

CHAPTER 16**(SB 185)**

AN ACT relating to reorganization.

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

➔Section 1. KRS 11.065 is amended to read as follows:

- (1) The secretaries of the Justice and Public Safety Cabinet, the Education Cabinet, the Environmental and Public Protection Cabinet, the Transportation Cabinet, the Cabinet for Economic Development, the Cabinet for Health and Family Services, the Finance and Administration Cabinet, the ***Tourism, Arts and Heritage***~~Commerce~~ Cabinet, the Personnel Cabinet, the Governor's Executive Cabinet, the state budget director, the Governor's chief of staff, and the Lieutenant Governor shall constitute the Governor's Executive Cabinet. There shall be a vice chairman appointed by the Governor who shall serve in an advisory capacity to the Executive Cabinet. The Governor shall be the chairman, and the secretary of the Finance and Administration Cabinet shall be a second vice chairman of the Executive Cabinet. The Governor may designate others to serve as vice chairman.
- (2) The cabinet shall meet not less than once every two (2) months and at other times on call of the Governor. The Executive Cabinet shall be a part of the Office of the Governor and shall not constitute a separate department or agency of the state. Members of the cabinet shall be the major assistants to the Governor in the administration of the state government and shall assist the Governor in the proper operation of his office and perform other duties the Governor may require of them.
- (3) The cabinet shall consider matters involving policies and procedures the Governor or any member may place before it. The cabinet shall advise and consult with the Governor on all matters affecting the welfare of the state.

➔Section 2. KRS 11.515 is amended to read as follows:

- (1) There is hereby established a Geographic Information Advisory Council to advise the executive director of the Commonwealth Office of Technology on issues relating to geographic information and geographic information systems.
- (2) The council shall establish and adopt policies and procedures that assist state and local jurisdictions in developing, deploying, and leveraging geographic information resources and geographic information systems technology for the purpose of improving public administration.
- (3) The council shall closely coordinate with users of geographic information systems to establish policies and procedures that insure the maximum use of geographic information by minimizing the redundancy of geographic information and geographic information resources.
- (4) The Geographic Information Advisory Council shall consist of twenty-four (24) members and one (1) legislative liaison. The members shall be knowledgeable in the use and application of geographic information systems technology and shall have sufficient authority within their organizations to influence the implementation of council recommendations.
 - (a) The council shall consist of:
 1. The secretary of the Transportation Cabinet or his designee;
 2. The secretary of the Cabinet for Health and Family Services or his or her designee;
 3. The director of the Kentucky Geological Survey or his designee;
 4. The secretary of the Finance and Administration Cabinet or his designee;
 5. The executive director of the Commonwealth Office of Technology or her or his designee;
 6. The secretary of the Economic Development Cabinet or his designee;
 7. The commissioner of the Governor's Office for Local Development or his designee;
 8. The secretary of the Justice and Public Safety Cabinet or his designee;

9. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Council on Postsecondary Education;
 10. The adjutant general of the Department of Military Affairs or his designee;
 11. The commissioner of the Department of Education or his designee;
 12. The secretary of the Environmental and Public Protection Cabinet or his designee;
 13. The Commissioner of the Department of Agriculture or his designee;
 14. The secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet or his designee;
 15. Two (2) members appointed by the Governor from a list of six (6) persons submitted by the president of the Kentucky League of Cities;
 16. Two (2) members appointed by the Governor from a list of six (6) persons submitted by the president of the Kentucky Association of Counties;
 17. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Chapter of the American Planning Association;
 18. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Chamber of Commerce;
 19. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Association of Land Surveyors;
 20. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Kentucky Society of Professional Engineers;
 21. One (1) member appointed by the Governor from a list of three (3) persons submitted by the chairman of the Kentucky Board of Registered Geologists; and
 22. One (1) member appointed by the Governor from a list of three (3) persons submitted by the president of the Council of Area Development Districts.
- (b) The council shall have one (1) nonvoting legislative liaison, to be appointed by the Legislative Research Commission.
- (5) The chair shall be appointed by the Governor. The council may have committees and subcommittees as determined by the council or an executive committee, if an executive committee exists.
- (6) A member of the council shall not:
- (a) Be an officer, employee, or paid consultant of a business entity that has, or of a trade association for business entities that have, a substantial interest in the geographic information industry and is doing business in the Commonwealth;
 - (b) Own, control, or have, directly or indirectly, more than ten percent (10%) interest in a business entity that has a substantial interest in the geographic information industry;
 - (c) Be in any manner connected with any contract or bid for furnishing any governmental body of the Commonwealth with geographic information systems, the computers on which they are automated, or a service related to geographic information systems;
 - (d) Be a person required to register as a lobbyist because of activities for compensation on behalf of a business entity that has, or on behalf of a trade association of business entities that have, substantial interest in the geographic information industry;
 - (e) Accept or receive money or another thing of value from an individual, firm, or corporation to whom a contract may be awarded, directly or indirectly, by rebate, gift, or otherwise; or
 - (f) Be liable to civil action or any action performed in good faith in the performance of duties as a council member.
- (7) Those council members specified in subsection (4)(a) of this section who serve by virtue of an office shall serve on the council while they hold that office.

- (8) Appointed members of the council shall serve for a term of four (4) years. Vacancies in the membership of the council shall be filled in the same manner as the original appointments. If a nominating organization changes its name, its successor organization having the same responsibilities and purposes shall be the nominating organization.
- (9) The council shall have no funds of its own, and council members shall not receive compensation of any kind from the council.
- (10) A majority of the members shall constitute a quorum for the transaction of business. Members' designees shall have voting privileges at council meetings.

➔Section 3. 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 and Public Safety Cabinet:
 - (a) Department of Kentucky State Police.
 - (b) Department of Criminal Justice Training.
 - (c) Department of Corrections.
 - (d) Department of Juvenile Justice.
 - (e) Office of the Secretary.
 - (f) Office of Drug Control Policy.
 - (g) Office of Legal Services.

- (h) Office of the Kentucky State Medical Examiner.
 - (i) Parole Board.
 - (j) Kentucky State Corrections Commission.
 - (k) Office of Legislative and Intergovernmental Services.
 - (l) Office of Management and Administrative Services.
 - (m) Office of Public Safety Training.
 - (n) Office of Investigations.
 - (o) Department of Kentucky Vehicle Enforcement.
 - (p) Department for Public Advocacy.
2. Education Cabinet:
- (a) Office of the Secretary.
 - (b) Office of Legal Services.
 - 1. Client Assistance Program.
 - (c) Office of Communication.
 - (d) Office of Legislative and Intergovernmental Affairs.
 - (e) Office of Budget and Administration.
 - 1. Division of Human Resources.
 - 2. Division of Administrative Services.
 - 3. Division of Technology Services.
 - (f) Board of Directors for the Center for School Safety.
 - (g) Council on Postsecondary Education.
 - 1. Foundation for Adult Education.
 - (h) Department of Education.
 - 1. Kentucky Board of Education.
 - (i) Department for Libraries and Archives.
 - (j) Department of Workforce Investment.
 - 1. Office for the Blind.
 - 2. Office of Vocational Rehabilitation.
 - 3. Office of Career and Technical Education.
 - 4. Office of Employment and Training.
 - (k) Foundation for Workforce Development.
 - (l) Kentucky Office for the Blind State Rehabilitation Council.
 - (m) Kentucky Technical Education Personnel Board.
 - (n) Kentucky Workforce Investment Board.
 - (o) Statewide Council for Vocational Rehabilitation.
 - (p) Statewide Independent Living Council.
 - (q) Unemployment Insurance Commission.
 - (r) Education Professional Standards Board.

1. Division of Educator Preparation.
 2. Division of Certification.
 3. Division of Professional Learning and Assessment.
 4. Division of Legal Services.
 - (s) Kentucky Commission on the Deaf and Hard of Hearing.
 - (t) Kentucky Educational Television.
 - (u) Kentucky Environmental Education Council.
3. Environmental and Public Protection Cabinet:
- (a) Office of the Secretary.
 1. Office of Legislative and Intergovernmental Affairs.
 2. Office of Communications and Public Outreach.
 3. Office of Regulatory Affairs.
 4. Office of Legal Services.
 5. Office of Administrative and Information Services.
 6. Office of Administrative Hearings.
 7. Office of Inspector General.
 8. Mine Safety Review Commission.
 9. Workers' Compensation Board.
 10. Kentucky State Nature Preserves Commission.
 11. Kentucky Environmental Quality Commission.
 12. Kentucky Occupational Safety and Health Review Commission.
 - (b) Department for Environmental Protection.
 1. Office of the Commissioner.
 2. Division of Air Quality.
 3. Division of Water.
 4. Division of Environmental Services.
 5. Division of Waste Management.
 6. Division of Enforcement.
 7. Division of Compliance Assistance.
 - (c) Department for Natural Resources.
 1. Office of the Commissioner.
 2. Office of Technical and Administrative Support.
 3. Division of Mine Permits.
 4. Division of Mine Reclamation and Enforcement.
 5. Division of Abandoned Mine Lands.
 6. Division of Oil and Gas Conservation.
 7. Office of Mine Safety and Licensing.
 8. Division of Forestry.

9. Division of Conservation.
- (d) Department of Public Protection.
 1. Office of the Commissioner.
 2. Division of Administrative Services.
 3. Crime Victims Compensation Board.
 4. Board of Claims.
 5. Board of Tax Appeals.
 6. Kentucky Boxing and Wrestling Authority.
 7. Kentucky Horse Racing Authority.
 8. Kentucky Public Service Commission.
 9. Office of Alcoholic Beverage Control.
 10. Office of Charitable Gaming.
 11. Office of Financial Institutions.
 12. Office of Housing, Buildings and Construction.
 13. Office of Insurance.
- (e) Department of Labor.
 1. Office of the Commissioner.
 2. Office of Occupational Safety and Health.
 3. Office of Labor Management Relations and Mediation.
 4. Office of Workplace Standards.
 5. Office of Workers' Claims.
 6. Workers' Compensation Funding Commission.
 7. Kentucky Labor Management Advisory Council.
 8. Occupational Safety and Health Standards Board.
 9. Prevailing Wage Review Board.
 10. Kentucky Employees Insurance Association.
 11. Apprenticeship and Training Council.
 12. State Labor Relations Board.
 13. Workers' Compensation Advisory Council.
 14. Workers' Compensation Nominating Commission.
 15. Employers' Mutual Insurance Authority.
 16. Division of Administrative Services.
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 Aviation.
 - (e) Department of Intergovernmental Programs.
 1. Office of Transportation Enhancement Programs.
 2. Office of Rural and Secondary Roads.
 - (f) Office of the Secretary.
 1. Office of Legislative and Intergovernmental Affairs.
 2. Office of Public Affairs.
 3. Office of Transportation Delivery.
 4. Office for Business and Occupational Development.
 5. Office of Budget and Fiscal Management.
 6. Office of Legal Services.
 7. Office of Inspector General.
 8. Office of the Transportation Operations Center.
 9. Office of Personnel Management.
5. Cabinet for Economic Development:
 - (a) Office of Administration and Support.
 - (b) Department for New Business Development.
 - (c) Department of Financial Incentives.
 - (d) Department for Existing Business Development.
 - (e) Tobacco Research Board.
 - (f) Kentucky Economic Development Finance Authority.
 - (g) Office of Research and Information Technology.
 - (h) Department of Commercialization and Innovation.
 - (i) Office of Legal Services.
 - (j) Commission on Small Business Advocacy.
6. Cabinet for Health and Family Services:
 - (a) Department for Public Health.
 - (b) Department for Medicaid Services.
 - (c) Department for Mental Health and Mental Retardation Services.
 - (d) Kentucky Commission for Children with Special Health Care Needs.
 - (e) Office of Health Policy.
 - (f) Office of the Secretary.
 - (g) Office of Legal Services.
 - (h) Office of Inspector General.
 - (i) Office of Legislative and Public Affairs.

- (j) Department for Community Based Services.
 - (k) Department for Disability Determination Services.
 - (l) Office of the Ombudsman.
 - (m) Department for Human Support Services.
 - (n) Kentucky Commission on Community Volunteerism and Service.
 - (o) Office of Fiscal Services.
 - (p) Office of Human Resource Management.
 - (q) Office of Technology.
 - (r) Office of Contract Oversight.
 - (s) Governor's Office of Wellness and Physical Activity.
 - (t) Department for Aging and Independent Living.
7. Finance and Administration Cabinet:
- (a) Office of General Counsel.
 - (b) Office of the Controller.
 - (c) Office of Administrative Services.
 - (d) Office of Public Information.
 - (e) Department for Facilities and Support Services.
 - (f) Department of Revenue.
 - (g) Commonwealth Office of Technology.
 - (h) State Property and Buildings Commission.
 - (i) Kentucky Savings Bond Authority.
 - (j) Office of Equal Employment Opportunity and Contract Compliance.
 - (k) Kentucky Employees Retirement Systems.
 - (l) Commonwealth Credit Union.
 - (m) State Investment Commission.
 - (n) Kentucky Housing Corporation.
 - (o) Kentucky Local Correctional Facilities Construction Authority.
 - (p) Kentucky Turnpike Authority.
 - (q) Historic Properties Advisory Commission.
 - (r) Kentucky Tobacco Settlement Trust Corporation.
 - (s) State Board for Proprietary Education.
 - (t) Kentucky Higher Education Assistance Authority.
 - (u) Kentucky River Authority.
 - (v) Kentucky Teachers' Retirement System Board of Trustees.
8. *Tourism, Arts and Heritage* ~~[Commerce]~~ Cabinet:
- (a) **Kentucky** Department of ~~Travel~~ ~~[Tourism]~~.
 - (1) Division of Tourism Services.
 - (2) Division of Marketing and ~~Administration~~ ~~[Advertising]~~.

- (3) Division of *Communications and Promotions*~~[Parks Marketing]~~.
- (b) Kentucky Department of Parks.
 - (1) Division of Information Technology.
 - (2) Division of *Human Resources*~~[Personnel and Payroll]~~.
 - (3) Division of Financial Operations.
 - (4) Division of Facilities Management.
 - (5) Division of Facilities Maintenance.
 - (6) Division of Customer Services.
 - (7) Division of Recreation.
 - (8) Division of Golf Courses.
 - (9) Division of Food Services.
 - (10) Division of Rangers.
 - (11) Division of *Resort*~~[Eastern]~~ Parks.
 - (12) Division of *Recreational Parks and Historic Sites*~~[Southern Parks]~~.
 - ~~(13) Division of Western Parks].~~
- (c) Department of Fish and Wildlife Resources.
 - (1) Division of Law Enforcement.
 - (2) Division of Administrative Services.
 - (3) Division of Engineering.
 - (4) Division of Fisheries.
 - (5) Division of Information and Education.
 - (6) Division of Wildlife.
 - (7) Division of Public Affairs.
- (d) Kentucky Horse Park.
 - (1) Division of Support Services.
 - (2) Division of Buildings and Grounds.
 - (3) Division of Operational Services.
- (e) Kentucky State Fair Board.
 - (1) Division of Expositions and Admission.
 - (2) Division of Kentucky Fair and Exposition Center Operations.
 - (3) Division of Commonwealth Convention Center.
 - (4) Division of Public Relations and Media.
 - (5) Division of Administrative Services.
 - (6) Division of Personnel Management and Staff Development.
 - (7) Division of Sales.
 - (8) Division of Security and Traffic Control.
- (f) Office of the Secretary.
 - (1)~~(g)~~ Office of Finance~~[and Administration]~~.

- (2) *Office of Research and Administration.*
- (3) *Office of Governmental Relations and Tourism Development.*
- (4) *Office of the Sports Authority.*
- (5) *Kentucky Sports Authority.*

(g)~~(h)~~ Office of Legal Affairs.

~~(i) Office of Intergovernmental Affairs.]~~

(h)~~(j)~~ Office of Human Resources.

(i)~~(k)~~ Office of Public Affairs and Constituent Services.

~~(l) Office of Information Technology.~~

~~(m) Office of the Kentucky Sports Authority.~~

~~(1) Kentucky Sports Authority Board.]~~

(j)~~(n)~~ Office of Creative Services.

(k)~~(o)~~ Office of Capital Plaza Operations.

(l)~~(p)~~ Office of Arts and Cultural Heritage.

(m)~~(q)~~ Kentucky African-American Heritage Commission.

(n)~~(r)~~ Kentucky Foundation for the Arts.

(o)~~(s)~~ Kentucky Humanities Council.

(p)~~(t)~~ Kentucky Heritage Council.

(q)~~(u)~~ Kentucky Arts Council.

(r)~~(v)~~ Kentucky Historical Society.

(1) Division of Museums.

(2) Division of Oral History and Educational Outreach.

(3) Division of Research and Publications.

(4) Division of Administration.

(s)~~(w)~~ Kentucky Center for the Arts.

(1) Division of Governor's School for the Arts.

(t)~~(x)~~ Kentucky Artisans Center at Berea.

~~(y) Martin Luther King Commission.]~~

(u)~~(z)~~ Northern Kentucky Convention Center.

(v)~~(aa)~~ Eastern Kentucky Exposition Center.

9. Personnel Cabinet:

- (a) Office of the Secretary.
- (b) Department for Personnel Administration.
- (c) Office for Employee Relations.
- (d) Kentucky Public Employees Deferred Compensation Authority.
- (e) Office of Administrative Services.
- (f) Office of Legal Services.
- (g) Office of Government Training.

(h) Department for Employee Insurance.

III. Other departments headed by appointed officers:

1. Department of Military Affairs.
2. Governor's Office for Local Development.
3. Kentucky Commission on Human Rights.
4. Kentucky Commission on Women.
5. Department of Veterans' Affairs.
6. Kentucky Commission on Military Affairs.
7. Office of Minority Empowerment.
8. Governor's Council on Wellness and Physical Activity.

➔Section 4. KRS 12.023 is amended to read as follows:

The following organizational units and administrative bodies shall be attached to the Office of the Governor:

- (1) Department of Military Affairs;
- (2) Governor's Office for Local Development;
- (3) Kentucky Commission on Human Rights;
- (4) Kentucky Commission on Women;
- (5) Kentucky Commission on Military Affairs;
- (6) Governor's Scholars Program;
- (7) Agricultural Development Board;
- (8) Kentucky Agricultural Finance Corporation;
- (9) Office of Minority Empowerment;
- (a) ***The Martin Luther King Commission;***
- (10) Office of Homeland Security;
- (11) Governor's Council on Wellness and Physical Activity; and
- (12) The Governor's Office of Energy Policy.

➔Section 5. KRS 12.250 is amended to read as follows:

There are established within state government the following program cabinets:

- (1) Justice and Public Safety Cabinet.
- (2) Education Cabinet.
- (3) Environmental and Public Protection Cabinet.
- (4) Transportation Cabinet.
- (5) Cabinet for Economic Development.
- (6) Cabinet for Health and Family Services.
- (7) Finance and Administration Cabinet.
- (8) ***Tourism, Arts and Heritage***~~[Commerce]~~ Cabinet.
- (9) Personnel Cabinet.

➔Section 6. KRS 45.001 is amended to read as follows:

- (1) The Capital Development Committee is created. The committee shall ensure the proper coordination of state government initiatives which impact the City of Frankfort and Franklin County government and are unique to the seat of state government.
- (2) The committee shall meet at least semiannually at a time and place announced by the chairperson.
- (3) The membership of the committee shall consist of the following members or their designees:
 - (a) The mayor of the city of Frankfort;
 - (b) The county judge/executive of Franklin County;
 - (c) The secretary of the Finance and Administration Cabinet;
 - (d) The secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet;
 - (e) The secretary of the Education Cabinet;
 - (f) The commissioner of the *Kentucky* Department of *Travel*~~[Tourism]~~;
 - (g) The executive director of the Office of Capital Plaza Operations;
 - (h) The chairman of the Frankfort/Franklin County Tourist and Convention Commission;
 - (i) A citizen at large, who is a resident of Franklin County, appointed by the Franklin County judge/executive; and
 - (j) A citizen at large, who is a resident of Frankfort, appointed by the mayor of the city of Frankfort.

The citizen-at-large members of the committee shall be appointed to a term of four (4) years each.

- (4) The Governor shall appoint the chairperson of the committee.
- (5) Members of the committee shall serve without compensation.
- (6) The Office of Capital Plaza Operations shall provide administrative support to the committee.

➔Section 7. KRS 56.777 is amended to read as follows:

- (1) A High-Performance Buildings Advisory Committee is hereby created and shall be administratively staffed by the cabinet.
- (2) The committee shall consist of fifteen (15) members and shall include:
 - (a) A representative of the cabinet designated by the secretary;
 - (b) A representative of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet designated by the secretary;
 - (c) A representative of the Department of Education designated by the commissioner;
 - (d) A representative of the Council on Postsecondary Education designated by the president;
 - (e) A representative of the Governor's Office of Energy Policy designated by the executive director; and
 - (f) A representative appointed by the Governor from each of the following:
 1. The design and construction industry involved in public works contracting;
 2. The Kentucky Chapter of the U. S. Green Building Council;
 3. The University of Kentucky College of Design;
 4. The Kentucky Forest Industries Association;
 5. The Kentucky Society of the American Institute of Architects;
 6. The American Society of Heating, Refrigerating, and Air-Conditioning Engineers; and
 7. The Home Builders Association of Kentucky;
 8. The Associated General Contractors of Kentucky;
 9. The West Kentucky Construction Association; and

10. The Kentucky Manufactured Housing Institute.
- (3) The representative of the cabinet shall serve as the chairperson of the committee. All appointments shall be for a term of two (2) years. Committee members shall serve until their successors are appointed and shall be eligible for reappointment.
 - (4) The committee shall meet at least monthly or as convened by the chairperson.
 - (5) The members of the committee shall receive reimbursement for the cost of travel to and from the meetings and any costs necessarily incurred in carrying out their duties.
 - (6) The committee shall:
 - (a) Consult with architects, engineers, builders, energy and conservation organizations, and other interested stakeholders, and make recommendations to the cabinet regarding:
 1. Standards and benchmarks developed under existing high-performance building programs, including the ENERGY STAR rating system, Green Globes rating system, and Leadership in Energy and Environmental Design (LEED) Green Building rating system; and
 2. Standards and guidelines developed and adopted by the U.S. Green Building Council, the American Society of Heating, Refrigerating and Air-Conditioning Engineers, and the Illuminating Engineering Society of North America partnership concerning the design of sustainable buildings to balance environmental responsibility, resource efficiency, occupant comfort and well-being, and community sensitivity;
 - (b) Assist the cabinet in the review of state building projects to ensure that building performance and efficiency are maximized to the extent economically feasible using a life-cycle cost analysis;
 - (c) Assist the cabinet in developing a process of documentation of the attainment of high-performance building standards; and
 - (d) Assist the cabinet in conducting an ongoing professional development program for state and local building designers, construction companies, school districts, building managers, and the general public on high-performance building design, construction, maintenance, and operation.
 - (7) Prior to the implementation of KRS 56.770 to 56.784, the cabinet shall promulgate administrative regulations pursuant to KRS Chapter 13A necessary to implement this section. The cabinet shall consider the recommendations made by the High-Performance Buildings Advisory Committee pursuant to subsection (6) of this section and shall establish the criteria for the high-performance building standards and the benchmarks by which the high-performance building standards will be measured. At a minimum, the cabinet shall:
 - (a) Include the standards for site selection and management, water efficiency, energy conservation, waste reduction, material and resource use, and indoor air quality; and
 - (b) Require that each high-performance building be designed, constructed, or renovated so that it is capable of being rated as an ENERGY STAR building in accordance with the criteria and rating system adopted by the United States Environmental Protection Agency and in effect at the time the building is designed or, in the case of leased buildings, at the time the lease is entered into on or after July 1, 2018.
 - (8) In developing the criteria for the high-performance building standards, the cabinet shall consider and encourage the use of:
 - (a) Locally grown lumber from forest lands implementing sustainable practices established by the American Tree Farm System's Sustainable Forest Initiative or the Kentucky Forest Stewardship Program established under KRS 149.330 to 149.355;
 - (b) Building materials manufactured with recycled content within the Commonwealth; and
 - (c) Renewable energy sources.

➔Section 8. KRS 62.160 is amended to read as follows:

- (1) The state officers elected by the voters of the state at large, except the Governor and the Lieutenant Governor, the heads of departments, offices, and cabinets of the state government, the adjutant general, the members of the Public Service Commission, the members of the State Fair Board and Fish and Wildlife Resources

Commission, and the members of the Kentucky Board of Tax Appeals and the Alcoholic Beverage Control Board, shall each give bond. The amounts of the bonds shall be fixed by the Governor, which amounts as to those offices set forth in subsection (2) of this section shall be not less than the amounts set forth for the respective offices. At any time when it appears to be to the interest of the Commonwealth, the Governor may increase the penal sum of any bond or require a renewal of the bond with other or additional surety.

(2) The minimum sum of the bond for the following offices shall be as follows:

Secretary of State	\$10,000
Attorney General	10,000
State Treasurer	300,000
Secretary for economic development	10,000
Commissioner of Agriculture	10,000
Secretary for education	10,000
Auditor of Public Accounts	25,000
Adjutant general	10,000
Secretary of finance and administration	100,000
Commissioner of revenue	50,000
Secretary of transportation	50,000
Commissioner of highways	50,000
Secretary of justice and public safety	50,000
Secretary of corrections	25,000
Commissioner for public health services	10,000
Commissioner of labor	5,000
Commissioner for natural resources	50,000
State librarian	5,000
Executive director of alcoholic beverage control	10,000
Executive director of financial institutions	25,000
Secretary for environmental and public protection	10,000
Executive director of insurance	50,000
Commissioner of vehicle regulation	10,000
Commissioner of fish and wildlife resources	5,000
Secretary for health and family services	20,000
Commissioner of environmental protection	10,000
Commissioner of public protection and regulation	10,000
Secretary of Tourism, Arts and Heritage [commerce]	25,000
Commissioner for community based services	20,000
Member of the Public Service Commission	10,000
Member of State Fair Board	10,000
Member of Fish and Wildlife Resources Commission	1,000
Member of Kentucky Board of Tax Appeals	10,000

Associate member of Alcoholic Beverage Control Board 5,000
 Commissioner of local government 100,000

➔Section 9. KRS 65.6971 is amended 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, Arts and Heritage*~~Commerce~~ 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 Department of Revenue 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 Department of Revenue on a calendar year basis the amount of the increment collected.
 2. Upon certification of the total increment due from the Commonwealth by the Department of Revenue, the department 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 Department of Revenue 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 Department of Revenue shall have the authority to establish operating procedures for the administration and determination of the Commonwealth's increment.
- (9) The Department of Revenue 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 10. KRS 65.6972 is amended 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, Arts and Heritage*~~Commerce~~ 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 KRS 65.680, 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 and the Finance and Administration Cabinet in the development of the report. The Office of State Budget Director and the Finance and Administration 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 and the Finance and Administration 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 Department of Revenue 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 Department of Revenue, 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 Department of Revenue 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 Department of Revenue on a calendar year basis the amount of the increments collected.

2. Upon certification of the total increment due from the Commonwealth by the Department of Revenue, the department 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 Department of Revenue 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 Department of Revenue shall have the authority to establish operating procedures for the administration and determination of the Commonwealth's increment.
- (11) The Department of Revenue 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 11. KRS 65.7069 is amended to read as follows:

- (1) The State Tax Increment Financing Commission is hereby created as an independent agency of the state within the meaning of KRS Chapter 12. The commission shall be composed of the following members:
 - (a) The secretary of the Finance and Administration Cabinet, who shall be the chair thereof;
 - (b) The state budget director;
 - (c) The secretary of the Cabinet for Economic Development;
 - (d) The secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet;
 - (e) The chair of the Kentucky Economic Development Finance Authority;
 - (f) The dean of the University of Kentucky Gatton College of Business and Economics; and
 - (g) The dean of the University of Louisville College of Business and Public Administration.
- (2) The commission shall review all applications for state participation in tax increment financing projects and shall approve those proposals it determines meet the requirements established by KRS 65.7071, 65.7073, 65.7075, 65.7077, 65.7079, and 65.7081.
- (3) Members of the commission shall serve without compensation, but may receive reimbursement for their actual and necessary expenses incurred in the performance of their duties.
- (4) Any four (4) members of the commission shall constitute a quorum and shall by majority vote be authorized to transact any and all business of the commission.
- (5) The commission shall meet at least two (2) times each year, but may meet more frequently upon the call of the chair or a request made by any four (4) members of the commission.
- (6) The commission shall be attached to the Finance and Administration Cabinet for administrative purposes and staff services. All cabinets, departments, divisions, agencies, and officers of the Commonwealth shall furnish the commission with necessary assistance, resources, information, records, or advice as it may require to fulfill its duties.
- (7) The commission shall prepare bylaws and shall establish procedures applicable to the operations of the commission.

- (8) The commission shall have the authority to promulgate any regulations necessary for the administration of KRS 65.7069, 65.7071, 65.7073, 65.7075, 65.7077, 65.7079, and 65.7081 in accordance with KRS Chapter 13A.
- (9) On or before February 15, 2008, and each year thereafter, the commission shall provide the Governor and the Legislative Research Commission with an annual report, which shall include but shall not be limited to the following for the prior calendar year:
- (a) A list of applications considered by the commission during the prior calendar year, including the name of the applicant, a description of the project, the local tax revenues or other revenues pledged, the level of participation requested from the Commonwealth, and whether the application was approved; and
 - (b) For each approved application, the report shall include:
 1. The total commitment made by the Commonwealth, detailed by type of tax and estimated incremental revenues pledged for each tax;
 2. The length of the commitment; and
 3. The portion of the development area included in the project.

➔Section 12. KRS 139.536 is amended to read as follows:

- (1)
 - (a) In consideration of the execution of the agreement as defined in KRS 148.851 and notwithstanding any provision of KRS 139.770 to the contrary, the approved company as defined in KRS 148.851 excluding its lessees, may be granted a sales tax refund from the Kentucky sales tax imposed by KRS 139.200 on the sales generated by or arising at the tourism attraction project as defined in KRS 148.851.
 - (b) The approved company shall have no obligation to refund or otherwise return any amount of this sales tax refund to the persons from whom the sales tax was collected.
 - (c) For all tourism attraction projects except those identified in paragraph (d) of this subsection, the term of the agreement granting the sales tax refund shall be ten (10) years.
 - (d) The term of the agreement granting the sales tax refund shall be twenty (20) years for a tourism attraction project that includes a facility, including but not limited to a lodging facility or shrine that is:
 1.
 - a. Located on property owned by the Commonwealth, or leased by the Commonwealth from the federal government; and
 - b. Acquired for use in the state park system pursuant to the provisions of KRS 148.028, and operated by the Kentucky Department of Parks pursuant to the provisions of KRS 148.021 or the Kentucky Horse Park Commission pursuant to the provisions of KRS 148.258 to 148.320; or
 2. Located on property owned or leased by the federal government and identified as a national park.
 - (e) This time period shall commence on the later of:
 1. The final approval for purposes of the inducements; or
 2. The completion date specified in the agreement.
- (2) Any sales tax collected by an approved company as defined in KRS 148.851 on sales transacted after final approval but prior to the commencement of the term of the agreement, including any approved company that has received final approval prior to July 15, 2000, shall be refundable as if collected after the commencement of the term and applied to the approved company's first fiscal year's refund after activation of the term and without changing the term.
- (3)
 - (a) The total sales tax refund allowed to the approved company over the term of the agreement in subsection (1)(c) of this section shall be equal to the lesser of the total amount of the sales tax liability of the approved company and its lessees or twenty-five percent (25%) of the approved costs.
 1. The sales tax refund shall accrue over the term of the agreement in an annual amount equal to two and one-half percent (2.5%) of the approved cost.

2. Notwithstanding the foregoing two and one-half percent (2.5%) limitation, any unused inducements as set forth in KRS 148.851(9) from a previous year may be carried forward to any succeeding year during the term of the agreement until the entire twenty-five percent (25%) of the approved costs have been received through sales tax refunds.
- (b) The total sales tax refund allowed to the approved company over the term of the agreement in subsection (1)(d) of this section shall be equal to the lesser of the total amount of the sales tax liability of the approved company and its lessees or fifty percent (50%) of the approved costs.
1. The sales tax refund shall accrue over the term of the agreement in an annual amount equal to two and one-half percent (2.5%) of the approved cost.
 2. Notwithstanding the foregoing two and one-half percent (2.5%) limitation, any unused inducements as set forth in KRS 148.851(9) from a previous year may be carried forward to any succeeding year during the term of the agreement until the entire fifty percent (50%) of the approved costs have been received through sales tax refunds.
- (4) Notwithstanding subsection (3) of this section, to the extent that the tourism attraction defined in KRS 148.851 includes a lodging facility 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, the total sales tax refund allowed to the approved company over the term of the agreement shall be the lesser of the total amount of sales tax liability or fifty percent (50%) of the approved costs. The sales tax refund shall accrue over the term of the agreement in an annual amount equal to five percent (5%) of the approved cost. Notwithstanding the foregoing five percent (5%) limitation, any unused inducements as set forth in KRS 148.851(9) from a previous year may be carried forward to any succeeding year during the term of the agreement until the entire fifty percent (50%) of the approved costs have been received through the sales tax refunds.
- (5) By October 1 of each year the department shall certify to the authority and the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet for the preceding fiscal year for all approved companies for which sales tax returns were filed with respect to a tourism attraction project, the sales tax liability of the approved companies receiving inducements under this section and KRS 148.851 to 148.860, and their lessees, and the amount of the sales tax refunds issued pursuant to subsections (1) and (4) of this section.
- (6) Interest shall not be allowed or paid on any refund made under the provisions of this section.
- (7) The department may promulgate administrative regulations and require the filing of forms designed by the department to reflect the intent of this section and KRS 148.851 to 148.860.
- ➔Section 13. KRS 139.537 is amended to read as follows:
- (1) As used in this section, "coal-based near zero emission power plant" means a facility designed to achieve minimum emissions, built in Kentucky for demonstrating the feasibility of producing electricity and hydrogen from coal, whose site has been determined acceptable from an environmental impact perspective in a record of decision published by the United States Department of Energy after January 1, 2006, and that has received all applicable local planning and zoning approvals.
 - (2) Notwithstanding all other provisions of this chapter, effective July 1, 2006, the taxes imposed by this chapter shall not apply to the sale, rental, storage, use, or other consumption of tangible personal property used to construct, repair, renovate, or upgrade a coal-based near zero emission power plant, including repair and replacement parts purchased for the plant.
 - (3) The~~Commerce~~ Cabinet **for Economic Development, with input from the Environmental and Public Protection Cabinet**, shall establish standards for making applications for the exemptions provided in this section. Prior to the~~Commerce~~ Cabinet **for Economic Development** granting approval, the Office of the Budget Director shall determine if the power plant results in a net positive economic impact to the Commonwealth and shall provide a certification in writing to the~~Commerce~~ Cabinet **for Economic Development**. The~~Commerce~~ Cabinet **for Economic Development** shall notify the department in writing that a power plant has qualified for the exemptions.
 - (4) The~~Commerce~~ Cabinet **for Economic Development** may promulgate administrative regulations necessary to administer the application and certification process of this section.

(5) The department may promulgate administrative regulations necessary to administer the exemptions provided in this section.

(6) The provisions of this section shall not apply to sales or purchases made after December 31, 2030.

➔Section 14. KRS 142.406 is amended to read as follows:

(1) There is hereby created and established in the State Treasury a trust and agency account to be known as the tourism, meeting, and convention marketing fund. The fund shall be administered by the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet, with the approval of the Governor's Office for Policy and Management.

(2) All tax receipts from the tax imposed under KRS 142.400 shall be deposited into the tourism, meeting, and convention marketing fund, and shall be appropriated for the purposes set forth in subsection (3) of this section. The fund shall also contain any other money contributed, allocated, or appropriated to it from any other source. Money in the fund shall be invested by the Finance and Administration Cabinet in instruments authorized under KRS 42.500. Investment proceeds shall be deposited to the credit of the fund. Money in the fund shall not lapse but shall be carried forward to the next fiscal year or biennium.

(3) The tourism, meeting, and convention marketing fund shall be used for the sole purpose of marketing and promoting tourism in the Commonwealth including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth. Marketing and promoting tourism shall not include expenditures on capital construction projects.

(4) By September 1 of each year, the secretary of the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet shall report to the Governor and the Legislative Research Commission concerning the receipts, expenditures, and carryforwards of the fund for the preceding fiscal year.

➔Section 15. KRS 146.654 is amended to read as follows:

(1) The board of directors of the Kentucky Natural History Museum shall establish the Kentucky Natural History Museum. The board shall implement KRS 146.650 to 146.666 to the extent practical prior to operation of the museum. Working to achieve the public purposes that are the goals of implementation of KRS 146.650 to 146.666 shall not be dependent on the existence and operation of the museum in a physical place.

(2) The board shall be administratively linked to the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet.

(3) To accomplish the purposes of KRS 146.650 to 146.666, the board is authorized to:

(a) Acquire and hold property by deed, gift, devise, bequest, lease, exchange, purchase, or transfer;

(b) Plan for, develop, construct, and maintain buildings;

(c) Enter into agreements with state, federal, or local agencies;

(d) Employ and contract with individuals, corporations, or other business entities to accomplish the purposes of KRS 146.650 to 146.666;

(e) Accept and administer appropriations, gifts, grants, devises, and bequests of money, securities, or other items of value; and

(f) Carry out any other functions necessary to accomplish the purposes of KRS 146.650 to 146.666.

(4) To accomplish the purposes of KRS 146.650 to 146.666, the board may provide and administer grants to public and private entities.

➔Section 16. KRS 148.022 is amended to read as follows:

(1) The Governor's Office for Local Development shall administer and operate the outdoor recreation programs of the state and shall be responsible for developmental planning and the administration of United States Bureau of Outdoor Recreation funds.

(2) All functions of the Commonwealth relating to the Breaks Interstate Park shall be attached to the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet for administrative purposes.

➔Section 17. KRS 148.260 is amended to read as follows:

- (1) There is hereby created and established an agency of state government to be known as the Kentucky Horse Park Commission which shall constitute a separate administrative body of state government within the meaning of KRS 12.010(8) and under the provisions of KRS 12.015 shall be attached to the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet for administrative purposes.
- (2) The commission shall be composed of seventeen (17) members who possess the ability to provide broad management expertise and direction in the operation of the Kentucky Horse Park and shall, to the extent possible, represent the diverse interest of the Kentucky horse industry. Of these, fifteen (15) members shall be appointed by the Governor. Two (2) of these appointed members of the commission shall represent the equine industry; and two (2) members shall be active in industry and commerce. The secretary of the Cabinet for Economic Development and the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall serve as ex officio members with full voting rights. Any vacancy on the commission shall be filled by the Governor for the unexpired term.
- (3) The appointed members of the commission shall hold their offices for a term of four (4) years, except that for the initial appointment to the commission, two (2) members shall serve a term of two (2) years, two (2) members shall serve a term of three (3) years, and three (3) members shall serve a term of four (4) years.
- (4) The commission shall meet quarterly and shall be headed by a chairman appointed by the Governor. The chairman shall preside over the commission meetings. The chairman may call special meetings of the commission upon a request of the majority of the members of the commission.
- (5) Members shall be reimbursed only for expenses incurred in the discharge of official business, subject to regulations established by the Finance and Administration Cabinet. All expenses reimbursed to members shall be paid from operating funds of the Kentucky Horse Park.
- (6) The commission shall establish and maintain an office at the Kentucky State Horse Park for the transaction of its business and shall not establish any branch office. The commission may hold meetings at any other place when the convenience of the commission requires.
- (7) The commission shall be authorized to adopt bylaws providing for the call of its meetings, which shall be held at least quarterly, and for its operating procedures. A quorum of the commission shall consist of eight (8) members, and a quorum of members present at any duly-called meeting may act upon any matter before it for consideration. Each member shall have one (1) vote.
- (8) The Governor may establish an advisory committee to advise in the administration, development and operation of the horse park or other functions, activities, and programs provided for or authorized by KRS 148.260 to 148.320.

➔Section 18. KRS 148.522 is amended to read as follows:

- (1) The *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall consist of the Office of the Secretary, the Office of Legal Affairs, the Office of Finance~~[and Administration]~~, the Office of *Governmental Relations and Tourism Development*~~[Intergovernmental Affairs]~~, the Office of Human Resources, the Office of Public Affairs and Constituent Services,~~[the Office of Information Technology, the Office of Energy Policy,]~~ the Office of the Kentucky Sports Authority, the Office of Arts and Cultural Heritage, the Office of Creative Services, the Office of Capital Plaza Operations, *the Office of Research and Administration*, the *Kentucky* Department of *Travel*~~[Tourism]~~, the Kentucky Department of Parks, the Tourism Development Finance Authority, and such other divisions and sections as are from time to time deemed necessary for the proper and efficient operation of the cabinet subject to the provisions of KRS Chapter 12.
- (2) The *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall encourage the development of the film industry in Kentucky and shall perform all film promotional functions.
- (3) The Office of Legal Affairs shall be headed by a general counsel appointed by the secretary pursuant to KRS 12.210, shall provide legal services for the cabinet, and shall be directly responsible to the secretary.
- (4) The *Kentucky* Department of *Travel*~~[Tourism]~~ shall be headed by a commissioner appointed by the Governor pursuant to the provisions of KRS 12.040. The commissioner shall have the authority and responsibility for the promotion, development, and support services for the tourism industry within the Commonwealth.
- (5) The Divisions of Tourism Services, Marketing and *Administration*~~[Advertising]~~, and *Communications and Promotions*~~[Parks Marketing]~~ are created within the *Kentucky* Department of *Travel*~~[Tourism]~~. Each division

shall be headed by a division director who shall be appointed by the commissioner of the department pursuant to the provisions of KRS 12.050.

➔Section 19. KRS 148.527 is amended to read as follows:

- (1) The **Kentucky** Department of ~~*Travel*~~~~[Tourism]~~ of the **Tourism, Arts and Heritage**~~[Commerce]~~ Cabinet shall, after appropriate research has been conducted, establish and maintain a Kentucky Certified Retirement Community Program whereby retirees and those planning to retire are encouraged to make their homes in Kentucky communities that have met certain criteria to be certified by the **Tourism, Arts and Heritage**~~[Commerce]~~ Cabinet as a Kentucky certified retirement community. In support of this program, the **Kentucky** Department of ~~*Travel*~~~~[Tourism]~~ shall identify certain issues of interest to retirees or potential retirees in order to inform them of the benefits of living in Kentucky. Issues of interest to retirees may include but are not limited to:
 - (a) Kentucky's state and local tax structure;
 - (b) Housing opportunities and cost;
 - (c) Climate;
 - (d) Personal safety;
 - (e) Working opportunities;
 - (f) Health care services and other services along the continuum of services, including but not limited to home and community based services;
 - (g) Transportation;
 - (h) Continuing education;
 - (i) Leisure living;
 - (j) Recreation;
 - (k) The performing arts;
 - (l) Festivals and events;
 - (m) Sports at all levels; and
 - (n) Other services and facilities that are necessary to enable persons to age in the community and in the least restrictive environment.
- (2) The mission of the Kentucky Certified Retirement Community Program shall be to:
 - (a) Promote the state as a retirement destination to retirees and those persons and families who are planning retirement both in and outside of Kentucky;
 - (b) Assist Kentucky communities in their efforts to market themselves as retirement locations and to develop communities that retirees would find attractive for a retirement lifestyle;
 - (c) Assist in the development of retirement communities and lifecare communities for economic development purposes and as a means of providing a potential workforce and enriching Kentucky communities; and
 - (d) Encourage tourism to Kentucky in the form of mature market travel to Kentucky in reference to retirement desirability for the future, and for the visitation of those who have chosen to retire in Kentucky.
- (3) The **Tourism, Arts and Heritage**~~[Commerce]~~ Cabinet shall coordinate the development and planning of the Kentucky Certified Retirement Community Program with the Cabinet for Economic Development, the Department for Aging and Independent Living in the Cabinet for Health and Family Services, the Kentucky Commission on Military Affairs, the Department of Veterans' Affairs, and other state and local groups interested in participating in and promoting the program.
- (4) To obtain certification as a Kentucky certified retirement community, the following requirements shall be met:

- (a) Official community support. A resolution by the governing authority endorsing the local retirement recruitment effort is required;
 - (b) Designation of a sponsor. The program shall have an official sponsoring organization that shall appoint an individual who will be accountable to the community and to the state;
 - (c) Funding. The sponsoring organization must commit a minimum of ten thousand dollars (\$10,000) per year for the local program;
 - (d) Health services. There shall be a hospital and emergency medical services that are readily accessible to the community;
 - (e) Available housing. The community shall maintain information on both resale housing and rental housing to ensure that the quantity is sufficient to meet the needs of potential new retiree residents;
 - (f) Retiree desirability assessment. The community shall conduct a retiree desirability assessment that shall focus on a number of factors including, but not limited to, medical services, adult education opportunities, shopping, recreation, cultural opportunities, safety, aging services, and a continuum of care including home and community based services, housing for the elderly, assisted living, personal care, and nursing care facilities;
 - (g) Establishment of subcommittees. Each locality shall have a general retiree attraction committee and a minimum of four (4) subcommittees as follows:
 - 1. Community inventory/assessment subcommittee. This subcommittee shall conduct an unbiased inventory and assessment of whether the community can offer the basics that retirees demand and develop a professional portfolio containing brief biographies of professionals in the community;
 - 2. Community relations/fundraising subcommittee. This subcommittee shall locate retirees living in the community, act as salespersons for the program, raise funds necessary to run the program, recruit subcommittee members, organize special events, and promote and coordinate the program with local entities;
 - 3. Marketing and promotion subcommittee. This subcommittee shall establish a community image, evaluate target markets, develop and distribute promotional material, and coordinate advertising and public relations campaigns; and
 - 4. Ambassadors subcommittee. This subcommittee shall be the first contact with prospective retirees and provide tour guides when prospects visit the community. The subcommittee shall respond to inquiries, log contacts made, provide tours, invite prospects to special community events, and maintain continual contact with prospects until the time that the prospect makes a retirement location decision;
 - (h) Community profile. The sponsor shall develop a community profile similar to that used by many chambers of commerce. It will include factors such as crime statistics, tax information, recreational opportunities, and housing availability; and
 - (i) Written marketing plan. The retiree attraction committee shall submit a marketing plan that shall detail the mission, the target market, the competition, an analysis of the community's strengths, weaknesses, opportunities and threats, and the strategies the program will employ to attain its goals.
- (5) During the certification process, a representative of the retirement attraction committee shall attend state training meetings.
 - (6) The retiree attraction committee shall work to gain the support of churches, clubs, businesses, and the local media, as this support is necessary for the success of the program.
 - (7) Within ninety (90) days of certification, the locality shall submit a complete retiree attraction package to the **Kentucky** Department of **Travel**~~Tourism~~.
 - (8) Before certification is awarded, the retiree attraction committee shall submit a written three (3) year commitment to the program and a long-term plan outlining steps the community will undertake to maintain its desirability as a destination for retirees. The long-range plan shall outline plans to correct any facility and service deficiencies identified in the retiree desirability assessment required by subsection (4)(f) of this section.

The written commitment and long-range plan shall be forwarded to the **Kentucky** Department of **Travel**~~{Tourism}~~ of the ~~{Commerce}~~ Cabinet.

- (9) Upon being certified as a Kentucky certified retirement community, the **Tourism, Arts and Heritage**~~{Commerce}~~ Cabinet shall provide the following assistance to the community:
- (a) Assistance in the training of local staff and volunteers;
 - (b) Ongoing oversight and guidance in marketing, plus updating on national retirement trends;
 - (c) Inclusion in the state's national advertising and public relations campaigns and travel show promotions, including a prominent feature on the cabinet's Internet Web site;
 - (d) Eligibility for state financial assistance for brochures, support material, and advertising; and
 - (e) An annual evaluation and progress assessment on maintaining and improving the community's desirability as a home for retirees.
- (10) The **Tourism, Arts and Heritage**~~{Commerce}~~ Cabinet shall promulgate administrative regulations to implement the provisions of this section.

➔Section 20. KRS 148.561 is amended to read as follows:

The Appalachian/Kentucky Artisans Gateway Center Authority is created and established as an independent, de jure municipal corporation and political subdivision of the Commonwealth that shall be a public body corporate and politic. The authority shall develop, operate, and manage the Appalachian/Kentucky Artisans Gateway Center funded by 1998 Ky. Acts ch. 615, Part X, under the reference "Artisans Center--Berea." The authority shall be attached to the **Tourism, Arts and Heritage**~~{Commerce}~~ Cabinet for administrative purposes.

➔Section 21. KRS 148.562 is amended to read as follows:

- (1) The authority shall be governed by a board of directors consisting of thirteen (13) members as follows:
- (a) Secretary of the **Tourism, Arts and Heritage**~~{Commerce}~~ Cabinet, or his or her designee;
 - (b) Secretary of the Transportation Cabinet, or his or her designee;
 - (c) Secretary of the Education Cabinet, or his or her designee;
 - (d) Secretary of the Finance and Administration Cabinet, or his or her designee;
 - (e) Three (3) members appointed by the Governor, one (1) to be a representative of the Kentucky Arts Council, and two (2) to be at-large members; and
 - (f) Six (6) members appointed by the mayor of the city of Berea to include two (2) representatives of Berea city government, two (2) representatives of Berea College recommended by the president of Berea College, one (1) representative of Eastern Kentucky University recommended by the president of Eastern Kentucky University, and one (1) at-large member.
- (2) Members shall serve for staggered terms of four (4) years beginning August 1, 2000, except that of the initial appointments:
- (a) One (1) appointment by the Governor and two (2) appointments by the mayor of the city of Berea shall each serve a term of four (4) years;
 - (b) Two (2) appointments by the mayor of the city of Berea and one (1) appointment by the Governor shall each serve a term of three (3) years;
 - (c) One (1) appointment by the Governor and one (1) appointment by the mayor of the city of Berea shall each serve a term of two (2) years; and
 - (d) One (1) appointment by the mayor of the city of Berea shall serve a term of one (1) year.
- (3) The Governor shall appoint a chair from among the members of the board.
- (4) A quorum of the board shall consist of seven (7) members, with a majority of members present authorized to act upon any matter legally before the authority.

- (5) A member may be removed by the appointing authority only for neglect of duty, misfeasance, or malfeasance, and after being afforded an opportunity for a hearing in accordance with KRS Chapter 13B, relating to administrative hearings.

➔Section 22. KRS 148.563 is amended to read as follows:

- (1) An executive director shall be appointed in accordance with KRS 12.050.
- (a) The executive director shall at all times attempt to accommodate the desires expressed by the board of directors.
- (b) The executive director shall keep all minutes, records, and orders of the authority and shall be responsible for the preservation of all the documents. The documents shall be public records subject to KRS 61.870 to 61.884, relating to open records.

- (2) The staff of the authority, including its executive director, shall be employees of the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet.

➔Section 23. KRS 148.566 is amended to read as follows:

The authority shall have the following duties and authorities:

- (1) The authority shall supervise the design, construction, and operation of the center and shall provide all management functions for the facility and for any other property acquired or leased under its powers established by law.
- (2) The authority shall promote the growth and development of statewide tourism related to arts and crafts destinations throughout the state and shall ensure that its efforts conform to marketing and promotion strategies devised by the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet.
- (3) The authority shall have the exclusive control of scheduling all exhibitions, performances, retail activities, and concessions in the center. The authority shall have a prior lien upon the property of any private exhibitor, concessionaire, or other person holding an exhibition or performance or operating a concession in the center and may sell the property upon ten (10) days' notice to satisfy any indebtedness.
- (4) The authority shall participate with local hotels and the travel industry to develop tourist packages and additional services to attract events, conferences, and conventions to the region.
- (5) The authority may take, acquire, and hold property, and all interests therein, by deed, purchase, gift, devise, bequest, or lease, or by transfer from the State Property and Buildings Commission and may dispose of any property so acquired in any manner provided by law.
- (6) The authority may adopt administrative regulations in accordance with KRS Chapter 13A only for governing the operation, maintenance, or use of property under its custody and control.
- (7) The authority may levy a surcharge on tickets for functions held within the center to contribute to operating revenue.
- (8) The authority may sue and be sued and maintain and defend legal actions in its name.
- (9) Members of the authority shall serve without compensation, but shall be reimbursed for actual and necessary travel expenses incurred in the performance of their duties. The reimbursement shall be in accordance with administrative regulations promulgated under KRS Chapter 13A by the Finance and Administration Cabinet.

➔Section 24. KRS 148.590 is amended to read as follows:

- (1) There is created the Kentucky Sports Authority, which shall be attached to the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet, Office of the Secretary, for administrative purposes.
- (2) The authority shall consist of fifteen (15) members, including the Lieutenant Governor, the secretary of the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet, the secretary of the Environmental and Public Protection Cabinet, and twelve (12) members appointed by the Governor. The members appointed by the Governor shall include representatives of the Kentucky Racing Authority, the fish and wildlife community, and the Kentucky Boxing and Wrestling Authority.

- (3) The Lieutenant Governor shall serve as chairperson of the authority. Members shall elect other officers as they deem necessary. Of the members initially appointed by the Governor, one-third (1/3) shall serve a term of four (4) years, one-third (1/3) shall serve a term of three (3) years, and one-third (1/3) shall serve a term of two (2) years. All succeeding terms shall be for four (4) years.
- (4) The secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet shall appoint an executive director, with the prior written approval of the Governor, to head the authority. The cabinet shall provide additional administrative support to the authority from the cabinet's existing staff as necessary.
- (5) The authority shall meet monthly and at other times as necessary, upon the call of the chairperson. Members shall be reimbursed for expenses incurred in performing the authority's duties, functions, and responsibilities.
- (6) The authority's primary responsibility shall be to recruit, promote, assist, place, and develop sporting events, facilities, attractions, and programs in the Commonwealth, with the ultimate goal of developing commerce, the economy, job opportunities, and revenue streams. The authority's duties shall include but not be limited to the following:
 - (a) Lead efforts to attract national and regional sporting events to Kentucky by working with the National Collegiate Athletic Association, the National Association of Intercollegiate Athletics, the Professional Golf Association, the National Football League, the National Basketball Association, the Professional Bowlers Association, the Professional Tennis Tour, the National Association for Stock Car Auto Racing, the United States Olympic Committee, Bassmasters, and other nationally recognized organizations;
 - (b) Work toward establishing professional franchises in Kentucky, and develop an overall strategic plan to recruit and retain all forms of professional and amateur sporting events, including boxing, motor vehicle racing, baseball, football, soccer, hockey, tennis, gymnastics, volleyball, and figure skating;
 - (c) Identify and propose improvements for sporting activity infrastructure, including opportunities for private and public partnership on infrastructure development; present for the Governor's approval any financial plan that would require state tax dollars to build new athletic facilities; and upon the Governor's approval of a proposed financial plan, present it to the General Assembly;
 - (d) Foster relationships between sporting event organizers and event sponsors, and between and among state agencies, and provide advice and direction for increasing the number and quality of sporting events;
 - (e) Evaluate various sports and sports-related activities and entities, such as auto racing, summer instructional camps for cheerleading, and sports agents, and make written recommendations to the Governor and the General Assembly as to whether additional regulation, licensing, or taxing are necessary;
 - (f) Attempt to involve renowned Kentucky athletes in the war against drugs and the promotion of the Governor's Wellness Initiative;
 - (g) Work with Kentucky Educational Television and other media outlets to establish and develop a twenty-four (24) hour television channel devoted to promoting and highlighting healthy lifestyles, sports, and applicable government programs, such as the state park system and the Department of Fish and Wildlife Resources;
 - (h) Develop and recommend to the Governor, as necessary, legislation and administrative regulations to further the purposes of the authority, provide additional professional and amateur participation by Kentucky's citizens, provide adequate safety measures and ethical operations for sporting events, recruit and maintain professional and amateur sporting events, and address the fiscal and tax implications of the issues and activities of this section; and
 - (i) Assume all duties, functions, responsibilities, records, equipment, and staff of the Governor's Commission on Sports, Physical Activity, and Wellness established under KRS 11.190, and establish a council titled the Council on Sports, Physical Activity, and Wellness to implement these transferred statutory responsibilities.

➔Section 25. KRS 148.795 is amended to read as follows:

- (1) As used in this section:

- (a) "Agreement" means a recreational land use agreement where at least one (1) party is a governmental entity as defined in this section;
 - (b) "Government" or "governmental entities" means any government entity of the Commonwealth, including state government agency, city, county, urban-county government, consolidated local government, unified local government, or charter county;
 - (c) "Land" means land, roads, water, watercourses, private ways and buildings, structures, and machinery when attached to the realty;
 - (d) "Owner" means a private individual, corporation, or government who possesses a fee interest in the land; and
 - (e) "Recreational purpose" includes but is not limited to any of the following, or any combination thereof: hunting, fishing, rock climbing, swimming, boating, camping, picnicking, hiking, bicycling, horseback riding, pleasure driving, nature study, waterskiing, winter sports, all-terrain vehicle riding, and viewing or enjoying historical, archaeological, scenic, or scientific sites.
- (2) The Kentucky Recreational Trails Authority is hereby established and attached to the Office of the Secretary, **Tourism, Arts and Heritage**~~Commerce~~ Cabinet, for the purpose of planning and implementing programs to expand tourism opportunities for off-road activities that are pertinent to nonmotorized and motorized vehicle use, including but not limited to pedestrians, bicycles, mountain bicycles, horses, all-terrain vehicles (ATVs), and off-highway vehicles (OHVs), on designated lands in Kentucky. Membership of the authority shall consist of the following:
- (a) A chairman, selected from its members, to be designated by the Governor;
 - (b) Membership shall include the following members:
 1. Two (2) representatives of the Kentucky Motorcycle Association, to be appointed by the Governor from a list of five (5) nominees selected by the association. The initial term of one (1) member shall expire one (1) year after the date of appointment. The initial term of the other member shall expire two (2) years after the date of appointment;
 2. One (1) member of the League of Kentucky Sportsmen, appointed by the Governor. The initial term of this member shall expire one (1) year after the date of appointment;
 3. One (1) member of the Kentucky Council of Area Development Districts, appointed by the Governor. The initial term of this member shall expire four (4) years after the date of appointment;
 4. Two (2) members selected from ATV associations, with consideration given to geographic diversity. The initial term of one (1) of these members shall expire two (2) years after the date of appointment, and the initial term of the other member shall expire three (3) years after the date of appointment;
 5. Two (2) members representing Kentucky Farm Bureau, with consideration to the eastern and western parts of the state. The initial term of one (1) member shall expire two (2) years after the date of appointment, and the initial term of the other member shall expire four (4) years after the date of appointment; and
 6. Two (2) members representing the coal industry, with consideration to the eastern and western parts of the state. The initial term of one (1) member shall expire two (2) years after the date of appointment, and the initial term of the other member shall expire four (4) years after the date of appointment;
 - (c) Seven (7) additional members who shall be appointed by the Governor from the following groups:
 1. One (1) member shall be chosen from a Kentucky bicycling organization that is affiliated with either the League of American Bicyclists, the United States Cycling Federation, or the International Mountain Bicycling Association. The initial term of this member shall expire three (3) years after the date of appointment;
 2. One (1) member shall be from a Kentucky equine organization that has trail riding as its primary focus. The initial term of this member shall expire one (1) year after the date of appointment;

3. One (1) member shall be chosen from a state or national hiking or backpacking organization. The initial term of this member shall expire two (2) years after the date of appointment;
 4. Two (2) members shall be chosen from five (5) persons nominated in writing by the Kentucky Horse Council. The initial term of one (1) of these members shall expire four (4) years after the date of appointment, and the initial term of the other member shall expire two (2) years after the date of the appointment;
 5. One (1) member shall be chosen by the Governor from the public at large. The initial term of this member shall expire three (3) years after the date of appointment; and
 6. One (1) member shall be selected from among the county judges/executive of the Commonwealth. The initial term of this member shall expire two (2) years after the date of appointment;
- (d) Additionally, the following shall serve as members by virtue of their official positions:
1. The secretary of the Transportation Cabinet, or the secretary's designee;
 2. The secretary of the *Tourism, Arts and Heritage*~~Commer~~ Cabinet, or the secretary's designee;
 3. The commissioner of the Department of Fish and Wildlife Resources, or the commissioner's designee;
 4. The secretary of the Justice and Public Safety Cabinet, or the secretary's designee;
 5. The secretary of the Environmental and Public Protection Cabinet, or the secretary's designee; and
 6. The Commissioner of the Department of Agriculture, or the Commissioner's designee; and
- (e) Upon the expiration of the terms of the initial members described in paragraphs (b) and (c) of this subsection, the Governor shall appoint thirteen (13) members of the public in such a manner as to ensure equal representation of motorized and nonmotorized use of trails and in accordance with the requirements of paragraphs (b) and (c) of this subsection. Any vacancy on the authority shall be filled by the Governor for the unexpired term.
- (3) (a) Each appointed member shall serve for a term of four (4) years. Sitting members shall be eligible to succeed themselves.
- (b) Any member may be removed from his or her appointment by the Governor for cause.
- (c) Appointed members shall be reimbursed for travel costs incurred in attending meetings, which shall be paid from the funds of the *Kentucky* Department of ~~Travel~~*Tourism* and in compliance with the *Tourism, Arts and Heritage*~~Commer~~ Cabinet's procedures for travel and reimbursement.
- (4) (a) The chairman shall set the agenda, place, and time of meetings, which shall be held a minimum of two (2) times per year and conducted in accordance with the Open Meetings Act, KRS 61.805 to 61.850.
- (b) A quorum for all meetings shall consist of seven (7) of the members.
- (c) The chairman shall be a nonvoting member, except in cases of a tie vote, in which case, the chairman may cast the deciding vote.
- (5) (a) An agreement as defined in subsection (1) of this section may be entered into by any owner or owners and any governmental entities as defined in subsection (1)(b) of this section.
- (b) The agreement shall be a contractual arrangement that authorizes the public to utilize the owner's land for a recreational purpose. The allowable recreational purpose or purposes may include but are not limited to all-terrain vehicle riding, public hunting, nature conservation, biking, rock climbing, hiking, and horseback trail riding and may be limited in scope by the terms of the agreement.
- (c) The agreement may specify that the governmental entity or entities may be responsible for the maintenance and upkeep of the land.

- (d) The provisions of KRS 411.190 shall apply to public use of lands for recreational purposes authorized under an agreement entered into pursuant to this section.
 - (e) Unless otherwise agreed by the parties, the agreement may be terminated by either party at any time for any reason if thirty (30) days' notice is given.
- (6) An agreement executed pursuant to this section, or the use of land under an agreement created pursuant to this section, shall not:
- (a) Create in any user any interest in the property;
 - (b) Ripen into a claim of adverse possession;
 - (c) Alter the land or status of the land to make it unsuitable for mining pursuant to KRS 350.610; or
 - (d) Cause a denial of a mining permit pursuant to KRS 350.085 or other statutes or regulations of the Commonwealth of Kentucky or any political subdivision thereof.
- (7) In accordance with the purpose and limitations specified in this section, the governmental entities may:
- (a) Construct, develop, manage, maintain, operate, improve, renovate, finance, or otherwise provide for recreational activities and facilities on designated public lands and private lands where owners have voluntarily entered into use agreements with the authority or government; and
 - (b) Charge for a general use permit to access the lands for off-road activities as described in subsection (5) of this section that shall be valid for not less than thirty (30) days.
- (8) The Kentucky Recreational Trails Authority may accept, acquire, dispose of, or hold real or personal property, and any interest therein, by deed, grant, loan, gift, devise, bequest, lease, license, easement, or transfer from any state or federal government agency, or from any person, corporation, or other entity, for the purpose of public use.
- (9) All proceeds derived from the sale of a general use permit pursuant to subsection (7)(b) of this section, or any proceeds derived from property identified in subsection (8) of this section, shall be paid to the State Treasurer, who shall deposit the proceeds in a revolving fund to carry out the purposes of this chapter. The fund shall be administered by the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet. Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of the fiscal year shall not lapse but shall be carried forward into the succeeding fiscal year to be used for the purposes set forth in this section.
- (10) The **Tourism, Arts and Heritage**~~Commerce~~ Cabinet may promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A in order to carry out the provisions of this section.

➔Section 26. KRS 148.850 is amended to read as follows:

- (1) The Tourism Development Finance Authority is created within the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet. The authority shall consist of seven (7) members appointed by the Governor. The members of the authority shall serve without compensation but shall be entitled to reimbursement for their necessary expenses incurred in performing their duties. Of the members initially appointed to the authority, two (2) members shall be appointed for terms of one (1) year, three (3) members shall be appointed for terms of two (2) years, and two (2) members shall be appointed for terms of three (3) years. Thereafter, the members of the authority shall be appointed for terms of four (4) years.
- (2) The Governor shall appoint one (1) member as chairperson of the Tourism Development Finance Authority. The members of the authority may elect other officers as they deem necessary.
- (3) No member of the Tourism Development Finance Authority shall either directly or indirectly be a party to, or be in any manner interested in, any contract or agreement with the authority for any matter, cause, or thing that creates any liability or indebtedness against the authority.
- (4) The Tourism Development Finance Authority shall have the powers necessary to carry out the purposes of this section, KRS 139.536, KRS 148.851 to 148.860, and the Tourism Development Loan Program created by 2000 Ky. Acts ch. 549, Part IX, Section 47, including, but not limited to, the power to:
 - (a) Make and condition all loans from the Tourism Development Loan Program;

- (b) Employ fiscal consultants, attorneys, appraisers, and other agents on behalf of the authority whom the authority deems necessary or convenient for the preparation and administration of agreements and documents necessary or incidental to any project. The fees for the services provided by persons employed on behalf of the authority shall be paid by the beneficiary of a loan under this program directly to the person providing consultation, advisory, legal, or other services; and
- (c) Impose and collect fees and charges in connection with any transaction and provide for reasonable penalties for delinquent payment of fees and charges.

➔Section 27. 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, with respect to a tourism attraction project;
- (2) "Approved company" means any eligible company approved by the secretary of the *Tourism, Arts and Heritage*~~Commerce~~ 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, excluding costs subject to refund under KRS 154.20-202, 154.20-204, 154.20-206, 154.20-208, and 154.20-210;
- (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, limited 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, Arts and Heritage*~~Commerce~~ 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) "Theme restaurant destination attraction" means a restaurant facility that:
 - (a) Has construction, equipment, and furnishing costs in excess of five million dollars (\$5,000,000);
 - (b) Has an annual average of not less than fifty percent (50%) of guests who are not residents of the Commonwealth;
 - (c) Is in operation and open to the public no less than three hundred (300) days per year and for no less than eight (8) hours per day;
 - (d) Has food and nonalcoholic drink options that constitute a minimum of fifty percent (50%) of total gross sales receipts; and
 - (e)
 - 1. Has seating capacity of four hundred fifty (450) guests and offers live music or live musical and theatrical entertainment during the peak business hours that the facility is in operation and open to the public;
 - 2. Within three (3) years of the completion date pursuant to KRS 148.859(1)(b), holds a top two (2) tier rating by a nationally accredited service; or
 - 3. Offers a unique dining experience that is not available in the Commonwealth within a one hundred (100) mile radius of the attraction;
- (13) "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, a theme restaurant destination attraction, or an entertainment destination center.
 - (a) A tourism attraction may include lodging facilities if:
 - 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;
 - 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;
 - 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);
 - 4. The facilities involve the construction, restoration, rehabilitation, or upgrade of a full-service lodging facility which is or will be an integral part of a major convention or sports facility, with construction, restoration, rehabilitation, or upgrade costs exceeding six million dollars (\$6,000,000); or

5. The facilities involve the construction, restoration, rehabilitation, or upgrade of a lodging facility which is or will be located:
 - a. In the Commonwealth within a fifty (50) mile radius of a property listed on the National Register of Historic Places with a current function of recreation and culture; and
 - b. Within any of the one hundred (100) least populated counties in the Commonwealth, in terms of population density, according to the most recent census;
- (b) A tourism attraction shall not include the following:
 1. Facilities that are primarily devoted to the retail sale of goods, other than an entertainment destination center, a theme restaurant destination attraction, 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
 2. 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
- (14) "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 28. KRS 148.855 is amended to read as follows:

- (1) The secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet shall establish standards for the making of applications for inducements and the recommendation to the authority of eligible companies and their tourism attraction projects by the promulgation of administrative regulations in accordance with KRS Chapter 13A.
- (2) The secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet shall consult with the authority when establishing standards to ensure that standards established pursuant to subsection (1) of this section and KRS 148.857(1) do not conflict.
- (3) With respect to each eligible company making an application to the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet for inducements, and with respect to the tourism attraction project described in the application, the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet shall make inquiries and request materials of the applicant that shall include, but not be limited to, marketing plans for the project that target individuals who are not residents of the Commonwealth; a description and location of the project; capital and other anticipated expenditures for the project that indicate that the total cost of the project shall exceed one million dollars (\$1,000,000), except for a theme restaurant destination attraction's project cost, which shall exceed five million dollars (\$5,000,000), and the anticipated sources of funding therefor; the anticipated employment and wages to be paid at the project; business plans which indicate the average number of days in a year in which the project will be in operation and open to the public; and the anticipated revenues and expenses generated by the project. If the tourism attraction project is an entertainment destination center, the sales tax refund shall be dedicated to a public infrastructure purpose that shall relate to the tourism attraction project and shall be approved by the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet. The applicant shall submit the public infrastructure purpose with its application. Based upon a review of these materials, if the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet determines that the eligible company and the tourism attraction project may reasonably satisfy the criteria for final approval in subsection (4) of this section, then the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet may submit a written request to the authority requesting that the authority consider a preliminary approval of the eligible company and the tourism attraction project.
- (4) After receiving a preliminary approval by the authority, the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet shall engage the services of a competent consulting firm to analyze the data

made available by the eligible company and to collect and analyze additional information necessary to determine that, in the independent judgment of the consultant, the tourism attraction project:

- (a) Shall attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth, except for a theme restaurant destination attraction, which shall attract a minimum of fifty percent (50%) of its visitors from among persons who are not residents of the Commonwealth;
 - (b) Shall have costs in excess of one million dollars (\$1,000,000), except for a theme restaurant destination attraction, which shall have costs in excess of five million dollars (\$5,000,000);
 - (c) Shall have a significant and positive economic impact on the Commonwealth considering, among other factors, the extent to which the tourism attraction project will compete directly with existing tourism attractions in the Commonwealth and the amount by which increased tax revenues from the tourism attraction project will exceed the credit given to the approved company;
 - (d) Shall produce sufficient revenues and public demand to be operating and open to the public for a minimum of one hundred (100) days per year, except for a theme restaurant destination attraction, which shall be operating and open to the public for a minimum of three hundred (300) days per year; and
 - (e) Shall not adversely affect existing employment in the Commonwealth.
- (5) The independent consulting firm shall consult with the authority, the Office of the State Budget Director and the Finance and Administration Cabinet in the development of a report on the proposed tourism attraction project. The Office of the State Budget Director and the Finance and Administration Cabinet shall agree as to the 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 authority, the Office of the State Budget Director and the Finance and Administration Cabinet shall certify to the authority whether there is a projected net positive economic impact to the Commonwealth and the expected amount of incremental state revenues from the project. Approval shall not be granted if it is determined that there is no projected net positive economic impact to the Commonwealth.
 - (6) The eligible company shall pay for the cost of the consultant's report and shall cooperate with the consultant and provide all of the data that the consultant deems necessary to make its determination under subsection (4) of this section.
 - (7) After a review of relevant materials, the consultant's report, and completion of other inquiries, the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet shall, by written notification to the authority, provide a recommendation to the authority regarding final approval of the tourism attraction project.

➔Section 29. KRS 148.857 is amended to read as follows:

- (1) The authority shall establish standards for preliminary approval and final approval of eligible companies and their projects by the promulgation of administrative regulations in accordance with KRS Chapter 13A.
- (2) The authority shall consult with the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet when establishing standards to ensure that standards established pursuant to KRS 148.855(1) and subsection (1) of this section do not conflict.
- (3) At the written request of the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet, the authority may, by resolution, give its preliminary approval by designating an eligible company as a preliminarily approved company and preliminarily authorizing the undertaking of the tourism attraction project.
- (4) After the adoption of the authority's preliminary approval, an agent designated by the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet shall hold at least one (1) public hearing to solicit public comments regarding the designation of an eligible company as a preliminarily approved company and the preliminary authorization for the undertaking of a tourism attraction project. Notice of the public hearing shall be given in accordance with KRS Chapter 424.
- (5) The authority shall review the report of the consultant prepared pursuant to KRS 148.855(4), the recommendation of the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet, the report prepared by the agent documenting all comments, both written and oral, received at the public hearing required by subsection (4) of this section, and other information that has been made available to the authority in order to

assist the authority in determining whether the tourism attraction project will further the purposes of KRS 139.536 and KRS 148.851 to 148.860.

- (6) The criteria for final approval of eligible companies and tourism attraction projects shall include, but not be limited to, the criteria set forth in KRS 148.855(4).
- (7) After a review of the consultant's report, the recommendation of the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet and other information made available to the authority, the authority, by resolution, may give its final approval to the eligible company's application for a tourism attraction project and may grant to the eligible company the status of an approved company. The decision reached by the authority shall be final and no appeal shall be granted.
- (8) All meetings of the authority shall be held in accordance with KRS 61.805 to 61.850. The authority may, pursuant to KRS 61.815, hold closed sessions of its meetings to discuss matters exempt from the open meetings law and pertaining to an eligible company.

➔Section 30. KRS 148.872 is amended to read as follows:

As used in KRS 148.870 to 148.892, unless the context otherwise requires:

- (1) "Department" means the Kentucky Department of Parks within the *Tourism, Arts and Heritage*~~[Commerce]~~ 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, Arts and Heritage*~~[Commerce]~~ Cabinet of the Commonwealth of Kentucky; and
- (4) "Trail" means the Pine Mountain Trail State Park, as established in KRS 148.870.

➔Section 31. KRS 148.880 is amended to read as follows:

A fund for the purpose of carrying out the provisions of KRS 148.870 to 148.892 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, Arts and Heritage*~~[Commerce]~~ Cabinet to carry out the purposes of KRS 148.870 to 148.892, after appropriations are made for administration and other expenses and purposes provided in KRS 148.870 to 148.892. It shall not lapse, and interest earnings shall accrue to the fund.

➔Section 32. KRS 150.091 is amended to read as follows:

- (1) In addition to the powers accorded under KRS 150.090, any conservation officer appointed under this chapter may enforce the provisions of KRS 148.795 and 148.796.
- (2) Any program of enforcement for KRS 148.795 and 148.796 shall be through a memorandum of agreement between the department and the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet. The department may, after entering into a memorandum of agreement with the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet, promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the enforcement of KRS 148.795 and 148.796.

➔Section 33. KRS 153.180 is amended to read as follows:

- (1) There is hereby established a nonprofit foundation to be known as the Kentucky Foundation for the Arts. The purpose of the foundation shall be to enhance the stability of Kentucky's arts organizations and to ensure Kentuckians have access to the arts through the support of an endowment fund.
- (2) Funding for the foundation shall be obtained through state appropriations, gifts, grants, and any other funds from the public and private sectors. The foundation board shall have the authority to solicit, accept, and receive contributions from the public and private sectors to match public funding. Moneys in the foundation fund shall not lapse to the general fund at the end of the fiscal year. Moneys in the foundation fund shall be invested by the Office of Financial Management established in KRS 42.0201 consistent with the provisions of KRS

Chapter 42, and interest income earned shall be credited to the foundation fund. The foundation board may use the investment income for the purpose of awarding matching grants to nonprofit arts organizations to carry out the following programs:

- (a) The Performing Arts and Visual Arts Touring Subsidy Program shall support tours and exhibitions for the education and enjoyment of audiences throughout the state.
 - (b) The Institutional Stabilization Program shall provide operating funds to achieve short-term or long-term stability of arts organizations.
- (3) The foundation shall be governed by a board of trustees consisting of six (6) members appointed by the Governor on recommendations from the Kentucky Arts Council. For the initial appointments, the Governor shall appoint two (2) members to serve two (2) year terms; two (2) members to serve three (3) year terms; and two (2) members to serve four (4) year terms. Thereafter, the Governor shall make all appointments for a term of four (4) years. The board shall elect by majority vote a chair and other officers deemed necessary. Board members shall not receive any compensation for their services, but may be reimbursed in accordance with the provisions of KRS 44.070 and 45.101 for actual and necessary expenses incurred in the performance of their duties.
 - (4) The foundation board shall perform duties and responsibilities deemed necessary to fulfill the purposes of this section. The foundation board shall establish by administrative regulation procedures for administration of the foundation, eligibility criteria for the award of grants, appropriate matching contributions from grant recipients, and evaluation and reporting requirements.
 - (5) The foundation shall be attached to the office of the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet for administrative purposes only. The Kentucky Arts Council shall provide to the foundation by agreement staff support and office facilities for which reasonable charges and fees may be levied against the foundation fund.
 - (6) The foundation board shall submit an annual report to the Governor and the Legislative Research Commission listing the sources of funds acquired and expended.

➔Section 34. KRS 153.215 is amended to read as follows:

- (1) There is established the Kentucky Arts Council (hereinafter referred to as "the council") which shall perform functions pursuant to KRS 153.210 to 153.235.
- (2) The purpose of the council shall be to develop and promote a broadly conceived state policy of support for the arts in Kentucky pursuant to KRS 153.210 to 153.235.
- (3) The membership of the council shall consist of not more than sixteen (16) members who have an interest in the arts. On July 1, 1972, the Governor shall appoint not more than four (4) members for a term of one (1) year; not more than four (4) members for a term of two (2) years; not more than four (4) members for a term of three (3) years; and not more than four (4) members for a term of four (4) years. Thereafter the Governor shall make all appointments for a term of four (4) years, except that of the members appointed after July 15, 1998, four (4) members appointed to fill the terms expiring July 1, 1999, shall serve until February 1, 2000; four (4) members appointed to fill the terms expiring July 1, 2000, shall serve until February 1, 2001; four (4) members appointed to fill the terms expiring July 1, 2001, shall serve until February 1, 2002; and members appointed to fill the terms expiring July 1, 2002, shall serve until February 1, 2003; and subsequent appointments shall be for four (4) year terms ending on February 1.
- (4) Council members shall not receive any compensation for their services, but may be reimbursed in accordance with the provisions of KRS Chapters 44 and 45 for actual and necessary expenses incurred in the performance of their duties under KRS 153.210 to 153.235.
- (5) From the council membership the Governor shall appoint a chairman and a vice chairman of the council. The council may elect by majority vote other officers deemed necessary.
- (6) The council shall meet at the call of the chairman, but not less often than twice during each calendar year. A majority of the members appointed to the council shall constitute a quorum.
- (7) The council shall be attached to the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet as an independent administrative body.

- (8) The council shall be headed by an executive director appointed by the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet upon recommendation of the council.

➔Section 35. KRS 153.220 is amended to read as follows:

The duties and functions of the arts council shall be to:

- (1) Stimulate and encourage throughout the state the study and presentation of the arts, and foster public interest and participation therein;
- (2) Encourage public interest in the cultural heritage of our state and expand the state's cultural resources;
- (3) Encourage and assist freedom of artistic expression essential for the well-being of the arts;
- (4) Serve as the sole agency in the Commonwealth for administration of a state arts plan developed in coordination with the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet;
- (5) Establish standards and procedures and advisory committees as necessary to advise the Governor on the selection of the Kentucky poet laureate or writer laureate;
- (6) Advise the Governor on matters pertaining to the arts;
- (7) Adopt and promulgate regulations for the performance of its duties and functions provided in KRS 153.210 to 153.235;
- (8) Receive federal grants, and other money and property of any nature whatsoever which may be given, donated, conveyed, bequeathed, devised, or otherwise transferred, without condition or restriction, except that provided by law, other than that it be used for some purpose of the council as permitted by KRS 153.210 to 153.235;
- (9) Contract from time to time, as appropriate, with experts and consultants who may be utilized as deemed necessary, and make other necessary purchases and expenditures, all in accordance with the state plan approved by the secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet and with the state purchasing provisions of KRS Chapters 45 and 45A;
- (10) Hold public and private hearings for the purpose of furthering the objectives of the council's programs; and
- (11) Make and sign any agreements, subject to the provisions of KRS Chapters 45 and 45A, and do and perform any acts that may be necessary to carry out the purposes of KRS 153.210 to 153.235.

➔Section 36. KRS 153.410 is amended to read as follows:

- (1) The Kentucky Center for the Arts Corporation is hereby established, and shall consist of fifteen (15) members representing metropolitan Louisville and Kentucky to be appointed by the Governor, who shall also designate a chairman. Initial terms shall be staggered; thereafter, members shall be appointed to four (4) year terms.
- (2) Members may be removed by the Governor only for cause after being afforded notice, a hearing with counsel before the Governor or his designee, and a finding of fact by the Governor. A copy of charges, transcript of the record of the hearings, and findings of fact shall be filed with the Secretary of State.
- (3) The Kentucky Center for the Arts Corporation shall be a body corporate with full corporate powers. A quorum of the corporation shall consist of eight (8) members, with a majority of members present authorized to act upon any matter legally before the corporation. Full minutes and records shall be kept of all meetings of the corporation and all official actions shall be recorded.
- (4) The corporation may enact bylaws concerning the election of other officers, the creation of an executive committee with full authority to act between regular meetings, and the designation of alternates for members with full voting authority.
- (5) The corporation shall be attached to the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet for administrative purposes.

➔Section 37. KRS 153.620 is amended to read as follows:

- (1) April 24 of each year is declared to be "Kentucky Writers' Day."
- (2) The *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet may plan and direct a yearly event on April 24 honoring Kentucky writers. These plans may include designing programs for schools and civic or business organizations.

➔Section 38. KRS 154.10-010 is amended to read as follows:

- (1)
 - (a) The Kentucky Economic Development Partnership, a board governing the Cabinet for Economic Development, is created and established, performing essential governmental and public functions and purposes essential to improving and promoting the health and general welfare of the people of the Commonwealth through sustainable economic development, as prescribed in KRS 154.01-020.
 - (b) The board shall have reorganization powers and authority as prescribed in KRS 12.028 and shall constitute an administrative body as defined in KRS 12.010, but it and the cabinet shall not be subject to the reorganization by the Governor, KRS Chapter 12 notwithstanding.
 - (c) The board shall serve as the governing body of the cabinet and shall exercise all powers and authorities conferred upon it by statute, including, but not limited to, the following functions:
 1. Strategic planning;
 2. Finance;
 3. Business assistance;
 4. Marketing and promotion;
 5. Community development;
 6. Workforce development;
 7. Innovation; and
 8. All economic development powers and authorities not specifically conferred by statute to another agency or authority of state government.
- (2) The board shall consist of eleven (11) voting members and two (2) nonvoting members. The eleven (11) voting members shall consist of the Governor, the secretary of the Finance and Administration Cabinet, the secretary of the Environmental and Public Protection Cabinet, and eight (8) private sector members who shall be appointed by the Governor. The secretary of the Governor's Executive Cabinet shall serve as a voting member upon the absence of the Governor. The secretary of the Cabinet for Economic Development and the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet shall serve as nonvoting members.
- (3) By no later than thirty (30) days after July 14, 1992, the governing bodies of each of the following organizations shall meet and nominate two (2) persons from each of the six (6) Congressional districts of the Commonwealth and two (2) persons from the state at large, as candidates for the initial appointment as private sector members to the board:
 - (a) The Kentucky Industrial Development Council;
 - (b) The Associated Industries of Kentucky;
 - (c) The Kentucky State AFL-CIO;
 - (d) The Kentucky Farm Bureau Federation;
 - (e) The Kentucky Chamber of Commerce; and
 - (f) The Kentucky Economic Development Corporation.
- (4) The Governor shall select the original eight (8) private sector members from the aggregation of the lists provided pursuant to subsection (3) with at least one (1) appointment being chosen from each organization's list and at least one (1) appointment being chosen from each Congressional district. After the initial appointments, appointments to vacancies shall be made in the same manner as prescribed in subsection (3) of this section, except that there is no requirement that the vacancy be filled from the same organization's list as the original appointment.
- (5) The terms of office of the initial appointments of the private sector members to the board shall be staggered so that one-fourth (1/4) of all appointments shall expire one (1), two (2), three (3), and four (4) years, respectively, from the date of their appointment. All succeeding appointments shall be for four (4) years.

- (6) In making appointments to the board, the Governor shall assure broad geographical representation, as well as representation from the major sectors of Kentucky's economy by leading executives with a knowledge of the problems of large and small businesses, local economic development, and the transfer of research and development from the laboratory to the marketplace. In filling vacancies, the Governor shall attempt to assure the continuing representation on the board of broad constituencies of Kentucky's economy, including manufacturing and agriculture.
- (7) Vacancies on the board which may occur from time to time shall be filled as follows:
 - (a) Any vacancy which occurs shall be filled for the unexpired term in accordance with the procedures established for the original appointment.
 - (b) If any private sector member misses more than two (2) consecutive meetings of the board, then that position shall be declared vacant and filled in accordance with this section.
- (8) The board shall meet quarterly and at other times upon call of the chairman or a majority of the board.
- (9) A quorum shall be a majority of the voting membership of the board.
- (10) A quorum shall be required to organize and conduct the business of the board, except that an affirmative vote of seven (7) or more members of the entire board shall be required to fire the cabinet's secretary, and to adopt or amend the strategic plan.
- (11) Private sector members shall serve without compensation but shall be reimbursed for all reasonable, necessary, and actual expenses.
- (12) All existing duties, responsibilities, functions, personnel, programs, funds, obligations, records, and real and personal property of the Cabinet for Economic Development, as of July 14, 1992, shall be under the authority and control of the board.

➔Section 39. KRS 154.33-603 is amended to read as follows:

- (1) The corporation shall be governed by a board of directors consisting of seven (7) voting members and three (3) ex officio members as follows:
 - (a) Three (3) members representing the three (3) county governments, one (1) to be appointed by the county judge/executive of Knott County, one (1) to be appointed by the county judge/executive of Letcher County, and one (1) to be appointed by the county judge/executive of Perry County;
 - (b) Three (3) members appointed by the Governor, one (1) each from Knott, Letcher, and Perry Counties;
 - (c) The secretary of the Finance and Administration Cabinet, or his or her designee, as a voting member;
 - (d) The secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet, or his or her designee, as an ex officio, nonvoting member;
 - (e) The secretary of the Cabinet for Economic Development, or his or her designee, as an ex officio, nonvoting member; and
 - (f) The commissioner of the Governor's Office for Local Development, or his or her designee, as an ex officio, nonvoting member.
- (2) Appointed members shall serve staggered terms of four (4) years beginning August 1, 2000, except that of the initial appointments:
 - (a) One (1) member appointed by the Governor and the member appointed by the county judge/executive of Knott County shall each serve a term of four (4) years;
 - (b) One (1) member appointed by the Governor and the member appointed by the county judge/executive of Letcher County shall each serve a term of three (3) years;
 - (c) The one (1) member appointed by the county judge/executive of Perry County shall serve a term of two (2) years; and
 - (d) One (1) member appointed by the Governor shall serve a term of one (1) year.

- (3) A member may be removed by the appointing authority only for neglect of duty, misfeasance, or malfeasance and after being afforded an opportunity for a hearing in accordance with KRS Chapter 13B.
- (4) Members of the board shall serve without compensation but shall be reimbursed for actual and necessary travel expenses incurred in the performance of their duties. The reimbursement shall be in accordance with administrative regulations promulgated under KRS Chapter 13A by the Finance and Administration Cabinet.

➔Section 40. KRS 154.40-020 is amended to read as follows:

- (1) The Eastern Kentucky Exposition Center Corporation is created and established as an independent, de jure municipal corporation and political subdivision of the Commonwealth that shall be a public body corporate and politic. The corporation shall develop, operate, and manage the Eastern Kentucky Exposition Center funded by 2000 Ky. Acts ch. 549, Part II, Section F, Item 1(e) and Part II, Section S, Item 2(a)236. The corporation shall be attached to the ***Tourism, Arts and Heritage***~~Commerce~~ Cabinet for administrative purposes.
- (2) The corporation shall be a participating agency in the Kentucky Employees Retirement System. Its employees shall be considered state employees for the purpose of participating in the Kentucky Employees Retirement System and shall be entitled to the requirements and benefits provided to other system participants.

➔Section 41. KRS 154.47-050 is amended to read as follows:

The Kentucky Wood Products Competitiveness Corporation shall work in cooperation with the Kentucky Department of Parks of the ***Tourism, Arts and Heritage***~~Commerce~~ Cabinet to:

- (1) Develop and design Kentucky-made furniture for use in state parks;
- (2) Make state parks facilities living showrooms for Kentucky furniture and other wood products; and
- (3) Establish retail showrooms where Kentucky-made furniture and other wood products can be displayed for sale to, or order by, park visitors.

➔Section 42. KRS 154.90-010 is amended to read as follows:

- (1) The Northern Kentucky Convention Center Corporation is hereby established to develop and manage the Northern Kentucky Convention Center. The corporation shall be attached to the ***Tourism, Arts and Heritage***~~Commerce~~ Cabinet for administrative purposes. The corporation shall be directed by a board consisting of seven (7) members appointed as follows:
 - (a) The county judge/executives of Kenton, Campbell and Boone Counties, with the approval of their respective fiscal courts, shall each appoint one (1) member to the board. An appointee under this subsection shall have demonstrated successful business experience in a field related to the convention business;
 - (b) The mayor of the city within which the convention center is located shall appoint one (1) member, with the approval of the city commission; and
 - (c) The Governor shall appoint three (3) members.
 - (d) One (1) of the initial appointees of the Governor shall have a one (1) year term, one (1) shall have a two (2) year term, and one (1) shall have a three (3) year term. All other appointments, and all subsequent appointments by the Governor, shall be for four (4) year terms.
 - (e) Members may be removed by the appointing authority only for cause and after being afforded notice, a hearing, and a finding of fact by the appointing authority. A copy of charges, transcript of the record of the hearings, and findings of fact shall be filed with the Secretary of State.
- (2) The Northern Kentucky Convention Center Corporation shall be a body corporate with full corporate powers. A quorum of the corporation shall consist of four (4) members, with a majority of members present authorized to act upon any matter legally before the corporation. Minutes and records shall be kept of all meetings of the corporation and all official actions shall be recorded.
- (3) The corporation may enact bylaws concerning the election of officers and other administrative procedures it deems necessary.

➔Section 43. KRS 171.312 is amended to read as follows:

In order to better facilitate the operation and management, the Kentucky Historical Society shall be organized into four (4) separate divisions. These divisions shall include: Research and Publications; Oral History and Educational Outreach; Administration; and Museums. The divisions shall be headed by a director appointed by the Executive Committee of the Kentucky Historical Society of the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet pursuant to KRS 171.311.

➔Section 44. KRS 171.347 is amended to read as follows:

There is created the Commonwealth of Kentucky Abraham Lincoln Bicentennial Commission, which shall be attached to the Kentucky Historical Society for administrative purposes. The commission shall be composed of twenty (20) members, as follows:

- (1) Two (2) members of the House of Representatives, appointed by the Speaker of the House;
- (2) Two (2) members of the Senate, appointed by the President of the Senate;
- (3) The secretary of the Education Cabinet, or his or her designee;
- (4) One (1) member from the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet, appointed by the secretary of that cabinet;
- (5) One (1) member from the Kentucky Historical Society, appointed by the director of that agency;
- (6) One (1) member from the Kentucky Heritage Council, appointed by the executive director of that agency;
- (7) One (1) member from the Kentucky African-American Heritage Commission, appointed by the head of that agency;
- (8) One (1) member from the Kentucky Humanities Council, appointed by the executive director of that agency;
- (9) One (1) member from the Abraham Lincoln Bicentennial Commission established by the United States Congress, appointed by the concurrence of the chairs of that agency;
- (10) The Larue County judge/executive, or his or her designee;
- (11) One (1) member from the Abraham Lincoln Birthplace, appointed by the superintendent of that national historic site;
- (12) One (1) member from the Lincoln Museum in Hodgenville, appointed by the president of that agency;
- (13) One (1) member from the Mary Todd Lincoln House in Lexington, appointed by the head of that agency;
- (14) One (1) member from the Farmington Historic Home museum in Louisville, appointed by the head of that agency; and
- (15) Four (4) citizen members from the state at large with a demonstrated interest in history and substantial knowledge and appreciation of Abraham Lincoln, appointed by the Governor.

The chair of the commission shall be elected from among the membership by the commission members.

➔Section 45. KRS 171.3801 is amended to read as follows:

- (1) There is established the Kentucky Heritage Council (hereinafter referred to as "the council") which shall perform the functions specified in KRS 171.381.
- (2) The membership of the council shall consist of not more than sixteen (16) members who have an interest in the preservation and protection of Kentucky's heritage. On or before September 15, 1982, the Governor shall appoint not more than four (4) members for a term of one (1) year, not more than four (4) members for a term of two (2) years, not more than four (4) members for a term of three (3) years, and not more than four (4) members for a term of four (4) years. Thereafter, the Governor shall make all appointments for a term of four (4) years.
- (3) Council members shall receive no compensation for their services but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.
- (4) From the council membership the Governor shall appoint a chairman and a vice chairman of the council. The council may elect by majority vote other officers deemed necessary.

- (5) The council shall meet at the call of the chairman, but not less often than twice during each calendar year. A majority of the members appointed to the council shall constitute a quorum.
- (6) The council shall be attached to the *Tourism, Arts and Heritage*~~*Commerce*~~ Cabinet for administrative purposes.
- (7) The Heritage Council shall include a heritage division, whose duties shall include providing staff services needed by the Heritage Council in order to perform its duties under KRS 171.381, including but not limited to preserving and protecting buildings, sites and other landmarks associated with the archaeological, cultural, economic, military, national, political and social aspects of Kentucky's history.
- (8) The heritage division shall be headed by a director appointed by the Governor from a list of three (3) nominees submitted by the Heritage Council; and the Heritage Council and the heritage division shall not be subject to reorganization.

➔Section 46. KRS 171.381 is amended to read as follows:

- (1) The Kentucky Heritage Council shall be dedicated to the preservation and protection of all meaningful vestiges of Kentucky's heritage for succeeding generations, and in pursuit of this dedication it shall engage in and concern itself with worthy projects and other matters related to the conservation and continuing recognition of buildings, structures, sites, and other landmarks associated with the archaeological, cultural, economic, military, natural, political, or social aspects of Kentucky's history.
- (2) The duties and functions of the council shall be to:
 - (a) Review and recommend appropriate projects and programs to insure the proper recognition, preservation, and protection of matters related to Kentucky's heritage, particularly those in the nature of or associated with real property;
 - (b) Advise, consult, and cooperate generally with state, local, and national officials and agencies to accomplish the purposes to which the council is dedicated, and specifically with the Kentucky Department of Parks and Historical Society in matters of common concern;
 - (c) Encourage, promote, and coordinate historic preservation programs being conducted in Kentucky by other agencies or groups, public and private;
 - (d) Prepare and maintain an inventory or survey of Kentucky's resource of historic buildings, sites, structures, and other landmarks, and list in an official roll those landmarks which possess statewide or national significance; and
 - (e) Conduct a survey and maintain a catalog of Kentucky's historic drylaid and historic mortared rock fences as defined in KRS 171.391.
- (3) The council may:
 - (a) Accept grants or other funds or property from any available source, public or private;
 - (b) Employ, with the approval of the Governor, staff as may be necessary. Any member of the staff shall be entitled to compensation under KRS Chapter 18A, and may be reimbursed for necessary and actual expenses in accordance with the provisions of KRS Chapters 44 and 45;
 - (c) Enter into contractual relationships as may be necessary;
 - (d) Acquire real property, by gift or devise or by purchase pursuant to the provisions of KRS 45A.045, and hold the same in the name of the Commonwealth for the use and benefit of the council;
 - (e) Initiate its own projects of an appropriate nature, and undertake or otherwise engage in joint projects with other agencies or groups, public or private; and
 - (f) Adopt rules and regulations as may be necessary and incidental to the performance of the council's duties and functions.
- (4) The receipt, control, and expenditure of funds shall be subject to the general provisions of the Kentucky Revised Statutes governing financial administration of all state agencies.

- (5) No provision of this section shall be construed as repealing any of the laws of the Commonwealth relating to the preservation, protection, and recognition of historical matters, but shall be held and construed as ancillary and supplemental thereto.
- (6) The council shall receive applications, interview and recommend to the Governor three (3) persons as nominees for appointment as the director of the Heritage Division, *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet. The director of the Heritage Division shall be the state historic preservation officer.
- (7) The responsibilities of the state historic preservation officer shall include:
 - (a) Development for the State Historic Preservation Program;
 - (b) Direction of a comprehensive statewide survey of historic properties;
 - (c) Nomination of historic properties to the National Register of Historic Places;
 - (d) Cooperation in the development of effective working relationships with federal, state, and local agencies that participate in the management of historic properties and in project planning that may affect historic properties;
 - (e) Cooperation in the integration of historic preservation planning with all levels of planning;
 - (f) Cooperation in the development and maintenance of a review procedure for publicly funded, assisted, and licensed undertakings that may affect historic properties within the state;
 - (g) Participation in the review of federal, federally assisted, and federally licensed undertakings that may affect historic properties included in or eligible for inclusion in the National Register under Section 106 of the National Historic Preservation Act and Executive Order 11593;
 - (h) Assisting federal agencies in fulfilling their historic preservation responsibilities under federal law and regulations;
 - (i) Liaison with organizations of professional archaeologists, historians, architects, architectural historians, planners, and others concerned with historic preservation;
 - (j) Development and operation of a program of public information and education concerning the preservation program;
 - (k) Administration of the grants program within the state;
 - (l) Preparation and maintenance of a comprehensive statewide historic preservation plan; and
 - (m) The immediate transmittal to the Department of Parks and to the Commonwealth's Railtrail Development Office in the Governor's Office for Local Development of any information received from a railroad or other person having an ownership interest in a railroad corridor pertaining to a proposed or pending action or proceeding to obtain federal authority for the regulatory abandonment of that railroad corridor.

➔Section 47. KRS 171.800 is amended to read as follows:

- (1) The Kentucky African-American Heritage Commission is hereby established to perform the functions specified in KRS 171.805.
- (2) The membership of the commission shall consist of three (3) ex officio members and seventeen (17) members who derive from geographically diverse areas of the state and who represent various heritage interests as follows:
 - (a) The secretary of the *Tourism, Arts and Heritage*~~[Commerce]~~ Cabinet, or the secretary's designee to serve ex officio;
 - (b) The president of Kentucky State University, or the president's designee to serve ex officio;
 - (c) The director of the Kentucky Heritage Council, or the director's designee to serve ex officio;
 - (d) Four (4) members from institutions of higher education;
 - (e) One (1) member from the preservation community;

- (f) One (1) member from the arts community; and
 - (g) Eleven (11) members from the public-at-large.
- (3) Appointed members shall be appointed by the Governor and shall serve for terms of four (4) years. Any vacancies shall be filled by appointment of the Governor for the remainder of the unexpired term.
 - (4) Commission members shall receive no compensation for their services but may be reimbursed for actual and necessary expenses incurred in the performance of their duties.
 - (5) From the commission membership, the Governor shall appoint a chairman and a vice chairman of the commission. The commission may elect by majority vote other officers deemed necessary.
 - (6) The commission shall meet at the call of the chairman, but not less often than three times during each calendar year. A majority of the members appointed to the commission shall constitute a quorum.
 - (7) The commission shall be attached to the Kentucky Heritage Council for administrative purposes.
 - (8) The commission may accept grants or raise funds from any available source, public or private, to accomplish its duties and responsibilities. Committees may be formed at the discretion of the chairman.
 - (9) The African-American Heritage Program is established as a branch within the Kentucky Heritage Division, whose responsibilities shall include providing staff services needed to perform its duties under KRS 171.805.

➔Section 48. KRS 171.805 is amended to read as follows:

- (1) The Kentucky African-American Heritage Commission shall be dedicated to the preservation and protection of all meaningful vestiges of Kentucky's African-American heritage.
- (2) The duties and functions of the commission shall be to:
 - (a) Advise the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet and agencies within the cabinet on matters relating to African-American heritage;
 - (b) Encourage other public and private agencies within the areas of the arts, the humanities, and the sciences to incorporate the African-American influence when developing programs on the history and heritage of Kentucky;
 - (c) Represent a network of groups and individuals interested or involved in promoting awareness of African-American heritage in Kentucky;
 - (d) Advocate the preservation, conservation, and interpretation of significant buildings, sites, neighborhoods, documents, artifacts, and lifeways that represent and embody African-American heritage;
 - (e) Recognize and sanction projects which advance wider knowledge of African-Americans' impact on life in Kentucky; and
 - (f) Coordinate an initiative to protect, preserve, and promote the history of the Underground Railroad in Kentucky, in accordance with KRS 171.812.

➔Section 49. KRS 171.812 is amended to read as follows:

The commission shall coordinate Kentucky's Underground Railroad initiative in accordance with KRS 171.805. The commission's duties as they relate to this initiative shall include but not be limited to the following:

- (1) Undertake a comprehensive statewide inventory of historic sites related to the Underground Railroad, and implement a master plan for site protection and development;
- (2) Encourage and assist the state preservation officer within the Kentucky Heritage Council to nominate significant historical sites of the Kentucky Underground Railroad to the national and state registers of historic places;
- (3) Develop and operate, in conjunction with the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet, a program of public information, education, and promotion of the history of the Underground Railroad in Kentucky, to include but not be limited to implementing and maintaining a Web site connected to the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet;

- (4) Coordinate with local, state, and federal authorities in project planning that may affect Underground Railroad sites in Kentucky and neighboring states;
- (5) Consider the council's recommendations and, contingent on review by the council, present to the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet an annual report and plan for future action; and
- (6) Pursue public and private funds to carry out the duties set forth in this section.

➔Section 50. KRS 171.814 is amended to read as follows:

An Underground Railroad Advisory Council shall be established within the commission.

- (1) The council shall consist of thirteen (13) members, as follows:
 - (a) Secretary of the Education Cabinet, or designee;
 - (b) Secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet, or designee;
 - (c) Secretary of the Transportation Cabinet, or designee;
 - (d) Director of the Kentucky Historical Society, or designee;
 - (e) State historic preservation officer of the Kentucky Heritage Council, or designee;
 - (f) Chair of the commission or designee;
 - (g) Director of the Underground Railroad Institute at Georgetown College, or designee;
 - (h) Two (2) members of the General Assembly who hold an interest in the Underground Railroad, one (1) appointed by the President of the Senate and one (1) appointed by the Speaker of the House of Representatives;
 - (i) Two (2) at-large representatives who hold an interest in the protection, preservation, and promotion of the history of the Underground Railroad in Kentucky, appointed by the Governor;
 - (j) One (1) member of the board or staff of the National Underground Railroad Freedom Center who resides within a county of the Northern Kentucky Area Development District; and
 - (k) One (1) member of the board or staff of the National Underground Railroad Museum who resides within a county of the Buffalo Trace Area Development District.
- (2) The duties of the council shall be to:
 - (a) Advise and assist the commission with respect to issues and opportunities related to the Underground Railroad; and
 - (b) Annually review and make recommendations to the commission on the annual report and plan for future action.
- (3) Members of the council shall be appointed for four (4) year terms, except that initial appointments for the two (2) at-large members shall be made so that one (1) member is appointed for two (2) years, and one (1) member is appointed for three (3) years. Sitting members shall be eligible for reappointment.
- (4) The chair of the commission shall serve as chair of the council.
- (5) The council shall meet annually or more frequently at the request of the chair.
- (6) Six (6) members shall constitute a quorum for conducting business.
- (7) In the event of a vacancy, the appropriate appointing entity shall appoint a replacement member who shall hold office during the remainder of the term so vacated.
- (8) Members of the council shall serve without compensation.

➔Section 51. KRS 171.816 is amended to read as follows:

The **Tourism, Arts and Heritage**~~Commerce~~ Cabinet shall be charged with the purpose of protecting, preserving, and promoting the history of the Underground Railroad in Kentucky in accordance with KRS 171.805 and 171.810 to 171.814. The secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet shall receive an annual report from the Kentucky African-American Heritage Commission in accordance with KRS 171.812(5), and shall review and

submit the annual report to the Governor and the Legislative Research Commission for distribution to the appropriate committees.

➔Section 52. KRS 171.822 is amended to read as follows:

The duties of the Kentucky Native American Heritage Commission shall be to:

- (1) Advise the ***Tourism, Arts and Heritage***~~[Commerce]~~ Cabinet, the Kentucky Heritage Council, and the Kentucky General Assembly on matters relating to Native American heritage;
- (2) Encourage other public and private agencies within the areas of the arts, humanities, and sciences to incorporate the Native American influence when developing programs on the history and heritage of Kentucky;
- (3) Represent a network of groups and individuals interested, or actively involved, in promoting awareness of Native American heritage in Kentucky;
- (4) Support the preservation, conservation, and interpretation of significant buildings, sites, structures, documents, artifacts, and lifestyles that represent and embody Native American heritage; and
- (5) Recognize and sanction projects that advance wider knowledge of Native Americans' contributions to, and influence and impact on, life in Kentucky.

➔Section 53. KRS 176.500 is amended to read as follows:

- (1) The Mississippi River Parkway Commission of Kentucky is hereby established to serve as the local coordinating agency for the development of the Great River Road along the Mississippi River from Canada to the Gulf of Mexico. The commission shall be attached to the Office of the Secretary of the ***Tourism, Arts and Heritage***~~[Commerce]~~ Cabinet for administrative purposes.
- (2) The commission shall consist of the following ten (10) members: Four (4) citizen members, appointed by the Governor, and consisting of one (1) member from each of the four (4) counties that border the Mississippi River, who shall serve a term of four (4) years and may serve until a successor is appointed. Four (4) members shall be the respective county judges/executive of Ballard, Carlisle, Fulton, and Hickman Counties in Kentucky. Other members shall be the secretary of the ***Tourism, Arts and Heritage***~~[Commerce]~~ Cabinet or his designee; and the secretary of the Transportation Cabinet, or his designee. The commission shall annually elect a chairman and shall meet quarterly or upon call of the chairman with ten (10) days' written notice. Six (6) members present shall constitute a quorum for the official conduct of business. The commission may enter into contracts with the Purchase Area Development District to provide administrative services.
- (3) Members shall receive no compensation but shall be reimbursed according to state regulations for actual and necessary expenses incurred in conducting commission business.
- (4) The commission shall assure that the proper direction is taken in developing a corridor of scenic, historical, and archaeological significance through the Kentucky counties of Ballard, Carlisle, Hickman, and Fulton.

➔Section 54. KRS 177.107 is amended to read as follows:

The Transportation and Tourism Interagency Committee is established to foster close collaboration between the ***Tourism, Arts and Heritage***~~[Commerce]~~ Cabinet and the Transportation Cabinet on policies that affect the tourism industry and to place strong emphasis on the coordination of mutual interests such as highway signage, scenic byways, highway safety, and concern for the Commonwealth's beauty and heritage.

➔Section 55. KRS 177.108 is amended to read as follows:

- (1) The Transportation and Tourism Interagency Committee shall be composed of thirteen (13) members or their official appointed designees, as follows:
 - (a) Six (6) members appointed by the secretary of the ***Tourism, Arts and Heritage***~~[Commerce]~~ Cabinet;
 - (b) Six (6) members appointed by the secretary of the Transportation Cabinet; and
 - (c) One (1) member appointed by the executive director of the Kentucky Heritage Council.
- (2) Committee members shall receive no compensation for their services, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with the performance of their duties and functions as committee members.

- (3) The committee shall elect its chair and vice chair from representatives of the *Tourism, Arts and Heritage*~~{Commerce}~~ and Transportation Cabinets for a term of one (1) year. The vice chair shall succeed the chair. The chair shall alternately be a representative of the *Tourism, Arts and Heritage*~~{Commerce}~~ and Transportation Cabinets.
- (4) The committee shall meet upon the call of the chair and upon the request of the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet or the secretary of the Transportation Cabinet.
- (5) A committee member may appoint a proxy for an individual meeting, delegating to the proxy the privilege of voting on any issue. The proxy appointment shall be in writing.

➔Section 56. KRS 177.109 is amended to read as follows:

The Transportation and Tourism Interagency Committee shall have but not be limited to the following duties and responsibilities:

- (1) Review Kentucky's signage laws, administrative regulations, and policies implementing the federal "Manual on Uniform Traffic Control Devices" and submit any proposed revisions to the secretary of the Transportation Cabinet;
- (2) Seek public comment on Kentucky's signage laws, administrative regulations, and policies;
- (3) Advise the Transportation Cabinet on the scenic byways and highways program;
- (4) Review and make recommendations on requests for highway signage from tourism-related entities;
- (5) Coordinate development of the tourism information potential of welcome centers and rest areas through such means as interactive videos, information kiosks, and highway advisory radio transmitters, as well as other innovative methods which may be identified by the committee;
- (6) Monitor developments across the United States relating to billboards and official signs;
- (7) Report to the secretary of the Transportation Cabinet and to the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet on issues of mutual interest to the cabinets;
- (8) Serve as an advisory committee on issues identified by the secretary of the Transportation Cabinet and secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet; and
- (9) Report committee recommendations to the secretary of the Transportation Cabinet, the secretary of the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet, the secretary of the Education Cabinet, and the secretary of the Executive Cabinet.

➔Section 57. KRS 177.573 is amended to read as follows:

The Transportation Cabinet, in coordination with the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet and the Kentucky Heritage Council, shall promulgate administrative regulations under KRS Chapter 13A to establish:

- (1) Specific criteria for a road to be designated a scenic byway or a scenic highway;
- (2) A process for nominating and review of a road as a scenic byway or scenic highway;
- (3) A process for designating a road as a scenic byway or scenic highway; and
- (4) A process to remove the scenic designation from a byway or highway if the intrinsic qualities of the road change or if the community affected by the road requests the scenic designation to be removed.

➔Section 58. KRS 230.225 is amended to read as follows:

- (1) The Kentucky Horse Racing Authority is created as an independent agency of state government to regulate the conduct of horse racing and pari-mutuel wagering on horse racing, and related activities within the Commonwealth of Kentucky. The authority shall be attached to the Environmental and Public Protection Cabinet for administrative purposes.
- (2) The Kentucky Horse Racing Authority shall consist of thirteen (13) members appointed by the Governor, with the secretaries of the Environmental and Public Protection Cabinet, *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet, and Economic Development Cabinet serving as ex officio, nonvoting members. Two (2) members shall have no financial interest in the business or industry regulated. The members of the authority shall be

appointed to serve for a term of three (3) years except, of the members initially appointed, four (4) shall serve for a term of three (3) years, five (5) shall serve for a term of two (2) years, and four (4) shall serve for a term of one (1) year. Any member appointed to fill a vacancy occurring other than by expiration of a term shall be appointed for the remainder of the unexpired term. In making appointments, the Governor may consider members broadly representative of the thoroughbred industry and members broadly representative of the standardbred, quarter horse, Appaloosa, or Arabian industries. The Governor may also consider recommendations from the Kentucky Thoroughbred Owners and Breeders, Inc., the Kentucky Division of the Horsemen's Benevolent and Protective Association, the Kentucky Harness Horsemen's Association, and other interested organizations.

- (3) Members of the authority shall receive fifty dollars (\$50) per day for each meeting attended and shall be reimbursed for all expenses paid or incurred in the discharge of official business. The Governor shall appoint one (1) member of the authority to serve as its chairperson who shall serve at the pleasure of the Governor. The Governor shall further designate a second member to serve as vice chair with authority to act in the absence of the chairperson. Before entering upon the discharge of their duties, all members of the Kentucky Horse Racing Authority shall take the constitutional oath of office.
- (4) The authority shall establish and maintain a general office for the transaction of its business and may in its discretion establish a branch office or offices. The authority may hold meetings at any of its offices or at any other place when the convenience of the authority requires. All meetings of the authority shall be open and public, and all persons shall be permitted to attend meetings. A majority of the authority shall constitute a quorum for the transaction of its business or exercise of any of its powers.
- (5) The duly promulgated administrative regulations of the Kentucky Horse Racing Authority, in effect as of January 6, 2004, shall remain in effect as the initial regulations of the Kentucky Horse Racing Authority until revoked or modified by the authority.
- (6) All licenses approved by, and dates awarded by, the Kentucky Horse Racing Authority shall remain in effect through December 31, 2004.
- (7) Except as otherwise provided, the authority shall be responsible for the following:
 - (a) Developing programs and procedures for oversight and regulation of horse racing matters, including but not limited to race day medications;
 - (b) Recommending tax incentives and other options to promote the strength and growth of the thoroughbred industry and to preserve the economic viability of Kentucky's horse farms;
 - (c) Designing and implementing programs that strengthen the ties between Kentucky's horse industry and the state's universities, with the goal of increasing the horse industry's impact on the state's economy;
 - (d) Developing and supporting programs which ensure that Kentucky remains a national leader in equine research; and
 - (e) Developing and implementing programs that promote Kentucky's horse and tourism industry.

➔Section 59. KRS 235.010 is amended to read as follows:

As used in this chapter, unless the context clearly requires a different meaning:

- (1) "Vessel" means every description of watercraft, other than a seaplane on the water;
- (2) "Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, except for the following:
 - (a) Boats or vessels propelled totally by a direct current battery-powered motor when used on private waters;
 - (b) Boats propelled by human power employing the use of hand or foot operation; and
 - (c) Federally regulated commercial vessels;
- (3) "Owner" means a person, other than a lienholder, having the property in or title to a motorboat. The term includes a person entitled to the use or possession of a motorboat subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security;

- (4) "Personal watercraft" means a vessel which uses an internal combustion engine to power a jet pump for its primary source of propulsion and is designed to be operated by a person sitting, standing, or kneeling on the vessel rather than to be operated by a person sitting or standing inside the vessel;
- (5) "Safe boating certificate" means a document attesting the successful completion of instruction, approved by the department or given by the United States Coast Guard or Coast Guard Auxiliary or the United States Power Squadron, to prepare an individual to safely operate a motorboat or personal watercraft on the waters of the Commonwealth;
- (6) "Waters of this state" means any waters within the territorial limits of this state;
- (7) "Person" means an individual, partnership, firm, corporation, association, or other entity;
- (8) "Operate" means to navigate or otherwise use a motorboat or a vessel;
- (9) "Cabinet" means the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet;
- (10) "Department" means the Department of Fish and Wildlife Resources;
- (11) "License" and "certificate of number" as used herein are synonymous;
- (12) "Clerk" means county clerk;
- (13) "Division of Law Enforcement" means the Division of Law Enforcement, Department of Fish and Wildlife Resources within the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet;
- (14) "Title" means the certificate of title;
- (15) "Commissioner" means the commissioner of the Department of Fish and Wildlife Resources;
- (16) "Federally regulated commercial vessel" means any vessel holding a United States certificate of documentation with a coastwise trade endorsement;
- (17) "Marina" means a dock or basin providing moorings for motorboats and offering supply, repair, or other services for remuneration; and
- (18) "Marine sanitation device" means equipment that is identified by the United States Coast Guard as meeting the standards of the United States Environmental Protection Agency or that is approved by the Environmental and Public Protection Cabinet, to eliminate the discharge of untreated sewage from vessels into the waters of the Commonwealth and is a device that receives, treats, retains, or discharges sewage.

➔Section 60. KRS 235.010 is amended to read as follows:

As used in this chapter, unless the context clearly requires a different meaning:

- (1) "Vessel" means every description of watercraft, other than a seaplane on the water;
- (2) "Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, except for the following:
 - (a) Boats or vessels propelled totally by a direct current battery-powered motor when used on private waters;
 - (b) Boats propelled by human power employing the use of hand or foot operation; and
 - (c) Federally regulated commercial vessels;
- (3) "Owner" means a person, other than a lienholder, having the property in or title to a motorboat. The term includes a person entitled to the use or possession of a motorboat subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security;
- (4) "Personal watercraft" means a vessel which uses an internal combustion engine to power a jet pump for its primary source of propulsion and is designed to be operated by a person sitting, standing, or kneeling on the vessel rather than to be operated by a person sitting or standing inside the vessel;
- (5) "Safe boating certificate" means a document attesting the successful completion of instruction, approved by the department or given by the United States Coast Guard or Coast Guard Auxiliary or the United States Power

Squadron, to prepare an individual to safely operate a motorboat or personal watercraft on the waters of the Commonwealth;

- (6) "Waters of this state" means any waters within the territorial limits of this state;
- (7) "Person" means an individual, partnership, firm, corporation, association, or other entity;
- (8) "Operate" means to navigate or otherwise use a motorboat or a vessel;
- (9) "Cabinet" means the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet;
- (10) "Department" means the Department of Fish and Wildlife Resources;
- (11) "License" and "certificate of number" as used herein are synonymous;
- (12) "Clerk" means county clerk;
- (13) "Division of Law Enforcement" means the Division of Law Enforcement, Department of Fish and Wildlife Resources within the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet;
- (14) "Title" means the certificate of title;
- (15) "Commissioner" means the commissioner of the Department of Fish and Wildlife Resources;
- (16) "Federally regulated commercial vessel" means any vessel holding a United States certificate of documentation with a coastwise trade endorsement;
- (17) "Marina" means a dock or basin providing moorings for motorboats and offering supply, repair, or other services for remuneration; and
- (18) "Marine sanitation device" means equipment that is identified by the United States Coast Guard as meeting the standards of the United States Environmental Protection Agency or that is approved by the Environmental and Public Protection Cabinet, to eliminate the discharge of untreated sewage from vessels into the waters of the Commonwealth and is a device that receives, treats, retains, or discharges sewage.

➔Section 61. KRS 235.030 is amended to read as follows:

This chapter shall be known as the State Boating Act and shall be administered by the Department of Fish and Wildlife Resources in the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet, except the Transportation Cabinet shall be responsible for administering the boat numbering, registration, and titling requirements.

➔Section 62. KRS 235.130 is amended to read as follows:

- (1) No person acting for himself or another shall buy or trade for any motorboat without receiving the certificate of title issued for that boat with a certificate of transfer endorsed thereon. If the motorboat has not been issued a certificate of title as noted on the certificate of registration, the person shall receive a completed assignment of title on a boat transaction record and the certificate of registration.
- (2) It shall be the duty of the purchaser to promptly submit the endorsed certificate of title or boat transaction record and certificate of registration to the county clerk of the county of the purchaser's residence or in which the motorboat is to be principally operated. The purchaser shall apply for a new certificate of title and registration pursuant to KRS 235.050. The county clerk shall thereupon issue to the purchaser a transfer of registration bearing the same data and information. The clerk shall forward the endorsed certificate of title or boat transaction record and certificate of registration and new application for title and registration to the Transportation Cabinet. Except when registration is prohibited by law, any unexpired registration shall remain valid after transfer until expiration occurs according to law.
- (3) For transferring the registration, the clerk shall collect a fee of five dollars (\$5). The clerk shall retain two dollars (\$2), the Transportation Cabinet shall receive two dollars (\$2) and the Department of Fish and Wildlife Resources within the *Tourism, Arts and Heritage*~~{Commerce}~~ Cabinet shall receive one dollar (\$1). The fee received by the Transportation Cabinet shall be deposited in a trust and agency account for use by the Transportation Cabinet in defraying the cost of implementing and operating the boat titling and registration program. The fee for transferring the title shall be as required by KRS 235.085.
- (4) If a transferee does not promptly submit the necessary documents to the county clerk as required by law in order to complete the transfer transaction, a transferor may submit to the county clerk, after the passage of

fifteen (15) calendar days, in his county of residence, an affidavit that he has transferred his interest in a specific motorboat and the clerk may enter appropriate data into the AVIS system which would restrict any registration transaction from occurring on that vehicle until the transfer was processed.

- (5) If the owner junks or otherwise renders a motorboat unfit for future use, he shall deliver the title to the county clerk of the county in which the motorboat is junked. The county clerk shall immediately return the title to the Transportation Cabinet. The owner shall pay to the county clerk fifty cents (\$0.50) for his services.

➔Section 63. KRS 247.800 is amended to read as follows:

The Department of Agriculture, in conjunction with the *Tourism, Arts and Heritage*~~Commerce~~ Cabinet, shall create an interagency Office of Agritourism to be housed in the Division of Agritourism within the Office for Agricultural Marketing and Product Promotion in the Department of Agriculture. As used in KRS 247.800 to 247.810, 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 64. KRS 247.802 is amended to read as follows:

The Office of Agritourism shall perform all duties necessary to carry out the purposes of KRS 247.800 to 247.810, including but not limited to:

- (1) Within the first year of its creation, developing a statewide master plan for implementation of KRS 247.800 and this section. 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, Arts and Heritage*~~Commerce~~ 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 KRS 247.800 to 247.810;
- (7) Reporting to the Agritourism Advisory Council, as created in KRS 247.804, 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 KRS 247.806(2).

➔Section 65. KRS 247.804 is amended 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, Arts and Heritage**~~Commerce~~ Cabinet, appointed by the secretary of the cabinet;
 - (c) Education 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) Kentucky Tourism Council;
 - (g) Kentucky Farm Bureau;
 - (h) Kentucky Association of Fairs and Horse Shows;
 - (i) Southern and Eastern Kentucky Tourism Development Association;
 - (j) Licking River Valley Resource Conservation and Development Council;
 - (k) Buffalo Trace Covered Bridge Authority;
 - (l) Kentucky Chamber of Commerce;
 - (m) Kentucky Council of Area Development Districts; and
 - (n) Jackson Purchase Resource Conservation and Development Foundation, Inc.;
- (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 KRS 247.802(4). 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 66. KRS 247.810 is amended to read as follows:

The Commissioner of Agriculture and the secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A, as necessary to implement the provisions of KRS 247.800 to 247.810.

➔Section 67. KRS 260.165 is amended to read as follows:

- (1) The Kentucky Grape and Wine Council is hereby created within the Department of Agriculture. The purpose of the council shall be to promote and facilitate the development of a Kentucky-based grape industry in the Commonwealth of Kentucky.
- (2) The council shall be composed of the Commissioner of Agriculture, or his designee, and nine (9) members appointed by the Governor. Of the nine (9) gubernatorial appointments, the Governor shall 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, Arts**

and Heritage~~[Commerce]~~ Cabinet, three (3) winery operators from a list of six (6) candidates submitted by the Commissioner of Agriculture, two (2) grape producers from a list of four (4) candidates submitted by the Commissioner of Agriculture, and two (2) citizens at large.

- (3) Of the members appointed after January 1, 2007, three (3) members shall serve a term of one (1) year, two (2) shall serve a term of two (2) years, two (2) shall serve a term of three (3) years, and two (2) shall serve a term of four (4) years, as the Governor designates. Thereafter, appointed members shall serve terms of four (4) years and until their successors are appointed and qualify. A vacancy in an unexpired term shall be filled for the unexpired portion of the term in the same manner as the original appointment to that term.
- (4) The council shall select a chairman and shall meet at least once every three (3) months at the times and places the chairman designates. Six (6) members present at any meeting shall constitute a quorum. Upon the written request of any five (5) members, the chairman shall call a meeting of the council at the time and place requested.
- (5) The council may enact bylaws concerning the conduct of the council's business and other administrative procedures as the council deems necessary.
- (6) Members shall receive no compensation but shall be reimbursed, payable from the Kentucky Grape and Wine Council fund, for any actual travel expense incurred while attending meetings of the council.

➔Section 68. KRS 260.175 is amended to read as follows:

- (1) The Kentucky small farm wineries support fund is created as a separate revolving fund. The support fund shall consist of amounts transferred to the fund pursuant to the provisions of subsection (2) of this section and any other proceeds from grants, contributions, appropriations, or other moneys made available for the purposes of the fund. Fund amounts not expended at the close of the fiscal year shall not lapse but shall be carried forward into the next fiscal year. Any interest earnings of the fund shall become a part of the fund and shall not lapse.
- (2) A total of four hundred thousand dollars (\$400,000) shall be deposited in the Kentucky small farm wineries support fund each fiscal year from the general fund. The funds shall be used by the Kentucky Grape and Wine Council as follows:
 - (a) Two hundred thousand dollars (\$200,000) of these funds shall be used for the promotion, advertising, and marketing in Kentucky of wine produced by small farm wineries located in Kentucky. The Grape and Wine Council shall collaborate with the Kentucky Department of Agriculture and the Kentucky Department of ~~Travel~~~~[Tourism]~~ to develop a marketing plan that shall include brand development, direct mail and e-marketing, Web site development, collateral brochures and maps, advertising, familiarization trips, a retail program, and any other topics that the marketing plan developers deem appropriate or that may be established through the promulgation of administrative regulations;
 - (b) One hundred thousand dollars (\$100,000) of these funds shall be used by the Grape and Wine Council, in collaboration with the Kentucky Department of Agriculture and the Kentucky Department of ~~Travel~~~~[Tourism]~~, to establish a local marketing cost-share program. For the purposes of this section, "local marketing cost-share program" means a mechanism to provide Kentucky small farm wineries with access to matching funds reimbursements for projects that promote and market their products. Standards for the application for, and receipt of, matching funds reimbursements authorized in this section shall be established through the promulgation of administrative regulations;
 - (c) Twenty-five thousand dollars (\$25,000) of these funds shall be used for funding the administrative costs of the Kentucky Grape and Wine Council. The costs shall include but not be limited to reimbursement for the council's appointed members' travel expenses while attending meetings of the council;
 - (d) Seventy-five thousand dollars (\$75,000) shall be used for the payment of fees to licensed wholesalers who apply to the Kentucky Grape and Wine Council to participate in a wine distribution program established by the Kentucky Grape and Wine Council. A licensed wholesaler shall apply and shall be eligible for consideration for the program. The licensed wholesaler shall agree to distribute the wine produced by small farm wineries licensed under KRS 243.155 and shall agree to sell the wine to retailers for the same price the wholesaler paid for the wine; and
 - (e) The funds allocated to each purpose under paragraphs (a) to (d) of this subsection shall be used exclusively for the purpose designated. Use of the funds designated for each purpose shall be strictly adhered to, and the funds shall not be used to support any other purpose. If at the end of any fiscal year

funds designated for one (1) of the purposes are unused, the unused funds shall not lapse and shall be carried forth to the succeeding year for the original purpose designated.

- (3) The Kentucky Grape and Wine Council shall advise the Commissioner of the Department of Agriculture regarding promulgation of administrative regulations necessary to carry out the provisions and purposes of subsection (2) of this section. The Department of Agriculture shall collaborate with the **Kentucky** Department of ~~Travel/Tourism~~ and the Kentucky Grape and Wine Council in developing any administrative regulations promulgated under the authority of this section.

➔Section 69. KRS 353.752 is amended to read as follows:

- (1) There is created and established within the Finance and Administration Cabinet a Kentucky Gas Pipeline Authority composed of the following nine (9) members:
- (a) The secretary of the Finance and Administration Cabinet or his or her designee;
 - (b) The secretary of the **Tourism, Arts and Heritage**~~Commerce~~ Cabinet or his or her designee;
 - (c) The secretary of the Environmental and Public Protection Cabinet or his or her designee;
 - (d) A member designated by the Kentucky Oil and Gas Association;
 - (e) A member designated by the Kentucky Society of Professional Engineers who shall have experience in oil and gas pipeline construction;
 - (f) A member designated by the Kentucky Gas Association representing a natural gas distribution company with a minimum annual throughput of ten billion (10,000,000,000) cubic feet;
 - (g) A citizen member appointed by the Governor; and
 - (h) Two (2) nonvoting legislator members, one (1) appointed by the President of the Senate and one (1) by the Speaker of the House of Representatives.
- (2) Members described in paragraphs (d), (e), (f), and (g) of subsection (1) of this section shall begin their terms on August 1, 2005. The initial terms of the members described in paragraphs (d) and (e) shall be two (2) years. The initial terms of the members described in paragraphs (f) and (g) shall be three (3) years and four (4) years, respectively. All subsequent terms for those members shall be four (4) years.
- (3) Vacancies occurring during the term of any member shall be filled in the same manner as the original appointment.
- (4) The nine (9) members of the authority and their successors shall be a body corporate and politic, with perpetual succession, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth. The authority shall have the power, in its corporate name, to contract and be contracted with, acquire and convey property, sue and be sued, have and use a corporate seal, and exercise all of the usual powers of corporations not inconsistent with the authority's specifically enumerated powers.
- (5) The members of the authority shall receive no compensation for their services, but shall be entitled to reimbursement for their actual and necessary expenses incurred in the performance of their duties under KRS 353.750 to 353.776.
- (6) The secretary of the Finance and Administration Cabinet shall serve as chair, and the members of the authority shall elect a vice chair from their membership and appoint a secretary.
- (7) The secretary of the Finance and Administration Cabinet shall designate an employee of his or her cabinet to serve as treasurer of the authority. The treasurer shall give bond to the authority for a faithful accounting for all funds coming into his or her custody, in the amount the authority may prescribe, drawn upon a surety company qualified to do business in the Commonwealth. The premium shall be paid by the Commonwealth.
- (8) The authority shall establish and maintain an office and keep accurate and complete records of the authority's actions and proceedings, which shall be available for public inspection in accordance with KRS 61.870 to 61.884. The Finance and Administration Cabinet shall provide the funds, staff, facilities, and materials required by the authority in the conduct of its duties and functions.

➔Section 70. In order to reflect the reorganization effectuated by this Act, the reviser of statutes shall replace references in the Kentucky Revised Statutes to the agencies, subagencies, and officers affected by this Act with

references to the appropriate successor agencies, subagencies, and officers established by this Act. The reviser of statutes shall base these actions on the functions assigned to the new entities by this Act and may consult with officers of the affected agencies, or their designees, to receive suggestions.

➔Section 71. The General Assembly confirms Executive Order 2008-516, dated June 6, 2008, to the extent that it is not otherwise confirmed or superseded by this Act.

Signed by the Governor March 17, 2009.