

CHAPTER 165**(HB 310)**

AN ACT relating to driver training and declaring an emergency.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

As used in this chapter:

- (1) *"Department" means the Department of Kentucky State Police;*
- (2) *"Commissioner" means the Commissioner of the Kentucky State Police;*
- (3) *"Driver training" means instruction of persons in the operation of motor vehicles which are not commercial motor vehicles;*
- (4) *"Driver training school" means any person, firm, partnership, association or corporation which offers a course of driver training for which a fee or tuition is charged;*
- (5) *"Person," when referring to a driver training school, means person, firm, partnership, association, or corporation.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

- (1) *A person shall not operate, conduct, maintain or establish a driver training school unless the person holds a valid current license issued by the department.*
- (2) *A person shall not operate, conduct, maintain, or establish a driver training school unless the school has in its employ at least one (1) licensed driver training instructor.*
- (3) *A person shall not act as an instructor for a driver training school unless the person:*
 - (a) *Holds a valid current license as an instructor issued by the department; and*
 - (b) *Is employed by a licensed driver training school.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

- (1) *Any person seeking a license to operate, conduct, maintain, or establish a driver training school shall apply to the department on forms prepared and furnished by the department. The notarized application shall include the following information:*
 - (a) *The title or name of the school, the names of the owners of the school and, if the owner is to be a corporation, the names and addresses of the officers of the corporation;*
 - (b) *Except for corporations, a statement that the owners of the driver training school are each twenty-one (21) years of age or over, are residents of this state, and have been for at least one (1) year next preceding the application for the 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 driver training school is conducted and a description of the equipment and facilities used in driver training;*

- (d) *Evidence of liability insurance coverage of the driver training school, the instructor, and students of the driver training school while operating driver training school equipment. The insurance shall have minimum limits of not less than twenty-five thousand dollars (\$25,000) for bodily injury or death of one (1) person in any one (1) accident and subject to the limit for any one (1) person, fifty thousand dollars (\$50,000) for bodily injury or death of two (2) or more persons in any one (1) accident and ten thousand dollars (\$10,000) for damage to the property of others in any one (1) 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 secretary. Upon request by an applicant, the department shall review an application and provide a letter to the applicant that a proposed 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 driver's training or to operate a school.*
- (2) *Each original application for a license to operate a driver training school and each application for renewal of a license to operate a driver training school shall be accompanied by the payment of a fee of three hundred dollars (\$300) to the State Treasurer.*
- (3) *Any person seeking a license to act as a driver training instructor shall apply to the department on forms prepared and furnished by the department 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 Transportation Cabinet.*
- (4) *Each original application for a license as a driver training instructor and each application for renewal of a license as a driver training instructor shall be accompanied by the payment of a fee of fifty dollars (\$50) to the State Treasurer.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

- (1) *Upon receipt of a satisfactory application accompanied by the fee required under Section 3 of this Act, the commissioner shall issue a license to the applicant.*
- (2) *If the license is issued to a 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.*
- (3) *If the license is issued to a driver training instructor, the person shall carry the license at all times during which the person 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 5. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

- (1) *Every license issued for the operation of a driver training school shall expire on June 30 following the date of the issuance unless revoked or canceled.*

- (2) *Before June 1 of each year every driver training school shall apply for renewal of its license. The application shall be on forms prepared and furnished by the department.*
- (3) *Every license issued to a driver training instructor shall expire on June 30 following the date of the issuance unless revoked or canceled.*
- (4) *Before June 1 of each year every driver training instructor shall apply for renewal of his or her license. The application shall be on forms prepared and furnished by the department.*
- (5) *All fees collected under this chapter or the administrative regulations promulgated 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 6. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

The commissioner shall, upon receipt of satisfactory evidence, suspend, revoke, refuse to issue or refuse to renew the license of a driver training school or a driver training instructor if:

- (1) *The licensee fails or refuses to comply with the provisions of this chapter or any administrative regulation promulgated pursuant to this chapter;*
- (2) *The licensee has made a false material statement or has concealed a material fact in connection with his or her application;*
- (3) *The licensee or any partner, or other person directly interested in the driver training school held a license issued under this chapter which was revoked or suspended and not reinstated;*
- (4) *The licensee has been guilty of a fraudulent practice in attempting to obtain for himself, herself, or another a license to operate a motor vehicle;*
- (5) *Written notice of the cancellation of insurance required by Section 3 of this Act is received by the commissioner and the licensee does not present satisfactory evidence of insurance to the commissioner prior to the effective date of the cancellation.*

SECTION 7. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

Any person whose license to conduct a driver training school or act as a driver training instructor has been suspended or revoked, or whose application for issue or renewal of a license is refused, may request a hearing. The hearing request shall be in writing addressed to the commissioner 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 commissioner in the Franklin Circuit Court in accordance with KRS Chapter 13B.

SECTION 8. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

- (1) *Every driver training school and 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 records shall also indicate the type of instruction given and the length of time of the instruction.*

- (2) *The records required by this section to be maintained shall be available for inspection by the department, but shall otherwise remain confidential.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

The department shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the provisions of this chapter.

SECTION 10. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

This chapter shall not apply to:

- (1) *Any school or educational institution which offers to full-time, regularly enrolled students as a part of its curriculum a course in driving instruction;*
- (2) *Automobile dealers and their salesmen who give instruction without charge to purchasers of motor vehicles;*
- (3) *Employers who give instruction without charge to their employees; or*
- (4) *Any college within the Kentucky Community and Technical College System, which is located in a county where there is not a school licensed pursuant to this chapter, and which offers to part-time students a course in drivers' instruction.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 332 IS CREATED TO READ AS FOLLOWS:

Any person who violates Section 2 of this Act, subsections (2) and (3) of Section 4 of this Act, or Section 8 of this Act shall be fined not less than one hundred dollars (\$100) nor more than three hundred dollars (\$300) or be imprisoned for not less than ten (10) days nor more than thirty (30) days, or both.

Section 12. Whereas, it is critical to the interests of public safety of the citizens of the Commonwealth of Kentucky that private driving schools be properly licensed and regulated; and whereas, the 2002 Session of the Kentucky General Assembly enacted House Bill 190, which strengthened requirements for commercial driver's licensing schools, but also repealed those provision of Kentucky Revised Statute Chapter 332 providing for the licensing and regulation of private driving schools, raising questions as to how these schools could or should be regulated and licensed, 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 31, 2003