

**CHAPTER 72****(HB 256)**

AN ACT relating to the electronic transfers of funds by counties.

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

Section 1. KRS 68.275 is amended to read as follows:

- (1) Claims against the county that are within the amount of line items of the county budget and arise pursuant to contracts duly authorized by the fiscal court shall be paid by the county judge/executive by a warrant drawn on the county and co-signed by the county treasurer.
- (2) The county judge/executive shall present all claims to the fiscal court for review prior to payment and the court, for good cause shown, may order that a claim not be paid.
- (3) The fiscal court may adopt an order, called a standing order, to preapprove the payment of recurrent monthly payroll and utility expenses. No other expenses shall be preapproved pursuant to this subsection without the written consent of the state local finance officer. ***Notwithstanding KRS 68.020(1), payment of preapproved expenses may be made by means of electronic funds transfers from an authorized account of the county without the cosignatures of the county judge/executive and the county treasurer if approved by the fiscal court in a standing order, and if the fiscal court has received the payee's prior written consent for the payment of funds by electronic funds transfer due the payee.*** All standing orders adopted by the fiscal court shall be renewed annually and submitted to the state local finance officer by July 1 of each fiscal year with the submission of the county budget if the fiscal court wishes to continue the standing order. Otherwise, after July 1, the standing order shall expire, and no more payments designated in the standing order shall be preapproved unless a new order is adopted by the fiscal court according to the provisions of this subsection.

**Approved March 16, 2005.**