

CHAPTER 32**(HB 428)**

AN ACT relating to school facilities, making an appropriation therefor, and declaring an emergency.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

- (1) *Notwithstanding KRS 157.620 and any provision included in an enacted executive branch budget, urgent and critical construction needs shall be determined by the Department of Education. The department shall provide a funding allocation to a school district for a school that has been closed to the public because it is structurally unsound as determined by a certified engineer, or is otherwise uninhabitable as determined by the commissioner of education, and has a bond that has not been retired. The commissioner of education shall determine if a school qualifying under this subsection shall receive an allocation and shall determine which of the following options is in the best interest of the Commonwealth:*
 - (a) *To allot funding to the school district to retire the unpaid debt on the structurally unsound or uninhabitable building; or*
 - (b) *To provide the semi-annual debt service payments on the current issue.*
- (2) *If funds are not available for the purpose set out in subsection (1) of this section, the costs shall be deemed a necessary government expense and shall be paid from the general fund surplus account under KRS 48.700 or the budget reserve trust fund under KRS 48.705.*
- (3) *If a school district receives an allotment under subsection (1) of this section and subsequently, as the result of litigation or insurance, receives funds for the original facility, the school district shall reimburse the Commonwealth an amount equal to that received pursuant to subsection (1) of this section. If the litigation or insurance receipts are less than the amount received pursuant to subsection (1) of this section, the district shall reimburse the Commonwealth an amount equal to that received as a result of litigation or insurance less the district's costs and legal fees in securing the judgment or payment. Any funds received in this manner shall be deposited in the budget reserve trust fund account established in KRS 48.705.*

➔Section 2. Notwithstanding KRS 157.620 and Part I, C., 4., (18) of the 2010 (1st Extraordinary Session) Kentucky Acts Chapter 1, the Department of Education shall use funds appropriated pursuant to Part I, C., 4., (18), of the 2010 (1st Extraordinary Session) Kentucky Acts Chapter 1, to provide funding to any school district that has a school that was closed to the public in 2010 because it is structurally unsound as determined by a certified engineer and has a bond that has not been retired. The commissioner of education shall determine if a school qualifying under this section shall receive an allotment to retire the unpaid debt on the structurally unsound building or shall receive the semi-annual debt service payments on the current issue. If funds are not available for this purpose, the costs shall be deemed necessary government expenses and shall be paid from the general fund surplus account under KRS 48.700 or the budget reserve trust fund under KRS 48.705.

➔Section 3. Whereas schools with urgent and critical construction needs must be renovated or replaced as soon as possible, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor March 15, 2011.