amnesty program shall be conducted by the cabinet during the fiscal year ending June 30, ~~2003[1989]~~, for a period of not less than sixty (60) days nor more than one hundred and twenty (120) days and shall apply to all taxpayers owing taxes, penalties, ~~fees~~, or interest *subject to the administrative jurisdiction of the cabinet, with the exceptions of ad valorem taxes levied on real property pursuant to KRS Chapter 132, ad valorem taxes on motor vehicles and motorboats collected by the county clerks, and ad valorem taxes on personal property levied pursuant to KRS Chapter 132 that are payable to local officials*~~[administered by the cabinet under the provisions of KRS Chapters 131, 136, 137, 138, 139, 140, 141, 143, 143A, 224, 234, 243, 299, subtitles 3, 4 and 11 of Chapter 304 and omitted intangible property tax levied under Chapter 132]~~. The program shall apply to tax liabilities for taxable periods ending or transactions occurring *after December 1, 1987, but* prior to December 1, ~~2001[1987]~~. Amnesty tax return forms shall be in a form prescribed by the cabinet.

Section 2. KRS 131.410 is amended to read as follows:

- (1) For any taxpayer who meets the requirements of KRS 131.420:
 - (a) For taxes which are owed as a result of the nonreporting or underreporting of tax liabilities or the nonpayment of any account receivable owed by an eligible taxpayer, the Commonwealth shall waive criminal prosecution and all civil penalties *and fees* which may be assessed under any KRS chapter *subject to the administrative jurisdiction of the cabinet*~~[enumerated in subsection (4) of KRS 131.400]~~ for the taxable years or periods for which tax amnesty is requested, plus *all*~~[one-half (1/2)]~~ of the interest as provided in subsection (1) of KRS 131.425.
 - (b) With the exception of instances in which the taxpayer and cabinet enter into an installment payment agreement authorized under subsection (3) of KRS 131.420, The failure to pay all taxes~~[and interest]~~ as shown on the taxpayer's amnesty tax return shall invalidate any amnesty granted pursuant to KRS 131.410 to 131.445.
- (2) This section shall not apply to any taxpayer who is on notice, written or otherwise, of a criminal investigation being conducted by an agency of the state or any political subdivision thereof or the United States, nor shall this section apply to any taxpayer who is the subject of any criminal litigation which is pending on the date of the taxpayer's application in any court of this state or the United States for nonpayment, delinquency, evasion or fraud in relation to any federal taxes or to any of the taxes to which this amnesty program is applicable.~~[Also, this section shall not apply to any taxpayer who is required to remit installment payments pursuant to a valid payment agreement authorized by the cabinet any time prior to the tax amnesty period.]~~
- (3) No refund or credit shall be granted for any interest, *fee*, or penalty paid prior to the time the taxpayer requests amnesty pursuant to KRS 131.420.
- (4) Unless the cabinet in its own discretion redetermines the amount of taxes~~[and interest]~~ due, no refund or credit shall be granted for any taxes~~[or interest]~~ paid under the amnesty program.

Section 3. KRS 131.420 is amended to read as follows:

- (1) The provisions of KRS 131.400 to 131.445 shall apply to any eligible taxpayer who files an application for amnesty within the time prescribed by the cabinet and does the following:
 - (a) Files completed tax returns for all years or tax reporting periods as stated on the application for which returns have not previously been filed and files completed amended tax returns for all years or tax reporting periods as stated on the application for which the tax liability was underreported, except in cases in which the tax liability has been established through audit.

- (b) Pays in full the taxes due for the periods and taxes applied for at the time the application or amnesty tax returns are filed within the amnesty period~~[and pays with the taxes the amount of interest due as provided under subsection (1) of KRS 131.425]~~ and pays the amount of any additional tax~~[and interest]~~ owed within thirty (30) days of notification by the cabinet.
- (c) Pays in full within the amnesty period all taxes previously assessed by the cabinet that are~~[final,]~~ due and owing at the time the application or amnesty tax returns are filed~~[and pays with the taxes the amount of interest due as provided under subsection (1) of KRS 131.425 and pays within thirty (30) days of notification by the cabinet the amount of any additional interest owed].~~
- (2) An eligible taxpayer may participate in the amnesty program whether or not the taxpayer is under audit, notwithstanding the fact that the amount due is included in a proposed assessment or an assessment, bill, notice, or demand for payment issued by the cabinet; and without regard to whether the amount due is subject to a pending administrative or judicial proceeding. An eligible taxpayer may participate in the amnesty program to the extent of the uncontested portion of any assessed liability. However, participation in the program shall be conditioned upon the taxpayer's agreement that the right to protest or initiate an administrative or judicial proceeding or to claim any refund of moneys paid under the program is barred with respect to the amounts paid with the application or amnesty returns.
- (3) The cabinet may enter into an installment payment agreement *as provided in KRS 131.081(9)* in cases of severe hardship in lieu of the complete payment required under subsection (1) of this section.~~[In such cases, twenty five percent (25%) of the amount due shall be paid with the application or amnesty return with the balance to be paid in monthly installments not to exceed three (3) months.]~~ Failure of the taxpayer to make timely payments shall void the terms of the amnesty program. All such agreements and payments shall include interest as provided under subsection (2) of KRS 131.425.
- (4) If, following the termination of the tax amnesty period, the cabinet issues a deficiency assessment based upon information independent of that shown on a return filed pursuant to subsection (1) of this section, the cabinet shall have the authority to impose penalties and criminal action may be brought where authorized by law only with respect to the difference between the amount shown on the amnesty tax return and the correct amount of tax due. The imposition of penalties or criminal action shall not invalidate any waiver granted under KRS 131.410. With the exception of the cost of collection fee imposed under subsection (1) of KRS 131.440, all assessments issued by the cabinet under KRS 131.410 to 131.445 may be protested by the taxpayer in the same manner as other assessments pursuant to the terms of this chapter.

Section 4. KRS 131.425 is amended to read as follows:

- (1) Notwithstanding the provisions of KRS 131.183(1), all taxes paid with the amnesty tax return shall bear *no* interest *imposed*~~[at one half (1/2) of the variable tax interest rates applicable]~~ under KRS 131.183(1) or other applicable statutes.~~[Any tax not previously assessed by the cabinet and due for taxable periods ending or transactions occurring prior to July 1, 1982, shall bear interest at the rate of four percent (4%) per annum.]~~
- (2)~~[All installment agreements authorized under subsection (3) of KRS 131.420 shall bear interest on the outstanding amount of tax due during the installment period at the full rate prescribed under KRS 131.183.]~~
- ~~(3)]~~ Notwithstanding the provisions of KRS 131.183(2) and 141.235, if any overpayment of tax under KRS 131.410 to 131.445 is refunded or credited within one hundred eighty (180) days after the return is filed, no interest shall be allowed.

Section 5. KRS 131.440 is amended to read as follows:

- (1) In addition to all other penalties provided under KRS 131.410 to 131.445, *Section 14 of this Act*, and KRS 131.990 and any other law, there is hereby imposed after the expiration of the tax amnesty period *the following cost of collection fees*:
 - (a) A cost of collection fee of *twenty-five percent (25%)*~~[twenty percent (20%)]~~ on all taxes which are or become~~[final,]~~ due and owing to the cabinet for any reporting period, regardless of when due. This fee shall be in addition to any other applicable fee provided in this subsection;~~[and]~~
 - (b) Taxes which are assessed and collected after the amnesty period for taxable periods ending or transactions occurring prior to December 1, *2001*~~[1987]~~, shall be charged a cost of collection fee of *twenty-five percent (25%)*~~[twenty percent (20%)]~~ at the time of assessment; ~~and~~~~[and]~~

- (c) For any taxpayer who failed to file a return for any previous tax period for which amnesty is available and fails to file the return during the amnesty period, the cost of collection fee shall be fifty percent (50%) of any tax deficiency assessed after the amnesty period. ~~These fees shall be in addition to all other applicable penalties.~~
- (2) ~~However,~~ The secretary of revenue shall have the right to waive any penalties or collection fees when it is demonstrated that any deficiency of the taxpayer was ~~not~~ due to **reasonable cause as defined in KRS 131.010(9)** ~~negligence, intentional disregard of administrative regulations, or fraud~~. However, any taxes that cannot be paid under the amnesty program because of the exclusions in subsection (2) of KRS 131.410 shall not be subject to these fees.
- (3)~~(2)~~ The provisions of subsection (1) of this section shall not relate to any account which has been protested pursuant to KRS 131.110 as of the expiration of the amnesty period and which does not become ~~final~~ due and owing, or to any account on which the taxpayer is remitting timely payments under a payment agreement negotiated with the cabinet prior to or during the amnesty period.
- (4)~~(3)~~ The fee levied under subsection (1) of this section shall not apply to taxes paid pursuant to the terms of the amnesty program nor shall the judgment penalty of twenty percent (20%) levied under KRS 135.060(3) apply in any case in which the fee levied under this section is applicable.

Section 6. KRS 131.445 is amended to read as follows:

- (1) After the expiration of the tax amnesty period, the cabinet shall vigorously pursue all civil, administrative, and criminal penalties authorized by **state and federal** law for all taxes found to be due the Commonwealth.
- (2) In addition to all other penalties provided under KRS 131.410 to 131.445, **Section 14 of this Act**, and 131.990 and any other law, any taxpayer who willfully fails to make a return or willfully makes a false return, or who willfully fails to pay taxes owing or collected, with intent to evade payment of the tax or amount collected, or any part thereof, shall be guilty of a Class D felony.

SECTION 7. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

- (1) ***Notwithstanding the provisions of KRS 131.190 or any other confidentiality law to the contrary, the cabinet may publish a list or lists of taxpayers that owe delinquent taxes or fees administered by the Revenue Cabinet, and that meet the requirements of Section 8 of this Act.***
- (2) ***For purposes of this section, a taxpayer may be included on a list if:***
 - (a) ***The taxes or fees owed remain unpaid at least forty-five (45) days after the dates they became due and payable; and***
 - (b) ***A tax lien or judgment lien has been filed of public record against the taxpayer before notice is given under Section 9 of this Act.***
- (3) ***In the case of listed taxpayers that are business entities, the Revenue Cabinet may also list the names of responsible persons assessed pursuant to KRS 136.565, 138.885, 139.185, 141.340, and 142.357 for listed liabilities, who are not protected from publication by subsection (2) of this section, and for whom the requirements of Section 8 of this Act are satisfied with regard to the personal assessment.***
- (4) ***Before any list is published under this section, the cabinet shall document that each of the conditions for publication as provided in this section has been satisfied, and that procedures were followed to ensure the accuracy of the list and notice was given to the affected taxpayers.***

SECTION 8. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

- (1) ***The Revenue Cabinet may publish a list of all of the taxpayers described in Section 7 of this Act.***
- (2) ***For the purposes of this section, a tax or fee is not delinquent if:***
 - (a) ***The procedures enumerated in KRS 131.110 have not been waived or exhausted at the time when notice would be given under Section 9 of this Act; or***
 - (b) ***The liability is subject to a payment agreement and there is no delinquency in the payments required under the agreement.***
- (3) ***Unpaid liabilities are not subject to publication if:***

- (a) *The cabinet is in the process of reviewing or adjusting the liability;*
- (b) *The taxpayer is a debtor in a bankruptcy proceeding and the automatic stay is in effect;*
- (c) *The cabinet has been notified that the taxpayer is deceased; or*
- (d) *The time period for enforced collection of the taxes or fees has expired.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

- (1) *At least sixty (60) days before publishing the name of a delinquent taxpayer, the cabinet shall mail a written notice to the taxpayer, detailing the amount and nature of each liability and the intended publication of the information listed in Section 10 of this Act related to the liability. The notice shall be mailed by first class mail addressed to the last known address of the taxpayer. The notice shall include information regarding the exceptions listed in Section 8 of this Act and shall state that the taxpayer's information will not be published if the taxpayer pays the delinquent obligation, enters into an agreement to pay, or provides information establishing that Section 8 prohibits publication of the taxpayer's name.*
- (2) *After at least sixty (60) days have elapsed since the notice was mailed and the delinquent tax or fee has not been paid and the taxpayer has not proved to the cabinet that Section 8 of this Act prohibits publication, the cabinet may publish in a list of delinquent taxpayers the information about the taxpayer that is listed in Section 10 of this Act.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

The list may be published by any medium or method. The list may contain the name, address, type of tax or fee, and period for which payment is due for each liability, including penalties, interest, and other charges owed by each listed delinquent taxpayer.

SECTION 11. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

The cabinet shall remove the name of a taxpayer from the list of delinquent taxpayers after the cabinet receives written notice of and verifies any of the following facts about the liability in question:

- (1) *The taxpayer has contacted the cabinet and arranged resolution of the liability;*
- (2) *An active bankruptcy proceeding has been initiated for the liability; or*
- (3) *A bankruptcy proceeding concerning the liability has resulted in discharge of the liability.*

SECTION 12. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

If the cabinet publishes a name under Section 7 of this Act in error, the taxpayer whose name was erroneously published has all the rights enumerated in KRS 131.081 for an aggrieved taxpayer.

Section 13. KRS 131.150 is amended to read as follows:

- (1) When the Revenue Cabinet reasonably believes that any taxpayer has withdrawn from the state or concealed his assets or a material part thereof so as to hinder or evade the assessment or collection of taxes, or has desisted from any taxable activity in the state, or has become domiciled elsewhere, or has departed from this state with fraudulent intent to hinder or evade the assessment or collection of taxes, or has done any other act tending to render partly or wholly ineffective proceedings to assess or collect any such taxes, or contemplates doing any of these acts in the immediate future, or that any tax claim for any other reason is being endangered, such tax liability shall become due and payable immediately upon assessment or determination of the amount of taxes due, as authorized in this section.
- (2) Under any of the circumstances set out in subsection (1) of this section, the cabinet may make a tentative assessment or determination of the taxes due, and may proceed immediately to bring garnishment, attachment or any other legal proceedings to collect the taxes so assessed or determined to be due. *Notwithstanding the provisions of subsection (1) of Section 14 of this Act, if the tax so assessed is due to the failure of the taxpayer to file a required tax return a minimum penalty of one hundred dollars (\$100) shall be assessed unless the taxpayer demonstrates that the failure to file was due to reasonable cause as defined in KRS 131.010(9). This penalty shall be applicable whether or not any tax is determined to be due on a subsequently filed return or if the subsequently filed returns results in a refund.* No bond shall be required of the cabinet in such proceedings. The taxpayer may stay legal proceedings by filing a bond in an amount sufficient in the opinion of the cabinet to cover the taxes, penalties, interest and costs. If no legal proceedings have been instituted, the cabinet may require a bond adequate to cover all taxes, penalties and interest. On

making bond, exception to the assessment or determination of tax liability may be filed in the same manner and time as provided in KRS 131.110. If no exceptions are filed to the tentative assessment or determination, it shall become final.

- (3) The cabinet may require any such taxpayer to file with it forthwith the reports required by law or regulation, or any additional reports or other information necessary to assess the property or determine the amount of tax due.
- (4) If the cabinet fails to exercise the authority conferred by this section, such taxpayer shall report and pay all taxes due as otherwise provided by law.

Section 14. KRS 131.180 is amended to read as follows:

The provisions of this section shall be known as the "Uniform Civil Penalty Act." Penalties to be assessed in accordance with this section shall apply as follows unless otherwise provided by law:

- (1) Any taxpayer who files any return or report after the due date prescribed for filing or the due date as extended by the cabinet shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty equal to two percent (2%) of the total tax due for each thirty (30) days or fraction thereof that the report or return is late. The total penalty levied pursuant to this subsection shall not exceed twenty percent (20%) of the total tax due; however, the penalty shall not be less than ten dollars (\$10).
- (2) Any taxpayer who fails to withhold or collect any tax as required by law, fails to pay the tax computed due on a return or report on or before the due date prescribed for it or the due date as extended by the cabinet or, excluding underpayments determined pursuant to subsections (2) and (3) of KRS 141.990, fails to have timely paid at least seventy-five percent (75%) of the tax determined due by the cabinet shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty equal to two percent (2%) of the tax not withheld, collected, or timely paid for each thirty (30) days or fraction thereof that the withholding, collection, or payment is late. The total penalty levied pursuant to this subsection shall not exceed twenty percent (20%) of the tax not timely withheld, collected, or paid; however, the penalty shall not be less than ten dollars (\$10).
- (3) Any taxpayer who fails to pay any installment of estimated tax by the time prescribed in KRS 141.044 and 141.305 or who, pursuant to subsections (2) or (3) of KRS 141.990, is determined to have a declaration underpayment shall, unless it is shown to the satisfaction of the cabinet that the failure or underpayment is due to reasonable cause, pay a penalty equal to ten percent (10%) of the amount of the underpayment or late payment; however, the penalty shall not be less than twenty-five dollars (\$25).
- (4) If any taxpayer fails or refuses to make and file a report or return or furnish any information requested in writing by the cabinet, the cabinet may make an estimate of the tax due from any information in its possession, assess the tax at not more than twice the amount estimated to be due, and add a penalty equal to five percent (5%) of the tax assessed for each thirty (30) days or fraction thereof that the return or report is not filed. The total penalty levied pursuant to this subsection shall not exceed fifty percent (50%) of the tax assessed; however, the penalty shall not be less than ***one hundred dollars (\$100) unless the taxpayer demonstrates that the failure to file was due to reasonable cause as defined in KRS 131.010(9). This penalty shall be applicable whether or not any tax is determined to be due on a subsequently filed return or if the subsequently filed return results in a refund***~~twenty-five dollars (\$25)~~.
- (5) If any taxpayer fails or refuses to pay within forty-five (45) days of the due date any tax assessed by the cabinet which is not protested in accordance with KRS 131.110, there shall be added a penalty equal to two percent (2%) of the unpaid tax for each thirty (30) days or fraction thereof that the tax is final, due and owing but not paid.
- (6) Any taxpayer who fails to obtain any identification number, permit, license, or other document of authority from the cabinet within the time required by law shall, unless it is shown to the satisfaction of the cabinet that the failure is due to reasonable cause, pay a penalty equal to ten percent (10%) of any cost or fee required to be paid for the identification number, permit, license, or other document of authority; however, the penalty shall not be less than fifty dollars (\$50).
- (7) If any tax assessed by the cabinet is the result of negligence by a taxpayer or other person, a penalty equal to ten percent (10%) of the tax so assessed shall be paid by the taxpayer or other person who was negligent.

- (8) If any tax assessed by the cabinet is the result of fraud committed by the taxpayer or other person, a penalty equal to fifty percent (50%) of the tax so assessed shall be paid by the taxpayer or other person who committed fraud.
- (9) If any check tendered to the cabinet is not paid when presented to the drawee bank for payment, there shall be paid as a penalty by the taxpayer who tendered the check, upon notice and demand of the cabinet, an amount equal to ten percent (10%) of the check. The penalty under this section shall not be less than ten dollars (\$10) nor more than one hundred dollars (\$100). If the taxpayer who tendered the check shows to the cabinet's satisfaction that the failure to honor payment of the check resulted from error by parties other than the taxpayer, the cabinet shall waive the penalty.
- (10) Any person who fails to make any tax report or return or pay any tax within the time, or in the manner required by law, for which a specific civil penalty is not provided by law, shall pay a penalty as provided in this section, with interest from the date due at the tax interest rate as defined in KRS 131.010(6).
- (11) The penalties levied pursuant to subsection (5) of this section shall apply to any tax assessment protested pursuant to KRS 131.110 to the extent that any appeal of the assessment or portion of it is ruled by the Kentucky Board of Tax Appeals or, if appealed from, the court of last resort, as not protested, appealed, or pursued in good faith by the taxpayer.
- (12) Nothing in this section shall be construed to prevent the assessment or collection of more than one (1) of the penalties levied under this section or any other civil or criminal penalty provided for violation of the law for which penalties are imposed.
- (13) All penalties levied pursuant to this section shall be assessed, collected, and paid in the same manner as taxes. Any corporate officer or other person who becomes liable for payment of any tax assessed by the cabinet shall likewise be liable for all penalties and interest applicable thereto.

SECTION 15. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding any other provision of this chapter to the contrary, the president, vice president, secretary, treasurer, or any other person holding any equivalent corporate office of any corporation subject to the provisions of KRS 138.210 to 138.446 shall be personally and individually liable, both jointly and severally, for the tax imposed under KRS 138.210 to 138.446. Corporate dissolution, withdrawal of the corporation from the state, or the cessation of holding any corporate office shall not discharge the liability of any person. The personal and individual liability shall apply to each and every person holding a corporate office at the time the tax becomes or became due. No person shall be personally and individually liable under this subsection who had no authority to collect, truthfully account for, or pay over any tax imposed by KRS 138.210 to 138.446 at the time the tax imposed becomes or became due. "Taxes" as used in this section shall include interest accrued at the rate provided by KRS 131.183, all applicable penalties imposed under the provisions of this chapter, and all applicable penalties imposed under the provisions of Section 14 of this Act, Sections 2 to 6 of this Act, and KRS 131.990.*

- (a) *The provisions of this section shall not apply if a corporation on an annual basis elects to be exempt from the provisions of KRS 138.224 by:*

1. *Filing with the cabinet a financial instrument in an amount not to exceed two (2) months' estimated liability, as calculated by the cabinet, or five thousand dollars (\$5,000), whichever is greater;*
2. *Certifying by an electronic method acceptable by both the dealer and the cabinet no later than the fifteenth day of each month the amount of gasoline and special fuels tax due the Commonwealth by the twenty-fifth day of that month; and*
3. *Agreeing to initiate an Automated Clearing House credit transaction to electronically transfer the amount of tax from the dealer's account to the Kentucky State Treasurer on the twenty-fifth day of that month.*

For the purpose of this paragraph, a "financial instrument" means a bond issued by a corporation authorized to do business in Kentucky, a line of credit, or an account with a financial institution maintaining a compensating balance.

- (b) *If a dealer fails to certify the amount of tax collected or does not perform the electronic fund transfer as prescribed by paragraph (a) of this subsection, the cabinet may immediately make demand of the*

financial instrument and revoke the license of the dealer notwithstanding the provisions of KRS 138.340 and the provisions of this section shall apply.

- (2) *Notwithstanding any other provision of this chapter, KRS 275.150, or KRS 362.220(2) to the contrary, the managers of a limited liability company and the partners of a registered limited liability partnership or any other person holding any equivalent office of a limited liability company or a registered limited liability partnership subject to the provisions of KRS 138.210 to 138.446 shall be personally and individually liable, both jointly and severally, for the tax imposed under KRS 138.210 to 138.446. Dissolution, withdrawal of the limited liability company or registered limited liability partnership from the state, or the cessation of holding any office shall not discharge the liability of any person. The personal and individual liability shall apply to each and every manager of a limited liability company and partner of a registered limited liability partnership at the time the tax becomes or became due. No person shall be personally and individually liable under this subsection who had no authority to collect, truthfully account for, or pay over any tax imposed by KRS 138.210 to 138.446 at the time the tax becomes or became due. "Taxes" as used in this section shall include interest accrued at the rate provided by KRS 131.183, all applicable penalties imposed under the provisions of this chapter, and all applicable penalties imposed under the provisions of Section 14 of this Act, Sections 2 to 6 of this Act, and KRS 131.990.*

- (a) *The provisions of this section shall not apply if a limited liability company or a registered limited liability partnership on an annual basis elects to be exempt from the provisions of KRS 138.224 by:*

1. *Filing with the cabinet a financial instrument in an amount not to exceed two (2) months' estimated liability, as calculated by the cabinet, or five thousand dollars (\$5,000), whichever is greater;*
2. *Certifying by an electronic method acceptable by both the dealer and the cabinet no later than the fifteenth day of each month the amount of gasoline and special fuels tax due the Commonwealth by the twenty-fifth day of that month; and*
3. *Agreeing to initiate an Automated Clearing House credit transaction to electronically transfer the amount of tax from the dealer's account to the Kentucky State Treasurer on the twenty-fifth day of that month.*

For the purpose of this paragraph, a "financial instrument" means a bond issued by a corporation authorized to do business in Kentucky, a line of credit, or an account with a financial institution maintaining a compensating balance.

- (b) *If a dealer fails to certify the amount of tax collected or does not perform the electronic fund transfer prescribed by paragraph (a) of this subsection, the cabinet may immediately make demand of the financial instrument and revoke the license of the dealer notwithstanding the provisions of KRS 138.340 and the provisions of this section shall apply.*

Section 16. KRS 139.185 is amended to read as follows:

- (1) *Notwithstanding any other provisions of this chapter to the contrary, the president, vice president, secretary, treasurer or any other person holding any equivalent corporate office of any corporation subject to the provisions of this chapter shall be personally and individually liable, both jointly and severally, for the taxes imposed under this chapter, and neither the corporate dissolution nor withdrawal of the corporation from the state nor the cessation of holding any corporate office shall discharge the foregoing liability of any person. The personal and individual liability shall apply to each and every person holding the corporate office at the time the taxes become or became due. No person will be personally and individually liable pursuant to this section who had no authority in the management of the business or financial affairs of the corporation at the time that the taxes imposed by this chapter become or became due. Taxes as used in this section shall include interest accrued at the rate provided by KRS 139.650 and all applicable penalties imposed under this chapter and all applicable penalties and fees imposed under KRS 131.180, 131.410 to 131.445 and 131.990.*
- (2) *Notwithstanding any other provisions of this chapter, KRS 275.150, or KRS 362.220(2) to the contrary, the managers of a limited liability company and the partners of a registered limited liability partnership or any other person holding any equivalent office of a limited liability company or a registered limited liability partnership subject to the provisions of this chapter shall be personally and individually liable, both jointly and severally, for the taxes imposed under this chapter. Dissolution, withdrawal of the limited liability company or registered limited liability partnership from the state, or the cessation of holding any office*

shall not discharge the liability of any person. The personal and individual liability shall apply to each and every manager of a limited liability company and partner of a registered limited liability partnership at the time the taxes become or became due. No person shall be personally and individually liable under this subsection who had no authority to collect, truthfully account for, or pay over any tax imposed by this chapter at the time that the taxes imposed by this chapter become or became due. "Taxes" as used in this section shall include interest accrued at the rate provided by KRS 131.183, all applicable penalties imposed under this chapter, and all applicable penalties and fees imposed under Section 14 of this Act, Sections 2 to 6 of this Act, and KRS 131.990.

Section 17. KRS 141.340 is amended to read as follows:

- (1) An employer shall be liable for the payment of the tax required to be deducted and withheld under KRS 141.310 and 141.315, and shall not be liable to any person for the amount of any such payment.
- (2) The president, vice president, secretary, treasurer or any other person holding an equivalent corporate office of any corporation subject to KRS 141.310 or 141.315 shall be personally and individually liable, both jointly and severally, for any tax required to be withheld under this chapter from wages paid to one (1) or more employees of any such corporation, and neither the corporate dissolution or withdrawal of the corporation from the state nor the cessation of holding any such corporate office shall discharge the foregoing liability of any such person; provided that the personal and individual liability shall apply to each or every person holding such corporate office at the time such tax becomes or became obligated. *No person shall be personally and individually liable under this subsection who had no authority to collect, truthfully account for, or pay over any tax imposed by this chapter at the time that taxes imposed by this chapter become or became due. "Taxes" as used in this section shall include interest accrued at the rate provided by KRS 131.138, all applicable penalties and fees imposed under Section 14 of this Act, Sections 2 to 6 of this Act, and KRS 131.990.*
- (3) *Notwithstanding any other provisions of this chapter, KRS 275.150, or KRS 362.220(2) to the contrary, the managers of a limited liability company and the partners of a registered limited liability partnership or any other person holding any equivalent office of a limited liability company or a registered limited liability partnership subject to KRS 141.310 or 141.315 shall be personally and individually liable, both jointly and severally, for any tax required to be withheld under this chapter from wages paid to one (1) or more employees of any such limited liability company or registered limited liability partnership. Dissolution, withdrawal of the limited liability company or registered limited liability partnership from the state, or the cessation of holding any office shall not discharge the liability of any person. The personal and individual liability shall apply to each and every manager of a limited liability company and partner in a registered limited liability partnership at the time the taxes become or became due. No person shall be personally and individually liable under this subsection who had no authority to collect, truthfully account for, or pay over any tax imposed by this chapter at the time that the taxes imposed by this chapter become or became due. "Taxes" as used in this section shall include interest accrued at the rate provided by KRS 131.183, all applicable penalties imposed under this chapter, and all applicable penalties and fees imposed under Section 14 of this Act, Sections 2 to 6 of this Act, and KRS 131.990.*

Section 18. Sections 7 to 17 of this Act shall take effect January 1, 2003.

Section 19. The amendments contained in subsection (2) of Section 15 of this Act, in Section 16 of this Act, and in subsection (3) of Section 17 of this Act apply retroactively to July 15, 1994.

Approved April 24, 2002

CHAPTER 367

(HB 457)

AN ACT relating to income taxation.

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

Section 1. KRS 141.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Secretary" means the secretary of revenue;

- (2) "Cabinet" means the Revenue Cabinet;
- (3) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, ~~2001~~~~[1999]~~, exclusive of any amendments made subsequent to that date, other than amendments that extend provisions in effect on December 31, ~~2001~~~~[1999]~~, that would otherwise terminate, and as modified by KRS 141.0101;
- (4) "Dependent" means those persons defined as dependents in the Internal Revenue Code;
- (5) "Fiduciary" means "fiduciary" as defined in Section 7701(a)(6) of the Internal Revenue Code;
- (6) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;
- (7) "Individual" means a natural person;
- (8) For taxable years beginning on or after January 1, 1974, "federal income tax" means the amount of federal income tax actually paid or accrued for the taxable year on taxable income as defined in Section 63 of the Internal Revenue Code, and taxed under the provisions of this chapter, minus any federal tax credits actually utilized by the taxpayer;
- (9) "Gross income" in the case of taxpayers other than corporations means "gross income" as defined in Section 61 of the Internal Revenue Code;
- (10) "Adjusted gross income" in the case of taxpayers other than corporations means gross income as defined in subsection (9) of this section minus the deductions allowed individuals by Section 62 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter, and except that nothing in this chapter shall be construed to permit the same item to be deducted more than once:
 - (a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States and Kentucky;
 - (b) Exclude income from supplemental annuities provided by the Railroad Retirement Act of 1937 as amended and which are subject to federal income tax by Public Law 89-699;
 - (c) Include interest income derived from obligations of sister states and political subdivisions thereof;
 - (d) Exclude employee pension contributions picked up as provided for in KRS 6.505, 16.545, 21.360, 61.560, 65.155, 67A.320, 67A.510, 78.610, and 161.540 upon a ruling by the Internal Revenue Service or the federal courts that these contributions shall not be included as gross income until such time as the contributions are distributed or made available to the employee;
 - (e) Exclude Social Security and railroad retirement benefits subject to federal income tax;
 - (f) Include, for taxable years ending before January 1, 1991, all overpayments of federal income tax refunded or credited for taxable years;
 - (g) Deduct, for taxable years ending before January 1, 1991, federal income tax paid for taxable years ending before January 1, 1990;
 - (h) Exclude any money received because of a settlement or judgment in a lawsuit brought against a manufacturer or distributor of "Agent Orange" for damages resulting from exposure to Agent Orange by a member or veteran of the Armed Forces of the United States or any dependent of such person who served in Vietnam;
 - (i)
 - 1. Exclude the applicable amount of total distributions from pension plans, annuity contracts, profit-sharing plans, retirement plans, or employee savings plans.
 - 2. The "applicable amount" shall be:
 - a. Twenty-five percent (25%), but not more than six thousand two hundred fifty dollars (\$6,250), for taxable years beginning after December 31, 1994, and before January 1, 1996;
 - b. Fifty percent (50%), but not more than twelve thousand five hundred dollars (\$12,500), for taxable years beginning after December 31, 1995, and before January 1, 1997;

- c. Seventy-five percent (75%), but not more than eighteen thousand seven hundred fifty dollars (\$18,750), for taxable years beginning after December 31, 1996, and before January 1, 1998; and
 - d. One hundred percent (100%), but not more than thirty-five thousand dollars (\$35,000), for taxable years beginning after December 31, 1997.
 - 3. As used in this paragraph:
 - a. "Distributions" includes, but is not limited to, any lump-sum distribution from pension or profit-sharing plans qualifying for the income tax averaging provisions of Section 402 of the Internal Revenue Code; any distribution from an individual retirement account as defined in Section 408 of the Internal Revenue Code; and any disability pension distribution;
 - b. "Annuity contract" has the same meaning as set forth in Section 1035 of the Internal Revenue Code; and
 - c. "Pension plans, profit-sharing plans, retirement plans, or employee savings plans" means any trust or other entity created or organized under a written retirement plan and forming part of a stock bonus, pension, or profit-sharing plan of a public or private employer for the exclusive benefit of employees or their beneficiaries and includes plans qualified or unqualified under Section 401 of the Internal Revenue Code and individual retirement accounts as defined in Section 408 of the Internal Revenue Code;
 - (j)
 - 1.
 - a. Exclude the distributive share of a shareholder's net income from an S corporation subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300; and
 - b. Exclude the portion of the distributive share of a shareholder's net income from an S corporation related to a qualified subchapter S subsidiary subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300.
 - 2. The shareholder's basis of stock held in a S corporation where the S corporation or its qualified subchapter S subsidiary is subject to the franchise tax imposed under KRS 136.505 or the capital stock tax imposed under KRS 136.300 shall be the same as the basis for federal income tax purposes;
 - (k) Exclude for taxable years beginning after December 31, 1998, to the extent not already excluded from gross income, any amounts paid for health insurance which constitutes medical care coverage for the taxpayer, the taxpayer's spouse, and dependents during the taxable year. Any amounts paid by the taxpayer for health insurance that are excluded pursuant to this paragraph shall not be allowed as a deduction in computing the taxpayer's net income under subsection (11) of this section;
 - (l) Exclude income received for services performed as a precinct worker for election training or for working at election booths in state, county, and local primary, regular, or special elections;
 - (m) Exclude any amount paid during the taxable year for insurance for long-term care as defined in KRS 304.14-600;
 - (n) Exclude any capital gains income attributable to property taken by eminent domain;
 - (o) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;
 - (p) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and
 - (q) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;
- (11) "Net income" in the case of taxpayers other than corporations means adjusted gross income as defined in subsection (10) of this section, minus the standard deduction allowed by KRS 141.081, or, at the option of the taxpayer, minus the deduction allowed by KRS 141.0202 and minus all the deductions allowed individuals by

Chapter 1 of the Internal Revenue Code as modified by KRS 141.0101 except those listed below, except that deductions shall be limited to amounts allocable to income subject to taxation under the provisions of this chapter and that nothing in this chapter shall be construed to permit the same item to be deducted more than once:

- (a) Any deduction allowed by the Internal Revenue Code for state taxes measured by gross or net income, except that such taxes paid to foreign countries may be deducted;
 - (b) Any deduction allowed by the Internal Revenue Code for amounts allowable under KRS 140.090(1)(h) in calculating the value of the distributive shares of the estate of a decedent, unless there is filed with the income return a statement that such deduction has not been claimed under KRS 140.090(1)(h);
 - (c) The deduction for personal exemptions allowed under Section 151 of the Internal Revenue Code and any other deductions in lieu thereof; and
 - (d) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;
- (12) "Gross income," in the case of corporations, means "gross income" as defined in Section 61 of the Internal Revenue Code and as modified by KRS 141.0101 and adjusted as follows:
- (a) Exclude income that is exempt from state taxation by the Kentucky Constitution and the Constitution and statutory laws of the United States;
 - (b) Exclude all dividend income received after December 31, 1969;
 - (c) Include interest income derived from obligations of sister states and political subdivisions thereof;
 - (d) Exclude fifty percent (50%) of gross income derived from any disposal of coal covered by Section 631(c) of the Internal Revenue Code if the corporation does not claim any deduction for percentage depletion, or for expenditures attributable to the making and administering of the contract under which such disposition occurs or to the preservation of the economic interests retained under such contract;
 - (e) Include in the gross income of lessors income tax payments made by lessees to lessors, under the provisions of Section 110 of the Internal Revenue Code, and exclude such payments from the gross income of lessees;
 - (f) Include the amount calculated under KRS 141.205;
 - (g) Ignore the provisions of Section 281 of the Internal Revenue Code in computing gross income;
 - (h) Exclude income from "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code);
 - (i) Exclude any amount received by a producer of tobacco or a tobacco quota owner from the multistate settlement with the tobacco industry, known as the Master Settlement Agreement, signed on November 22, 1998;
 - (j) Exclude any amount received from the secondary settlement fund, referred to as "Phase II," established by tobacco companies to compensate tobacco farmers and quota owners for anticipated financial losses caused by the national tobacco settlement; and
 - (k) Exclude any amount received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program as a result of a reduction in the quantity of tobacco quota allotted;
- (13) "Net income," in the case of corporations, means "gross income" as defined in subsection (12) of this section minus the deduction allowed by KRS 141.0202 and minus all the deductions from gross income allowed corporations by Chapter 1 of the Internal Revenue Code and as modified by KRS 141.0101, except the following:

- (a) Any deduction for a state tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or to any foreign country or political subdivision thereof;
 - (b) The deductions contained in Sections 243, 244, 245, and 247 of the Internal Revenue Code;
 - (c) The provisions of Section 281 of the Internal Revenue Code shall be ignored in computing net income;
 - (d) Any deduction directly or indirectly allocable to income which is either exempt from taxation or otherwise not taxed under the provisions of this chapter, and nothing in this chapter shall be construed to permit the same item to be deducted more than once;
 - (e) Exclude expenses related to "safe harbor leases" (Section 168(f)(8) of the Internal Revenue Code); and
 - (f) Any deduction for amounts paid to any club, organization, or establishment which has been determined by the courts or an agency established by the General Assembly and charged with enforcing the civil rights laws of the Commonwealth, not to afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages, or accommodations to any person because of race, color, religion, national origin, or sex, except nothing shall be construed to deny a deduction for amounts paid to any religious or denominational club, group, or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained;
- (14) (a) "Taxable net income," in the case of corporations having property or payroll only in this state, means "net income" as defined in subsection (13) of this section;
- (b) "Taxable net income," in the case of corporations having property or payroll both within and without this state means "net income" as defined in subsection (13) of this section and as allocated and apportioned under KRS 141.120;
- (c) "Property" means either real property or tangible personal property which is either owned or leased. "Payroll" means compensation paid to one (1) or more individuals, as described in KRS 141.120(8)(b). Property and payroll are deemed to be entirely within this state if all other states are prohibited by Public Law 86-272, as it existed on December 31, 1975, from enforcing income tax jurisdiction;
- (d) "Taxable net income" in the case of homeowners' associations as defined in Section 528(c) of the Internal Revenue Code, means "taxable income" as defined in Section 528(d) of the Internal Revenue Code. Notwithstanding the provisions of subsection (3) of this section, the Internal Revenue Code sections referred to in this paragraph shall be those code sections in effect for the applicable tax year; and
- (e) "Taxable net income" in the case of a corporation that meets the requirements established under Section 856 of the Internal Revenue Code to be a real estate investment trust, means "real estate investment trust taxable income" as defined in Section 857(b)(2) of the Internal Revenue Code;
- (15) "Person" means "person" as defined in Section 7701(a)(1) of the Internal Revenue Code;
- (16) "Taxable year" means the calendar year or fiscal year ending during such calendar year, upon the basis of which net income is computed, and in the case of a return made for a fractional part of a year under the provisions of this chapter or under regulations prescribed by the secretary, "taxable year" means the period for which such return is made;
- (17) "Resident" means an individual domiciled within this state or an individual who is not domiciled in this state, but maintains a place of abode in this state and spends in the aggregate more than one hundred eighty-three (183) days of the taxable year in this state;
- (18) "Nonresident" means any individual not a resident of this state;
- (19) "Employer" means "employer" as defined in Section 3401(d) of the Internal Revenue Code;
- (20) "Employee" means "employee" as defined in Section 3401(c) of the Internal Revenue Code;

- (21) "Number of withholding exemptions claimed" means the number of withholding exemptions claimed in a withholding exemption certificate in effect under KRS 141.325, except that if no such certificate is in effect, the number of withholding exemptions claimed shall be considered to be zero;
- (22) "Wages" means "wages" as defined in Section 3401(a) of the Internal Revenue Code and includes other income subject to withholding as provided in Section 3401(f) and Section 3402(k), (o), (p), (q), and (s) of the Internal Revenue Code;
- (23) "Payroll period" means "payroll period" as defined in Section 3401(b) of the Internal Revenue Code;
- (24) "Corporations" means "corporations" as defined in Section 7701(a)(3) of the Internal Revenue Code;
- (25) "S corporations" means "S corporations" as defined in Section 1361(a) of the Internal Revenue Code. Stockholders of a corporation qualifying as an "S corporation" under this chapter may elect to treat such qualification as an initial qualification under Subchapter S of the Internal Revenue Code Sections.

Section 2. KRS 143A.030 is amended to read as follows:

The taxes imposed in KRS 143A.020 do not apply to fluorspar, lead, zinc, ~~tar sands~~, and barite severed for any purposes or to rock, limestone or gravel used for privately maintained but publicly dedicated roads or limestone when sold or used by the taxpayer for agricultural purposes so as to qualify for exemption from sales and use taxes as provided in KRS 139.480.

SECTION 3. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO READ AS FOLLOWS:

Moneys from tar sands distributed to counties under KRS 42.470(2) shall be used for economic development purposes as approved by the Department for Local Government.

Section 4. The amendment contained in Section 1 of this Act applies to taxable years beginning after December 31, 2001. Section 2 takes effect August 1, 2002.

Approved April 24, 2002

CHAPTER 368

(HB 97)

AN ACT relating to deadly weapons.

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

Section 1. KRS 527.020 is amended to read as follows:

- (1) A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.
- (2) Peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.
- (3) Policemen directly employed by state, county, city, or urban-county governments may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.
- (4) Persons, ***except those specified in subsection (5) of this section***, licensed to carry a concealed deadly weapon pursuant to KRS 237.110 may carry a firearm or other concealed deadly weapon on or about their persons at all times within the Commonwealth of Kentucky, if the firearm or concealed deadly weapon is carried in conformity with the requirements of that section. Unless otherwise specifically provided by the Kentucky Revised Statutes or applicable federal law, no criminal penalty shall attach to carrying a concealed firearm or other deadly weapon with a permit at any location at which an unconcealed firearm or other deadly weapon may be constitutionally carried. ***No person or organization, public or private shall prohibit a person licensed to carry a concealed deadly weapon from possessing a firearm, ammunition, or both, or other deadly weapon in his or her vehicle in compliance with the provisions of KRS 237.110 and 237.115. Any attempt by a person or organization, public or private, to violate the provisions of this subsection may be the subject of***

an action for appropriate relief or for damages in a Circuit Court or District Court of competent jurisdiction.

- (5) *The following persons, if they hold a license to carry a concealed deadly weapon pursuant to KRS 237.110, may carry a firearm or other concealed deadly weapon on or about their persons at all times and at all locations within the Commonwealth of Kentucky, without limitation:*

- (a) *A Commonwealth's attorney or assistant Commonwealth's attorney;*
- (b) *A county attorney or assistant county attorney;*
- (c) *A justice or judge of the Court of Justice; and*
- (d) *A retired or senior status justice or judge of the Court of Justice.*

A person specified in this section who is issued a concealed deadly weapon license shall be issued a license which bears on its face the statement that it is valid at all locations within the Commonwealth of Kentucky and may have such other identifying characteristics as determined by the Department of State Police.

- (6) *The following persons may carry concealed deadly weapons on or about their person at all times and at all locations within the Commonwealth of Kentucky:*

- (a) *An elected sheriff and full-time and part-time deputy sheriffs certified pursuant to KRS 15.380 to 15.404 when expressly authorized to do so by the unit of government employing the officer;*
- (b) *An elected jailer and a deputy jailer who has successfully completed Department of Corrections basic training and maintains his or her current in-service training when expressly authorized to do so by the jailer;*
- (c) *The department head or any employee of a corrections department in any jurisdiction where the office of elected jailer has been merged with the office of sheriff who has successfully completed Department of Corrections basic training and maintains his or her current in-service training when expressly authorized to do so by the unit of government by which he or she is employed;*

- (7) *A full-time paid peace officer of a government agency from another state or territory of the United States or an elected sheriff from another territory of the United States may carry a concealed deadly weapon in Kentucky, on or off duty, if the other state or territory accords a Kentucky full-time paid peace officer and a Kentucky elected sheriff the same rights by law. If the other state or territory limits a Kentucky full-time paid peace officer or elected sheriff to carrying a concealed deadly weapon while on duty, then that same restriction shall apply to a full-time paid peace officer or elected sheriff from that state or territory.*

- ~~(8)~~~~(5)~~ A firearm or other deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism. *No person or organization, public or private, shall prohibit a person from keeping a firearm or ammunition, or both, or other deadly weapon in a glove compartment of a vehicle in accordance with the provisions of this subsection. Any attempt by a person or organization, public or private, to violate the provisions of this subsection may be the subject of an action for appropriate relief or for damages in a Circuit Court or District Court of competent jurisdiction.*

- ~~(9)~~~~(6)~~ Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony.

Section 2. KRS 237.110 is amended to read as follows:

- (1) The Department of State Police is authorized to issue licenses to carry concealed firearms or other deadly weapons to persons qualified as provided in this section. The Department of State Police or the Administrative Office of the Courts shall conduct a record check, covering all offenses and conditions which are required under 18 U.S.C. sec. 922(g) and this section, in the manner provided by 18 U.S.C. sec. 922(s). Licenses shall be valid throughout the state for a period of five (5) years from the date of issuance. Any person in compliance with the terms of the license may carry a concealed firearm or other deadly weapon or combination of firearms and other deadly weapons on or about his person. The licensee shall carry the license at all times the licensee is carrying a concealed firearm or other deadly weapon and shall display the license upon request of a law

enforcement officer. Violation of the provisions of this subsection shall constitute a noncriminal violation with a penalty of twenty-five dollars (\$25), payable to the clerk of the District Court.

- (2) The Department of State Police, following the record check required by subsection (1) of this section, shall issue a license if the applicant:
- (a) Is a resident of the state and has been a resident for six (6) months or longer immediately preceding the filing of the application;
 - (b) Is twenty-one (21) years of age or older;
 - (c) Is not ineligible to possess a firearm pursuant to 18 U.S.C. sec. 922(d)(1) or (g) or KRS 527.040;
 - (d) Has not been committed to a state or federal facility for the abuse of a controlled substance or been convicted of a misdemeanor violation of KRS Chapter 218A or similar laws of any other state relating to controlled substances within a three (3) year period immediately preceding the date on which the application is submitted;
 - (e) Does not chronically and habitually use alcoholic beverages as evidenced by the applicant having two (2) or more convictions for violating KRS 189A.010 within the three (3) years immediately preceding his application or if the applicant has been committed as an alcoholic pursuant to KRS Chapter 222, or similar laws of any other state, within the three (3) year period immediately preceding the date on which the application is submitted;
 - (f) Demonstrates competence with a firearm by ~~any one (1) of the following:~~
 - 1. ~~Completion, prior to, on, or after October 1, 1996, of any hunter education and firearms safety course approved by the Department of Fish and Wildlife or a similar agency of another state. The Department of Fish and Wildlife may impose additional qualifications by promulgation of administrative regulations to meet the requirements of this section and may establish fees as may be required, so as to avoid a diversion of fish and game funds as specified in 50 C.F.R. Part 80. Any fee assessed shall be reasonable and shall not exceed the actual cost of administering the program;~~
 - 2. ~~Completion of a~~ ~~completion of a~~, prior to, on, or after October 1, 1996, of any law enforcement firearms safety or training course or class offered ~~for special local peace officers or special law enforcement officers conducted~~ or approved by the Department of Criminal Justice Training;
 - 3. ~~Completion, prior to, on, or after October 1, 1996, of any firearm safety or training course or class available to the general public offered by law enforcement, junior college, college, or private or public institution or organization or firearms training school, utilizing instructors certified by the Department of Criminal Justice Training; or~~
 - 4. ~~Completion, prior to, on, or after October 1, 1996, of any firearms training or safety course or class conducted by a state certified firearms instructor or an instructor holding a certification as a firearms instructor issued by a state or federal agency}.~~

Classes presented pursuant to this paragraph shall include instruction on handguns, the safe use of handguns, the care and cleaning of handguns, handgun marksmanship principles, and actual range firing of a handgun in a safe manner. Classes presented pursuant to this paragraph shall include information on laws relating to firearms as described in KRS Chapters 237 and 527 and the law of the use of force as described in KRS Chapter 503. The Department of Criminal Justice Training ~~, Department of State Police, and any other state agency with the authority to certify firearms instructors,~~ shall promulgate uniform administrative regulations concerning the certification and decertification of all firearms instructors practicing in the Commonwealth of Kentucky. Notwithstanding any other provision of the Kentucky Revised Statutes, no person shall qualify as having demonstrated competence with a firearm pursuant to this subsection, unless certified by a governmental agency of the Commonwealth of Kentucky, or of the federal government. The Administrative Office of the Courts shall publish and make available, at no cost, information in a manner suitable for distribution to class participants. A legible photocopy of a certificate of completion of any of the courses or classes or a notarized affidavit from the instructor, school, club, organization, or group that conducts or teaches the course or class attesting to the completion of the course or class by the applicant shall constitute evidence of qualification under this paragraph. Peace officers *who are currently certified as peace officers by the Kentucky Law*

Enforcement Council pursuant to KRS 15.380 to 15.404 and peace officers who are retired and are members of the Kentucky Employees Retirement System, State Police Retirement System, or County Employees Retirement System or other retirement system operated by or for a city, county, or urban-county in Kentucky shall be deemed to have met the training requirement;

- (g) Has not been adjudicated an incompetent under KRS Chapter 202B or has waited three (3) years from the date his competency was restored by the court order under KRS Chapter 202B; and
 - (h) Has not been involuntarily committed to a mental institution pursuant to KRS Chapter 202A, unless he possesses a certificate from a psychiatrist licensed in this state that he has not suffered from disability for a period of three (3) years.
- (3) The Department of State Police may deny a license if the applicant has been found guilty of a violation of KRS 508.030 or 508.080 within the three (3) year period prior to the date on which the application is submitted or may revoke a license if the licensee has been found guilty of a violation of KRS 508.030 or 508.080 within the preceding three (3) years.
- (4) The Department of State Police shall deny, suspend, or revoke a license to carry a concealed deadly weapon upon written notice by the Cabinet for Families and Children that the person has a child support arrearage which equals or exceeds the cumulative amount which would be owed after one (1) year of nonpayment, or for failure, after receiving appropriate notice, to comply with a subpoena or warrant relating to paternity or child support proceedings.
- (5) The application for a permit, or renewal of a permit, to carry a concealed deadly weapon shall be obtained from the office of the sheriff in the county in which the person resides. The completed application and all accompanying material plus an application fee or renewal fee, as appropriate, of sixty dollars (\$60) shall be presented to the office of the sheriff of the county in which the applicant resides. ***A full or part time peace officer who is currently certified as a peace officer by the Kentucky Law Enforcement Council who is authorized by his or her employer or government authority to carry a concealed deadly weapon at all times and all locations within the Commonwealth pursuant to KRS 527.020 or a retired peace officer who is a member of the Kentucky Employees Retirement System, State Police Retirement System, County Employees Retirement System, or other retirement system operated by or for a city, county, or urban-county in Kentucky shall be exempt from paying the application or renewal fees following the date of his retirement.*** The sheriff shall transmit the application and accompanying material to the Department of State Police within five (5) working days. Twenty dollars (\$20) of the application fee shall be retained by the office of the sheriff for official expenses of the office. Twenty dollars (\$20) shall be sent to the Department of State Police with the application. Ten dollars (\$10) shall be transmitted by the sheriff to the Administrative Office of the Courts to fund background checks for youth leaders, and ten dollars (\$10) shall be transmitted to the Administrative Office of the Courts to fund background checks for applicants for concealed weapons. The application shall be completed, under oath, on a form promulgated by the Department of State Police by administrative regulation which shall only include:
- (a) The name, address, place and date of birth, gender, and Social Security number of the applicant;
 - (b) A statement that, to the best of his knowledge, the applicant is in compliance with criteria contained within subsections (2) and (3) of this section;
 - (c) A statement that the applicant has been furnished a copy of this section and is knowledgeable about its provisions;
 - (d) A statement that the applicant has been furnished a copy of, has read, and understands KRS Chapter 503 as it pertains to the use of deadly force for self-defense in Kentucky; and
 - (e) A conspicuous warning that the application is executed under oath and that a materially false answer to any question, or the submission of any materially false document by the applicant, subjects the applicant to criminal prosecution under KRS 523.030.
- (6) The applicant, if a resident of the Commonwealth, shall submit to the sheriff of the applicant's county of residence:
- (a) A completed application as described in subsection (5) of this section;
 - (b) A recent color photograph of the applicant, as prescribed by administrative regulation; and
 - (c) A photocopy of a certificate or an affidavit or document as described in subsection (2)(f) of this section.

- (7) The Department of State Police shall, within ninety (90) days after the date of receipt of the items listed in subsection (6) of this section, either:
- (a) Issue the license; or
 - (b) Deny the application based solely on the grounds that the applicant fails to qualify under the criteria listed in subsection (2) or (3) of this section. If the Department of State Police denies the application, it shall notify the applicant in writing, stating the grounds for denial and informing the applicant of a right to submit, within thirty (30) days, any additional documentation relating to the grounds of denial. Upon receiving any additional documentation, the Department of State Police shall reconsider its decision and inform the applicant within twenty (20) days of the result of the reconsideration. The applicant shall further be informed of the right to seek de novo review of the denial in the District Court of his place of residence within ninety (90) days from the date of the letter advising the applicant of the denial.
- (8) The Department of State Police shall maintain an automated listing of licenseholders and pertinent information, and this information shall be available on-line, upon request, at all times to all Kentucky law enforcement agencies. Except as provided in this subsection, information on applications for licenses, names and addresses, or other identifying information relating to license holders shall be confidential and shall not be made available except to law enforcement agencies. Requests for information to be provided to any requester other than a bona fide law enforcement agency which has direct access to the Law Enforcement Information Network of Kentucky shall be made, in writing, directly to the commissioner of the Department of State Police, together with the fee required for the providing of the information. The Department of State Police shall, upon proper application and the payment of the required fee, provide to the requester in hard copy form only, a list of names of all holders in the Commonwealth of a license to carry a concealed deadly weapon. No identifying information other than the name shall be provided, and information for geographic areas or other subdivisions of any type from the list shall not be provided and shall be confidential. The fee to be charged shall be the same as for other public records provided by the Department of State Police. No request for lists of local or statewide permit holders shall be made to any state or local law enforcement agency, peace officer, or other agency of government other than the Department of State Police, and no state or local law enforcement agency, peace officer, or agency of government, other than the Department of State Police, shall provide any information not entitled to it by law. The names of all persons, other than law enforcement agencies and peace officers, requesting information under this section shall be a public record.
- (9) Within thirty (30) days after the changing of a permanent address, or within thirty (30) days after the loss or destruction of a license, the licensee shall notify the Department of State Police of the loss or destruction. Failure to notify the Department of State Police shall constitute a noncriminal violation with a penalty of twenty-five dollars (\$25) payable to the clerk of the District Court. When a licensee makes application to change his or her residence address or other information on the license, neither the sheriff nor the Department of State Police shall require a surrender of the license until a new license is in the office of the applicable sheriff and available for issuance. Upon the issuance of a new license, the old license shall be destroyed by the sheriff.
- (10) If a license is lost or destroyed, the license shall be automatically invalid, and the person to whom the same was issued may, upon payment of fifteen dollars (\$15) to the Department of State Police, obtain a duplicate, upon furnishing a notarized statement to the Department of State Police that the license has been lost or destroyed.
- (11) A license issued under this section shall be suspended or revoked if the licensee becomes ineligible to be issued a license under the criteria set forth in subsection (2)(a), (c), (d), (e), (f), or (h) of this section. When a domestic violence order or emergency protective order is issued pursuant to the provisions of KRS Chapter 403 against a person holding a license issued under this section, the holder of the permit shall surrender the license to the court or to the officer serving the order. The officer to whom the license is surrendered shall forthwith transmit the license to the court issuing the order. The license shall be suspended until the order is terminated, or until the judge who issued the order terminates the suspension prior to the termination of the underlying domestic violence order or emergency protective order, in writing and by return of the license, upon proper motion by the license holder. Subject to the same conditions as above, a peace officer against whom an emergency protective order or domestic violence order has been issued shall not be permitted to carry a concealed deadly weapon when not on duty, the provisions of KRS 527.020 to the contrary notwithstanding.

- (12) Not less than ninety (90) days prior to the expiration date of the license, the Department of State Police shall mail to each licensee a written notice of the expiration and a renewal form prescribed by the Department of State Police. The licensee may renew his license on or before the expiration date by filing with the sheriff of his county of residence the renewal form, a notarized affidavit stating that the licensee remains qualified pursuant to the criteria specified in subsections (2) and (3) of this section, and the required renewal fee. The license shall be renewed to a qualified applicant upon receipt of the completed renewal application and appropriate payment of fees. When a licensee makes application for a renewal of his or her license, neither the sheriff nor the Department of State Police shall require a surrender of the license until the new license is in the office of the applicable sheriff and available for issuance. Upon the issuance of a new license, the old license shall be destroyed by the sheriff. A licensee who fails to file a renewal application on or before its expiration date may renew his license by paying, in addition to the license fees, a late fee of fifteen dollars (\$15). No license shall be renewed six (6) months or more after its expiration date, and the license shall be deemed to be permanently expired six (6) months after its expiration date. A person whose license has permanently expired may reapply for licensure pursuant to subsections (5), (6) and (7) of this section.
- (13) No license issued pursuant to this section shall authorize any person to carry a concealed firearm into:
- (a) Any police station or sheriff's office;
 - (b) Any detention facility, prison, or jail;
 - (c) Any courthouse, solely occupied by the Court of Justice courtroom, or court proceeding~~[-, except that nothing in this section shall preclude a judge from carrying a concealed weapon];~~
 - (d) Any meeting of the governing body of a county, municipality, or special district; or any meeting of the General Assembly or a committee of the General Assembly, except that nothing in this section shall preclude a member of the body, holding a concealed deadly weapon license, from carrying a concealed deadly weapon at a meeting of the body of which he is a member;
 - (e) Any portion of an establishment licensed to dispense beer or alcoholic beverages for consumption on the premises, which portion of the establishment is primarily devoted to that purpose;
 - (f) Any elementary or secondary school facility without the consent of school authorities as provided in KRS 527.070, any child-caring facility as defined in KRS 199.011, any day-care center as defined in KRS 199.894, or any certified family child-care home as defined in KRS 199.8982, except however, any owner of a certified child-care home may carry a concealed firearm into the owner's residence used as a certified child-care home;
 - (g) An area of an airport to which access is controlled by the inspection of persons and property; or
 - (h) Any place where the carrying of firearms is prohibited by federal law.
- (14) The owner, business or commercial lessee, or manager of a private business enterprise, day-care center as defined in KRS 199.894 or certified or licensed family child-care home as defined in KRS 199.8982, or a health-care facility licensed under KRS Chapter 216B, except facilities renting or leasing housing, may prohibit persons holding concealed deadly weapon licenses from carrying concealed deadly weapons on the premises and may prohibit employees, not authorized by the employer, holding concealed deadly weapons licenses from carrying concealed deadly weapons on the property of the employer. If the building or the premises are open to the public, the employer or business enterprise shall post signs on or about the premises if carrying concealed weapons is prohibited. Possession of weapons, **or ammunition, or both** in a vehicle on the premises shall not be a criminal offense so long as the weapons, **or ammunition, or both** are not removed from the vehicle or brandished while the vehicle is on the premises. A private but not a public employer may prohibit employees or other persons holding a concealed deadly weapons license from carrying concealed deadly weapons, **or ammunition, or both** in vehicles owned by the employer, but may not prohibit employees or other persons holding a concealed deadly weapons license from carrying concealed deadly weapons, **or ammunition, or both** in vehicles owned by the employee, except that the Justice Cabinet may prohibit an employee from carrying any weapons, **or ammunition, or both** other than the weapons, **or ammunition, or both** issued or authorized to be used by the employee of the cabinet, in a vehicle while transporting persons under the employee's supervision or jurisdiction. Carrying of a concealed weapon, **or ammunition, or both** in a location specified in this subsection by a license holder shall not be a criminal act but may subject the person to denial from the premises or removal from the premises, and, if an employee of an employer, disciplinary measures by the employer.

- (15) All moneys collected by the Department of State Police pursuant to this section shall be used to administer the provisions of this section. By March 1 of each year, the Department of State Police and the Administrative Office of the Courts shall submit reports to the Governor, the President of the Senate, and the Speaker of the House of Representatives, indicating the amounts of money collected and the expenditures related to this section and KRS 237.115, 244.125, 527.020, and 527.070, and the administration of the provisions of this section and KRS 237.115, 244.125, 527.020, and 527.070.
- (16) The General Assembly finds as a matter of public policy that it is necessary to provide statewide uniform standards for issuing licenses to carry concealed firearms and to occupy the field of regulation of the bearing of concealed firearms to ensure that no person who qualifies under the provisions of this section is denied his rights. The General Assembly does not delegate to the Department of State Police the authority to regulate or restrict the issuing of licenses provided for in this section beyond those provisions contained in this section. This section shall be liberally construed to carry out the constitutional right to bear arms for self-defense.
- (17) (a) A person who has a valid license issued by another state of the United States to carry a concealed deadly weapon in that state may, subject to provisions of Kentucky law, carry a concealed deadly weapon in Kentucky, and his license shall be considered as valid in Kentucky.
- (b) The Department of State Police shall, not later than thirty (30) days after July 15, 1998, and not less than once every six (6) months thereafter, make written inquiry of the concealed deadly weapon carrying licensing authorities in each other state as to whether a Kentucky resident may carry a concealed deadly weapon in their state based upon having a valid Kentucky concealed deadly weapon license, or whether a Kentucky resident may apply for a concealed deadly weapon carrying license in that state based upon having a valid Kentucky concealed deadly weapon license. The Department of State Police shall attempt to secure from each other state permission for Kentucky residents who hold a valid Kentucky concealed deadly weapon license to carry concealed deadly weapons in that state, either on the basis of the Kentucky license or on the basis that the Kentucky license is sufficient to permit the issuance of a similar license by the other state. The Department of State Police shall enter into a written reciprocity agreement with the appropriate agency in each state that agrees to permit Kentucky residents to carry concealed deadly weapons in the other state on the basis of a Kentucky-issued concealed deadly weapon license or that will issue a license to carry concealed deadly weapons in the other state based upon a Kentucky concealed deadly weapon license. If a reciprocity agreement is reached, the requirement to recontact the other state each six (6) months shall be eliminated as long as the reciprocity agreement is in force. The information shall be a public record and shall be available to individual requesters free of charge for the first copy and at the normal rate for open records requests for additional copies.
- (18) By March 1 of each year, the Department of State Police shall submit a statistical report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, indicating the number of licenses issued, revoked, suspended, and denied since the previous report and in total and also the number of licenses currently valid. The report shall also include the number of arrests, convictions, and types of crimes committed since the previous report by individuals licensed to carry concealed weapons.
- (19) *The following provisions shall apply to concealed deadly weapon training classes conducted by the Department of Criminal Justice Training or any other agency pursuant to Section 2 of this Act:*
- (a) *No concealed deadly weapon instructor trainer shall have his or her certification as a concealed deadly weapon instructor trainer reduced to that of instructor or revoked except after a hearing conducted pursuant to KRS Chapter 13B in which the instructor is found to have committed an act in violation of the applicable statutes or administrative regulations;*
- (b) *No concealed deadly weapon instructor shall have his or her certification as a concealed deadly weapon instructor license suspended or revoked except after a hearing conducted pursuant to KRS Chapter 13B in which the instructor is found to have committed an act in violation of the applicable statutes or administrative regulations;*
- (c) *Each concealed deadly weapon instructor or instructor trainer shall notify the Department of Criminal Justice Training not less than fourteen (14) days prior to the beginning of concealed deadly weapon applicant or concealed deadly weapon instructor training of the time, date, and location at which the class will be conducted. The department, upon the request of a firearms instructor trainer or certified firearms instructor, may permit a class to begin on less than fourteen (14) days notice. The notice need not contain the names of the students. The notice may be made by mail, facsimile,*

E-mail, or other method which will result in the receipt of or production of a hard copy of the application. The postmark, facsimile date, or E-mail date shall be considered as the date on which the notice was sent;

- (d) Each concealed deadly weapon instructor or instructor trainer who teaches a concealed deadly weapon applicant or concealed deadly weapon instructor class shall supply the Department of Criminal Justice training with a class roster indicating which students enrolled but did not successfully complete the class, and which students enrolled and successfully completed the class which contains the name and address of each student, within five (5) working days of the completion of the class. The information may be sent by mail, facsimile, E-mail, or other method which will result in the receipt of or production of a hard copy of the information. The postmark, facsimile date, or E-mail date shall be considered as the date on which the notice was sent;*
- (e) An instructor trainer who assists in the conduct of a concealed deadly weapon instructor class or concealed deadly weapon applicant class for more than two (2) hours shall be considered as to have taught a class for the purpose of maintaining his or her certification. All class record forms shall include spaces for assistant instructors to sign and certify that they have assisted in the conduct of a concealed deadly weapon instructor or concealed deadly weapon class;*
- (f) An instructor who assists in the conduct of a concealed deadly weapon applicant class for more than two (2) hours shall be considered as to have taught a class for the purpose of maintaining his or her license. All class record forms shall include spaces for assistant instructors to sign and certify that they have assisted in the conduct of a concealed deadly weapon class;*
- (g) If the Department of Criminal Justice Training believes that a firearms instructor trainer or certified firearms instructor has not in fact complied with the requirements for teaching a certified firearms instructor or applicant class by not teaching the class as specified in Section 6 of this Act, or who has taught an insufficient class as specified in Section 7 of this Act, the department shall send to each person who has been listed as successfully completing the concealed deadly weapon applicant class or concealed deadly weapon instructor class a verification form on which the time, date, date of range firing if different from the date on which the class was conducted, location, and instructor of the class is listed by the department and which requires the person to answer "yes" or "no" to specific questions regarding the conduct of the training class. The form shall be completed under oath and shall be returned to the Department of Criminal Justice Training not later than thirty (30) days after its receipt. Failure to complete the form, to sign the form, or to return the form to the Department of Criminal Justice training within the time frame specified in this section or who, as a result of information on the returned form, is determined by the Department of Criminal Justice Training following a hearing pursuant to KRS Chapter 13B to not have received the training required by law shall be grounds for the Department of State Police to revoke the person's concealed deadly weapon license following a hearing conducted pursuant to KRS Chapter 13B at which hearing the person is found to have violated the provisions of this section or who has been found not to have received the training required by law;*
- (h) The department shall randomly inspect certified firearms instructor classes being conducted by firearms instructor trainers and shall randomly inspect applicant classes being conducted by firearms instructor trainers or certified firearms instructors to ascertain if the class is being conducted in conformity to the provisions of applicable statutes and administrative regulations and that the paperwork in the class matches the paperwork ultimately submitted by the firearms instructor trainer or certified firearms instructor for that same class. The department shall annually, not later than December 31 of each year, report to the Legislative Research Commission:*
 - 1. The number of random inspections;*
 - 2. The results of those inspections;*
 - 3. The number of deficiencies noted;*
 - 4. The nature of the deficiencies noted;*
 - 5. If a deficiency was noted, the categories of action taken by the department to either correct the deficiency or discipline the instructor, or a combination thereof;*
 - 6. The number of firearms instructor trainers and certified firearms instructors whose certifications were suspended, revoked, denied, or who were otherwise disciplined;*

7. *The reasons for the imposition of suspensions, revocations, denials, or other discipline; and*
 8. *Suggestions for improvement of the concealed deadly weapon applicant training program and instructor process.*
- (i) *If a concealed deadly weapon license holder is convicted of, pleads guilty to, or enters an Alford plea to a felony offense, then his or her concealed deadly weapon license shall be forthwith revoked by the Department of State Police as a matter of law;*
 - (j) *If a concealed deadly weapon instructor or instructor trainer is convicted of, pleads guilty to, or enters an Alford plea to a felony offense, then his or her concealed deadly weapon instructor certification or concealed deadly weapon instructor trainer certification shall be revoked by the Department of Criminal Justice Training as a matter of law; and*
 - (k) *The provisions of this section shall be deemed to be retroactive to March 1, 2002 and the following shall be in effect:*
 1. *Action to eliminate the firearms instructor trainer program as done by emergency administrative regulation is rescinded, the program shall remain in effect, and no firearms instructor trainer shall have his or her certification reduced to that of certified firearms instructor.*
 2. *The Kentucky State Police may revoke the concealed deadly weapon license of any person who received no firearms training as required by Section 6 of this Act and administrative regulations or who received insufficient training as required by Section 7 of this Act and administrative regulations if the person voluntarily admits nonreceipt of training or admits receipt of insufficient training, or if either nonreceipt of training or receipt of training is proven following a hearing conducted pursuant to KRS Chapter 13B. Any action taken by the Kentucky State Police, other than revoking a permit for voluntary admission of nonreceipt of training or receipt of insufficient training to revoke a concealed deadly weapon license of a person suspected of nonreceipt of training or receipt of insufficient training, between March 1, 2002 and the effective date of this Act is suspended until the conduct of a KRS Chapter 13B hearing after the effective date of this Act.*
 3. *Any person who has received a training affidavit requiring the person to verify training conducted during a firearms instructor course or applicant course from the Department of Criminal Justice Training between March 1, 2002 and the effective date of this Act, shall have the time to respond to the training affidavit extended to August 1, 2002. The department shall notify each person who has not, as of the effective date of this Act, returned his or her training affidavit of the extension of time to file the affidavit.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Criminal Justice Training shall operate and maintain a program for firearms instructor trainers for the concealed deadly weapon training program. Only the General Assembly may eliminate the firearms instructor trainer program.*
- (2) *A firearms instructor trainer shall meet the requirements to be a firearms instructor and shall:*
 - (a) *Possess a high school diploma or GED certificate; and*
 - (b) *Successfully complete a firearms instructor trainer course of not more than sixteen (16) hours provided by the department; and*
 - (c) *Possess at least one (1) of the following valid firearms instructor certifications:*
 1. *National Rifle Association Personal Protection Instructor;*
 2. *National Rifle Association Pistol Marksmanship Instructor;*
 3. *Certification from a Kentucky or other firearms instructor course offered by a state or federal governmental agency; or*
 4. *Certification from another firearms instructor training course that has been determined by the Commissioner of the Department of Criminal Justice Training to be equivalent to one (1) of the above listed courses.*

- (3) *Certification as a firearms instructor trainer shall be valid for a period of three (3) years during which an instructor trainer shall:*
- (a) *Conduct or assist in at least one (1) firearms instructor course; or*
 - (b) *Conduct or assist in at least one (1) applicant training course; and*
 - (c) *Attend an instructor trainer/instructor in-service training course of not more than four (4) hours conducted by the department; and*
 - (d) *Not have become ineligible to be a firearms instructor trainer.*
- (4) *The department shall conduct in-service training for firearms instructor trainers and certified firearms instructors. In-service training courses shall be held not less than twice each year in each Congressional District and shall be offered at various times during the year ensuring that the maximum number of persons can attend. Preference shall be given to conducting in-service training classes on a Friday or a Saturday. Notice of the time, date, and location for in-service training for each calendar year shall be sent to each firearms instructor trainer and certified firearms instructor by mail or by e-mail not less than thirty (30) days prior to the beginning of the first class for each calendar year. The cost of the in-service training shall be not more than fifty dollars (\$50).*
- (5) *At the end of the certification period the department shall issue a new firearms instructor trainer certification to a person who has completed the provisions of this section unless that firearms instructor trainer notifies the department in writing that he or she desires not to be recertified or is otherwise ineligible to be recertified. There shall be no charge for recertification.*
- (6) *The fee for a firearms instructor trainer course shall be not more than one hundred dollars (\$100). No portion of the fee shall be refunded to any student who fails or who does not complete the required course of training.*
- (7) *Any state agency or public university which owns a firing range shall make that range available to the department for the conduct of in-service training without charge if the department determines that for any particular year's in-service training that range firing is required.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Criminal Justice Training shall operate and maintain a program for certification of firearms instructors for the concealed deadly weapon training program. Only the General Assembly may eliminate the certified firearms instructor program.*
- (2) *Training courses for certification of firearms instructors shall be conducted by firearms instructor trainers and the department.*
- (3) *An applicant to be a firearms instructor shall be a citizen of the United States, hold a concealed deadly weapon license issued pursuant to KRS 237.110, and successfully complete a firearms instructor training course of not more than sixteen (16) hours provided by a certified firearms instructor trainer.*
- (4) *Certification as a firearms instructor shall be valid for a period of three (3) years during which an instructor shall:*
- (a) *Conduct or assist in at least one (1) applicant training course;*
 - (b) *Attend an instructor trainer/instructor in-service training course of not more than four (4) hours conducted by the department; and*
 - (c) *Not have become ineligible to be a firearms instructor.*
- (5) *The department shall conduct in-service training for firearms instructor trainers and certified firearms instructors as specified in Section 3 of this Act.*
- (6) *At the end of the certification period the department shall issue a new firearms instructor certification to any person who has completed the provisions of this section unless the firearms instructor notifies the department in writing that he or she desires not to be recertified or is otherwise ineligible to be recertified. There shall be no charge for recertification.*
- (7) *An instructor trainer shall charge a fee not to exceed one hundred dollars (\$100) for a training course for a certified firearms instructor. The instructor shall remit fifty dollars (\$50) to the department to defray the cost of materials which the department shall provide to the instructor.*

- (8) *No firearms instructor trainer or certified firearms instructor shall charge a fee in excess of seventy-five dollars (\$75) for the conduct of an applicant training course. An instructor trainer or certified firearms instructor may charge a student the actual cost of range use, targets and associated range materials, and classroom rental not to exceed ten dollars (\$10) for all of the items specified in this subsection. The instructor trainer or certified firearms instructor shall remit twenty-five dollars (\$25) to the department to cover the provision of training materials distributed and providing evidence of successful completion of the course.*
- (9) *No portion of a fee collected pursuant to this section shall be refunded to a student who fails or does not complete the required course of instruction.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Criminal Justice Training shall operate a program for the training of applicants for a concealed deadly weapon license. Only the General Assembly may eliminate the training program for applicants for a concealed deadly weapon license.*
- (2) *Training pursuant to this section shall be conducted by a firearms instructor trainer or certified firearms instructor in accordance with the provisions of this chapter and administrative regulations promulgated thereunder.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *A firearms instructor trainer or certified firearms instructor is guilty of not providing firearms training if he or she represents to the department that he or she has conducted training for a student firearms instructor or for an applicant in an applicant training course and has not, in fact, provided any such training.*
- (2) *Not providing firearms training is a Class D felony.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *A firearms instructor trainer or firearms instructor is guilty of providing incomplete firearms training if he or she represents to the department that he or she has conducted training for a student firearms instructor or for an applicant in an applicant training course and has not, in fact, provided lecture instruction, showed a required visual aid, conducted hands-on firearm safety and cleaning training, provided range instruction and range firing, or has permitted a student to qualify on a target on which the student has not achieved the marksmanship required by administrative regulation.*
- (2) *Providing incomplete firearms training is a Class D felony.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *A person is guilty of failure to report nonreceipt of firearms training when he or she receives certification that he or she has successfully completed a firearms instructor trainer, certified firearms instructor, or applicant training course and has not, in fact, received any such training and has not reported the matter in writing to the sheriff, Commonwealth's attorney or county attorney serving the county in which the training was conducted or has not made a written report to the Kentucky State Police and provided a copy of the certification documents to the agency reported to along with the report. The report shall be made not more than thirty (30) working days after receiving documentation of successful completion of training, unless a request for additional time has been made and has been granted by an officer or agency to which the report shall be made.*
- (2) *Failure to report nonreceipt of firearms training is a Class A misdemeanor.*
- (3) *A person who makes a report pursuant to this section within the time frame specified in subsection (1) of this section shall not be prosecuted for a violation of this section and shall be eligible to reenroll in the level of class for which they were originally enrolled.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *A person is guilty of failure to report insufficient firearms training when he or she receives certification that he or she has successfully completed a firearms instructor trainer, certified firearms instructor, or applicant training course and has not, in fact received lecture instruction, the showing of a required visual aid, hands-on firearm safety and cleaning training, range instruction and range firing, or has not successfully completed the marksmanship requirement during range firing and has not reported the matter in writing to*

the sheriff, Commonwealth's attorney, or county attorney serving the county in which the training was conducted or has not made a written report to the Kentucky State Police and provided a copy of the certification documents to the agency reported to along with the report. The report shall be made not more than thirty (30) working days after receiving documentation of successful completion of training, unless additional time is requested and has been granted by an officer or agency to which a report shall be made.

- (2) *Failure to report insufficient firearms training is a Class A misdemeanor.*
- (3) *A person who makes a report pursuant to this section within the time frame specified in subsection (1) of this section shall not be prosecuted for a violation of this section and shall be eligible to reenroll in the level of class for which the person was originally enrolled.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *When a report is made to the Kentucky State Police pursuant to Section 8 or Section 9 of this Act the Kentucky State Police shall notify the Commonwealth's attorney and the county attorney for the county in which the training was conducted of the report and shall cooperate with them in the investigation and prosecution of the case.*
- (2) *When a report is made to a Commonwealth's or county attorney pursuant to Section 8 or Section 9 of this Act the Commonwealth's or county attorney shall notify the Kentucky State Police of the report and shall cooperate with them in the investigation and prosecution of the case.*
- (3) *When a report is made to the Department of Criminal Justice training alleging a violation of Section 8 or Section 9 of this Act the department shall notify the Commonwealth's attorney and county attorney of the county in which the training took place and shall make a notification of the report to the Kentucky State Police.*
- (4) *The Kentucky State Police shall make an annual report to the Legislative Research Commission, not later than December 31 of each year, detailing each notice received pursuant to this section detailing:*
 - (a) *The name of the firearms instructor trainer or certified firearms instructor if that instructor trainer or instructor has been arrested or indicted as a result of the notification, otherwise the name shall be omitted;*
 - (b) *The precise allegation;*
 - (c) *Whether the allegation resulted in arrest or indictment;*
 - (d) *Whether the allegation resulted in a trial, and the results of that trial; and*
 - (e) *If the defendant was found guilty, the punishment imposed.*
- (5) *In or appended to the report specified in subsection (4) of this section the Kentucky State Police shall report the number of arrests, indictments, trials, convictions, cases which were dismissed, and cases in which the defendant was found not guilty for failure to report nonreceipt of training and failure to report insufficient training.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *The Department of Criminal Justice Training may suspend or revoke the certification of a firearms instructor trainer or certified firearms instructor who is found, after a hearing held in conformity with the provisions of KRS Chapter 13B to have violated a statute or administrative regulation relating to the concealed deadly weapon training program. The suspension of a certification may be for a period not to exceed five (5) years and the department may require the person whose certification is suspended to successfully complete the level of course instruction for the certification which was suspended prior to reinstating the certification.*
- (2) *The department shall deny recertification to a person whose certification has been revoked pursuant to this section.*
- (3) *The department shall deny recertification to a person whose certification has been suspended for the remaining period of suspension.*
- (4) *The department may temporarily suspend the certification of a firearms instructor trainer or certified firearms instructor prior to holding a hearing pursuant to KRS Chapter 13B if the department believes that the safety of the public requires such an action. In the event that a certification is temporarily suspended*

prior to holding a hearing pursuant to KRS Chapter 13B the department shall hold a Chapter 13B hearing not later than thirty (30) days from the date of the temporary suspension unless the defendant requests an extension for a time certain. If the defendant requests an extension for a time certain then the certification shall remain suspended until the conclusion of the hearing.

- (5) *A firearms instructor trainer or certified firearms instructor who is the subject of an investigation shall be notified as required by KRS Chapter 13B and shall have, at all stages in the proceeding, the right to be represented by counsel.*

Section 12. KRS 244.190 is amended to read as follows:

Any peace officers, state administrators and field representatives of the department may, upon probable cause, without warrant seize contraband regardless of whether it is in dry territory or not, and hold it subject to the order of the court before which the owner or one in possession of the contraband has been charged with violation of KRS Chapter 242 or KRS 243.020. Upon conviction of the defendant, the court shall enter an order for the destruction of all contraband property, *except firearms or ammunition*, included in subsections (1), (2), (3), (4) and (5) of KRS 244.180. *Contraband firearms and ammunition shall be transferred to the Kentucky State Police for disposition as provided in KRS 500.090.*

Section 13. KRS 244.195 is amended to read as follows:

- (1) Title to contraband included in subsections (1), (2), (3), (4) and (5) of KRS 244.180 seized shall be vested in the appropriate court within whose jurisdiction the seizure occurred, irrespective of whether such contraband was seized by peace officers of the city or county or state administrators or field representatives of the department, notwithstanding the provisions of KRS 242.380.
- (2) The court shall order the sheriff for the county in which such contraband as included in subsection (1) of this section was seized to destroy such contraband, *except firearms or ammunition*, upon conviction of the defendant.
- (3) *Contraband firearms and ammunition shall be transferred to the Kentucky State Police for disposition as provided in KRS 500.090.*

Section 14. The General Assembly has received information that the Kentucky State Police will soon be purchasing new service firearms and that many Troopers favor a firearm of the same caliber and manufacture as the current back-up firearm with which they are now issued to provide commonality in ammunition, training, and magazines for the firearms. The General Assembly has further received information that the purchase of these weapons may cause the Kentucky State Police to incur an unanticipated and unbudgeted expenditure of up to one hundred seventy-five thousand dollars (\$175,000).

- (1) The General Assembly hereby authorizes the Department of Local Government to transfer not more than one hundred seventy-five thousand dollars (\$175,000) from the proceeds of upcoming firearms sales pursuant to KRS 16.220 to the Department of State Police to replace agency funds which may be utilized to purchase new service semiautomatic pistols of the same caliber and manufacture as the existing department issued back-up firearm and to purchase holsters for the new service firearms.
- (2) The money transferred shall not be utilized to purchase firearms of any manufacturer other than the manufacturer of the current back-up firearm nor shall the funds be used for any other purpose.
- (3) After giving each officer, as defined in KRS 16.010, of the department the option of purchasing the service firearm which he or she had been issued at a price determined by the department, the Department of State Police may trade existing service firearms to the manufacturer or may sell the existing service firearms to licensed firearms dealers at public auction, whichever option is determined to best offset the cost of purchasing new service firearms.
- (4) No money in excess of that expended in conformity with the provisions of this section shall be transferred to the Department of State Police.
- (5) If the Department of State Police does not purchase new service weapons within six (6) months of the effective date of this act, the authority to transfer funds for the purpose of purchasing new service weapons shall expire.

Approved April 26, 2002

