

CHAPTER 69

(HB 276)

AN ACT relating to reorganization.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 131 IS CREATED TO READ AS FOLLOWS:

The department shall provide the services of a taxpayer ombudsman to carry out the spirit and specific purposes of KRS 131.041 to 131.081. The taxpayer ombudsman shall:

- (1) *Coordinate the resolution of taxpayer complaints and problems if so requested by a taxpayer or the taxpayer's representative;*
- (2) *Provide recommendations to the department for new or revised informational publications and recommend taxpayer and department employee education programs needed to reduce or eliminate errors or improve voluntary taxpayer compliance;*
- (3) *Provide recommendations to the department for simplification or other improvements needed in tax laws, regulations, forms, systems, and procedures to promote better understanding and voluntary compliance by taxpayers; and*
- (4) *At least annually, on or before October 1, prepare and submit a report to the commissioner of the Department of Revenue summarizing the activities of the taxpayer ombudsman during the immediately preceding fiscal year, describing any recommendations made pursuant to subsections (2) and (3) of this section, including the progress in implementing such recommendations, and providing such other information as the taxpayer ombudsman deems appropriate relating to the rights of Kentucky taxpayers.*

➔Section 2. KRS 42.0651 is repealed, reenacted, and amended to read as follows:

- (1) The *Division of State Risk and Insurance Services* ~~[Office of Policy and Audit]~~ shall:
 - (a) Oversee and assist the management of the state fire and tornado insurance fund established in KRS Chapter 56;
 - (b) Develop and manage programs of risk assessment and insurance for the protection of state property not covered by the state fire and tornado insurance fund;
 - (c) Advise the secretary of the Finance and Administration Cabinet on the fiscal management of programs relating to life insurance, workers' compensation, and health care benefits for state employees;
 - (d) Serve as the central clearinghouse for coordinating and evaluating existing and new risk management programs within all state agencies;
 - (e) Develop financing techniques for risk protection;
 - (f) *Provide insurance for all state-owned and state-operated facilities and vehicles;* and
 - (g) ~~(f)~~ Develop and implement other risk management, insurance, and self-insurance programs or other functions and duties as the secretary of the Finance and Administration Cabinet may direct the *division* ~~[office]~~ to undertake and implement within the general statutory authority and control of the Finance and Administration Cabinet over state property and fiscal affairs of the executive branch of state government, including, but not limited to, those areas pertaining to tort and contractual liability, fidelity, and property risks.
- (2) Nothing in this section shall be construed or interpreted as affecting the operation of the employee benefit programs generally administered by the Division of Employee Benefits within the Personnel Cabinet. *The Division of Employee Benefits* ~~[and of the State Risk and Insurance Services programs administered by the Finance and Administration Cabinet. However, both of those departments]~~ shall coordinate the operation of life insurance, workers' compensation, health care benefit programs, and other self-insured programs with the *Division of State Risk and Insurance Services* ~~[Office of Policy and Audit]~~.
- (3) All cabinets, departments, boards, commissions, and other state agencies shall provide to the *Division of State Risk and Insurance Services* ~~[Office of Policy and Audit]~~ the technical advice and other assistance the *Division of State Risk and Insurance Services* ~~[Office of Policy and Audit]~~ or the secretary of the Finance and

Administration Cabinet shall request in the performance of the functions of the *division*~~[office]~~ as described in this section.

- (4) The secretary of the Finance and Administration Cabinet shall have the power and authority to promulgate administrative regulations pursuant to KRS Chapter 13A for purposes of implementing a risk management program for the executive branch of state government. Any administrative regulations promulgated by the secretary shall be administered by the *Division of State Risk and Insurance Services*~~[Office of Policy and Audit]~~.

➔Section 3. KRS 42.0174 is amended to read as follows:

- (1) The Office of Policy and Audit established within the Office of the Secretary by KRS 42.0145 shall have the duties and responsibilities established in KRS 42.065~~]~~ and ~~42.0654]~~.
- (2) The Office of Policy and Audit shall be headed by an executive director who shall be appointed in accordance with KRS 12.050 and shall report to the secretary.

➔Section 4. KRS 42.0201 is amended to read as follows:

- (1) There is created within the Finance and Administration Cabinet the Office of the Controller.
- (2) The Office of the Controller shall be headed by an executive director appointed by the secretary of the Finance and Administration Cabinet with the approval of the Governor. The executive director shall function as the state controller, who shall be a person qualified by education and experience for the position and held in high professional esteem in the accounting community.
- (3) The state controller shall be the Commonwealth's chief accounting officer and shall be responsible for all aspects of accounting policies and procedures, financial accounting systems, and internal accounting control policies and procedures. The Office of the Controller shall establish guidelines for state personnel administration on issues relating to paycheck distribution dates, assignment of data elements to accurately report labor costs, assignment and tracking of actual expenditures by code, and coverage issues relating to Social Security and Medicare.
- (4) The state controller; the executive director of the Office of Financial Management, Finance and Administration Cabinet; and the state budget director designated under KRS 11.068 shall develop and maintain the Commonwealth's strategic financial management program.
- (5) Executive directors and division directors appointed under this section shall be appointed by the secretary with the approval of the Governor.
- (6) There are established in the Office of the Controller the following organizational entities:
- (a) The Office of Financial Management, which shall be headed by an executive director, shall have the duties and responsibilities established in KRS 42.410, and shall serve as administrative staff to the Turnpike Authority of Kentucky. The executive director shall serve as secretary to the authority;
 - (b) The Office of Material and Procurement Services, which shall be headed by an executive director and shall have the duties established in KRS 42.024;
 - (c) The Division of Local Government Services, which shall be headed by a division director and shall be responsible for:
 1. Providing property valuation administrators with fiscal, personnel, payroll, training, and other essential administrative support services;
 2. Overseeing Kentucky's Social Security coverage program, including but not limited to all aspects of FICA wage reporting for state government and the Commonwealth's Social Security coverage agreement;
 3. Serving as liaison between local governments and the federal Internal Revenue Service and Social Security Administration;
 4. Serving as the payroll and fiscal officer for the sheriff and clerk in counties over seventy thousand (70,000) in population, disbursing various reimbursements and expenditures to local governments and serving as liaison and conduit for all court fees associated with report of state money through the Circuit Courts;
 5. Directing the federal employment tax program for state employees; and

6. Performing state government's duties relating to the county fee system for local entities;
- (d) The Office of Statewide Accounting Services, headed by an executive director appointed by the secretary of the Finance and Administration Cabinet, subject to the approval of the Governor. The executive director shall report directly to the state controller. The office shall perform financial record keeping functions at the state controller's direction, and shall be responsible for the performance of the cabinet's functions outlined in KRS 45.305, 48.800, and other related statutes. There is established within the Office of Statewide Accounting Services the Division of Customer Resource Center, which shall be headed by a division director appointed by the secretary pursuant to KRS 12.050 and who shall report to the executive director of the Office of Statewide Accounting Services. The division shall be responsible for:
1. Providing a help desk for users of state government's financial and procurement system, including state employee users and vendors and payees of the Commonwealth who do, or would like to do, business with the state;
 2. Training state employees in the use of state government's financial and procurement system; and
 3. Assisting cabinet entities in improving the quality of their products and processes; and
- (e) The Division of State Risk and Insurance Services, headed by a division director appointed by the secretary of the Finance and Administration Cabinet, subject to the approval of the Governor. The director shall report directly to the state controller **and shall have the duties specified in Section 2 of this Act.** ~~[- The division shall be responsible for procuring insurance for all state-owned and state-operated facilities and vehicles.]~~

➔Section 5. KRS 42.560 is amended to read as follows:

- (1) There is established in the Treasury of the Commonwealth a trust fund to be known as the "Energy Assistance Trust Fund" referred to in KRS 42.560 to 42.572 as the "trust fund."
- (2) The trust fund shall consist of any oil overcharge refunds which become available to the state as a result of litigation for alleged overcharges for crude oil or refined petroleum products sold during the period of time in which federal price controls on such products were in effect, any moneys as may be appropriated by the general fund, and any investment interest earned on the fund.
- (3) The fund shall be managed by the state Office of Financial Management within the Office of the Controller and all moneys in excess of the amount to be disbursed in a given fiscal year shall be invested to maximize returns. The principal and any interest earnings of the trust fund shall at no time lapse to the general fund.
- (4) ~~[-The trust fund and all accumulated interest shall be disbursed over a period of time not exceeding ten (10) years from February 19, 1988. Interest accumulated during the 1987-88 fiscal year shall immediately be available for disbursement. Fifty thousand dollars (\$50,000) of the interest shall be allocated to the Legislative Research Commission for consultant costs for a study of energy conservation and weatherization programs as directed by the 1988 General Assembly.]~~ The ~~[-remainder of the]~~ accumulated interest shall be made available **as follows:**
 - (a) **Fifty percent (50%) to the Finance and Administration Cabinet to be** ~~[-for Health and Family Services with fifty percent (50%) of the interest]~~ allocated to weatherization services to low-income households; and
 - (b) **Fifty percent (50%) to the Cabinet for Health and Family Services to be** ~~[-of the interest]~~ allocated to low-income energy assistance services. ~~[-]~~

The funds to be available for expenditure in any fiscal year shall be appropriated by the General Assembly from the trust fund as provided in KRS 48.300.

➔Section 6. KRS 42.566 is amended to read as follows:

The funds appropriated by the General Assembly **from the energy assistance trust fund** shall be expended in a manner consistent with the judgments and settlements, as amended, which produced the oil overcharge refunds, as follows:

- (1) The sum of five hundred thousand dollars (\$500,000) or eight percent (8%) of the amount appropriated each fiscal year, whichever is greater, shall be distributed annually to the Energy and Environment Cabinet for expenditure in the Institutional Conservation Program established pursuant to Part G of Title III of the Energy

Policy and Conservation Act, 42 U.S.C. secs. 6371 et seq. The source of these funds shall be deemed to be the trust funds produced by the Stripper Well litigation, In Re Department of Energy Stripper Well Exemption Litigation, D.C. Kan., M.D.L. No. 378, and the Diamond Shamrock litigation, Diamond Shamrock Refining Co. v. Standard Oil of Indiana, D.C. Ind., Civil Action No. C-84-1432, and interest accumulated thereon.

- (2) The balance of the trust funds appropriated for expenditure in any fiscal year shall be distributed ~~to the Cabinet for Health and Family Services and allocated~~ as follows:
- (a) Forty percent (40%) *to the Finance and Administration Cabinet* ~~to~~ ~~of the trust funds received by the cabinet in any fiscal year shall~~ be allocated to the cabinet's program for weatherization of low-income households established pursuant to Part A of the Energy Conservation and Existing Buildings Act of 1976, 42 U.S.C. secs. 6861 et seq.; and
 - (b) Sixty percent (60%) *to the Cabinet for Health and Family Services* ~~to~~ ~~of the trust funds received by the cabinet in any fiscal year shall~~ be allocated to the cabinet's program for energy crisis or prevention services for low-income households established pursuant to the Low-Income Home Energy Assistance Act of 1981, 42 U.S.C. secs. 8621 et seq.

➔Section 7. KRS 42.650 is amended to read as follows:

- (1) The Division of Geographic Information *Systems* is hereby established in the Office of *Application Development* ~~Enterprise Information Technology Policy and Planning~~ within the Commonwealth Office of Technology in the Finance and Administration Cabinet.
- (2) The Division of Geographic Information *Systems* shall be headed by a division director, whose appointment is subject to KRS 12.050. The division director may employ personnel, pursuant to the provisions of KRS Chapter 18A, as required to perform the functions of the office.
- (3) The division may solicit, receive, and consider proposals for funding from any state agency, federal agency, local government, university, nonprofit organization, or private person or corporation. The division may also solicit and accept money by grant, gift, donation, bequest, legislative appropriation, or other conveyance.
- (4) The division shall:
 - (a) Establish a central statewide geographic information clearinghouse to maintain map inventories, information on current and planned geographic information systems applications, information on grants available for the acquisition or enhancement of geographic information resources, and a directory of geographic information resources available within the state or from the federal government;
 - (b) Coordinate multiagency geographic information system projects, including overseeing the development and maintenance of statewide base maps and geographic information systems;
 - (c) Provide access to both consulting and technical assistance, and education and training, on the application and use of geographic information technologies to state and local agencies;
 - (d) Maintain, update, and interpret geographic information and geographic information systems standards, under the direction of the council;
 - (e) Provide geographic information system services, as requested, to agencies wishing to augment their geographic information system capabilities;
 - (f) In cooperation with other agencies, evaluate, participate in pilot studies, and make recommendations on geographic information systems hardware and software;
 - (g) Assist the council with review of agency information resource plans and participate in special studies as requested by the council;
 - (h) Provide staff support and technical assistance to the Geographic Information Advisory Council; and
 - (i) Prepare proposed legislation and funding proposals for the General Assembly which will further solidify coordination and expedite implementation of geographic information systems.
- (5) The division may promulgate necessary administrative regulations for the furtherance of this section.

➔Section 8. KRS 42.724 is amended to read as follows:

- (1) There is hereby created within the Finance and Administration Cabinet an agency of state government known as the Commonwealth Office of Technology.

- (2) The Commonwealth Office of Technology shall be headed by an executive director appointed by the secretary of the Finance and Administration Cabinet. Duties and functions of the executive director shall include those established in KRS 42.730.
- (3) The Commonwealth Office of Technology shall consist of the following four (4) offices, each headed by an executive director and organized into divisions headed by a division director:
- (a) Office of Enterprise Technology, which shall ~~contain~~~~consist of~~ the ~~following divisions~~:
 - ~~1. Division of IT Governance;~~ ~~and~~
 - ~~2. Division of Geographic Information;~~
 - (b) Office of Infrastructure Services, consisting of the:
 - 1. Division of Technical Services;
 - 2. Division of Communications;
 - 3. Division of IT Operations;
 - 4. Division of Field Services; and
 - 5. Division of Printing Services, which shall be responsible for the printing and duplicating needs of state agencies as designated by the Finance and Administration Cabinet;
 - (c) Office of Application Development, consisting of the:
 - 1. Division of *Financial Information Technology*~~(Software Engineering)~~;
 - 2. Division of *Agency Information Technology*~~(Consulting and Project Management)~~; ~~and~~
 - 3. Division of Support Services; and
 - 4. *Division of Geographical Information Systems; and*
 - (d) Office of Chief Information Security Officer. The office shall ensure the efficiency and effectiveness of information technology security functions and responsibilities.
- (4) Executive directors and division directors appointed under this section shall be appointed by the secretary with the approval of the Governor.

➔Section 9. KRS 42.726 is amended to read as follows:

- (1) The roles and duties of the Commonwealth Office of Technology shall include but not be limited to:
- (a) Providing technical support and services to all executive agencies of state government in the application of information technology;
 - (b) Assuring compatibility and connectivity of Kentucky's information systems;
 - (c) Developing strategies and policies to support and promote the effective applications of information technology within state government as a means of saving money, increasing employee productivity, and improving state services to the public, including electronic public access to information of the Commonwealth;
 - (d) Developing, implementing, and managing strategic information technology directions, standards, and enterprise architecture, including implementing necessary management processes to assure full compliance with those directions, standards, and architecture. This specifically includes but is not limited to directions, standards, and architecture related to the privacy and confidentiality of data collected and stored by state agencies;
 - (e) Promoting effective and efficient design and operation of all major information resources management processes for executive branch agencies, including improvements to work processes;
 - (f) Developing, implementing, and maintaining the technology infrastructure of the Commonwealth;
 - (g) Facilitating and fostering applied research in emerging technologies that offer the Commonwealth innovative business solutions;
 - (h) Reviewing and overseeing large or complex information technology projects and systems for compliance with statewide strategies, policies, and standards, including alignment with the

Commonwealth's business goals, investment, and other risk management policies. The executive director is authorized to grant or withhold approval to initiate these projects;

- (i) Integrating information technology resources to provide effective and supportable information technology applications in the Commonwealth;
 - (j) Establishing a central statewide geographic information clearinghouse to maintain map inventories, information on current and planned geographic information systems applications, information on grants available for the acquisition or enhancement of geographic information resources, and a directory of geographic information resources available within the state or from the federal government;
 - (k) Coordinating multiagency information technology projects, including overseeing the development and maintenance of statewide base maps and geographic information systems;
 - (l) Providing access to both consulting and technical assistance, and education and training, on the application and use of information technologies to state and local agencies;
 - (m) In cooperation with other agencies, evaluating, participating in pilot studies, and making recommendations on information technology hardware and software;
 - (n) Providing staff support and technical assistance to the **Geographic Information Advisory Council**~~[Kentucky Geospatial Board]~~ and the Kentucky Information Technology Advisory Council;
 - (o) Overseeing the development of a statewide geographic information plan with input from the **Geographic Information Advisory Council**~~[Kentucky Geospatial Board]~~; and
 - (p) Preparing proposed legislation and funding proposals for the General Assembly that will further solidify coordination and expedite implementation of information technology systems.
- (2) The Commonwealth Office of Technology may:
- (a) Provide general consulting services, technical training, and support for generic software applications, upon request from a local government, if the executive director finds that the requested services can be rendered within the established terms of the federally approved cost allocation plan;
 - (b) Promulgate administrative regulations in accordance with KRS Chapter 13A necessary for the implementation of KRS 42.720 to 42.742, 45.253, 171.420, 186A.040, 186A.285, and 194A.146;
 - (c) Solicit, receive, and consider proposals from any state agency, federal agency, local government, university, nonprofit organization, private person, or corporation;
 - (d) Solicit and accept money by grant, gift, donation, bequest, legislative appropriation, or other conveyance to be held, used, and applied in accordance with KRS 42.720 to 42.742, 45.253, 171.420, 186A.040, 186A.285, and 194A.146;
 - (e) Make and enter into memoranda of agreement and contracts necessary or incidental to the performance of duties and execution of its powers, including, but not limited to, agreements or contracts with the United States, other state agencies, and any governmental subdivision of the Commonwealth;
 - (f) Accept grants from the United States government and its agencies and instrumentalities, and from any source, other than any person, firm, or corporation, or any director, officer, or agent thereof that manufactures or sells information resources technology equipment, goods, or services. To these ends, the Commonwealth Office of Technology shall have the power to comply with those conditions and execute those agreements that are necessary, convenient, or desirable; and
 - (g) Purchase interest in contractual services, rentals of all types, supplies, materials, equipment, and other services to be used in the research and development of beneficial applications of information resources technologies. Competitive bids may not be required for:
 - 1. New and emerging technologies as approved by the executive director or her or his designee; or
 - 2. Related professional, technical, or scientific services, but contracts shall be submitted in accordance with KRS 45A.690 to 45A.725.
- (3) Nothing in this section shall be construed to alter or diminish the provisions of KRS 171.410 to 171.740 or the authority conveyed by these statutes to the Archives and Records Commission and the Department for Libraries and Archives.

➔Section 10. KRS 42.740 is amended to read as follows:

- (1) There is hereby established a **Geographic Information Advisory Council**~~[Kentucky Geospatial Board]~~, attached to the Commonwealth Office of Technology for administrative purposes, to advise the executive director of the Commonwealth Office of Technology on issues relating to geographic information and geographic information systems.
- (2) The **council**~~board~~ shall recommend 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**~~board~~ shall closely coordinate with users of geographic information systems to recommend policies and procedures that ensure the maximum use of geographic information by minimizing the redundancy of geographic information and geographic information resources.
- (4) The **Geographic Information Advisory Council**~~[Kentucky Geospatial Board]~~ 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**~~board~~ 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, who shall serve as chair;
 6. The secretary of the Economic Development Cabinet or his designee;
 7. The commissioner of the Department for Local Government 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 Energy and Environment Cabinet or his designee;
 13. The Commissioner of the Department of Agriculture or his designee;
 14. The secretary of the Tourism, Arts and Heritage 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~~~~board~~ shall have one (1) nonvoting legislative liaison, to be appointed by the Legislative Research Commission.
- (5) The ~~council~~~~board~~ may have committees and subcommittees as determined by the ~~council~~~~board~~ or an executive committee, if an executive committee exists.
- (6) A member of the ~~council~~~~board~~ shall not:
- 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;
 - 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;
 - 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;
 - 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;
 - 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
 - Be liable to civil action or any action performed in good faith in the performance of duties as a ~~council~~~~board~~ member.
- (7) Those ~~council~~~~board~~ members specified in subsection (4)(a) of this section who serve by virtue of an office shall serve on the board while they hold that office.
- (8) Appointed members of the ~~council~~~~board~~ shall serve for a term of four (4) years. Vacancies in the membership of the ~~council~~~~board~~ 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~~~~board~~ shall have no funds of its own, and ~~council~~~~board~~ members shall not receive compensation of any kind from the ~~council~~~~board~~.
- (10) A majority of the members shall constitute a quorum for the transaction of business. Members' designees shall have voting privileges at ~~council~~~~board~~ meetings.

➔Section 11. KRS 42.742 is amended to read as follows:

- (1) The **Geographic Information Advisory Council's**~~Kentucky Geospatial Board's~~ duties shall include the following:
- Recommending the development and adoption of policies and procedures related to geographic information and geographic information systems;
 - Providing input and recommendations for the development of a strategy for the maintenance and funding of a statewide base map and geographic information system;
 - Recommending standards on geographic information and geographic information systems for inclusion in the statewide architecture;
 - Contributing to the development and delivery of a statewide geographic information plan;
 - Overseeing the development of operating policies and procedures for the management of the ~~council~~~~board~~ and any standing or ad hoc committees and associated advisory groups; and
 - Promoting collaboration and the sharing of data and data development, as well as other aspects of geographic information systems.
- (2) The Division of Geographic Information **Systems** shall provide necessary staff support services to the ~~council~~~~board~~. All cabinets, departments, divisions, agencies, and officers of the Commonwealth shall furnish

the ~~council board~~ necessary assistance, resources, information, records, or advice as it may require to fulfill its duties.

➔Section 12. KRS 42.744 is amended to read as follows:

- (1) All entities in Kentucky that create or purchase digital ortho-rectified aerial imagery, remotely sensed imagery, LiDAR, digital elevation models, or any other form of nonlicensed raster-based datasets of locations in Kentucky using public funds, in whole or in part, shall provide a copy of the information to the Commonwealth Office of Technology, Division of Geographic Information *Systems*, without cost, in order to allow the Commonwealth Office of Technology to effectively discharge its statutory responsibility to maintain an accurate and complete central statewide geographic information clearinghouse for official state use. The imagery provided to the Commonwealth Office of Technology shall be added to Kentucky's secure Geospatial Data Warehouse for official government use only.
- (2) Subsection (1) of this section shall not apply to roads, land parcels, structure locations, or other vector-based datasets acquired with public funding.
- (3) The Commonwealth Office of Technology shall not disclose to the general public or make available for distribution, download, or purchase any data that an entity providing data under subsection (1) of this section has requested remain confidential.

➔Section 13. KRS 116.200 is amended to read as follows:

- (1) (a) On or before January 1, 2011, each city clerk, except in consolidated local governments and urban-county governments, shall provide the clerk of the county or counties in which the city is located with a list of all properties within the city and a map of the city boundaries for the county clerk to maintain a roster of voters who are eligible to vote in city elections. A county clerk may accept the list of city properties in an electronic format and the city clerk may provide a copy of the city's boundary map maintained by the Kentucky Commonwealth Office of Technology, Division of Geographic Information *Systems*; and
 - (b) Documentation of any change to the boundaries of a city shall be reported to the county clerk in accordance with KRS 81A.470 and 81A.475.
- (2) (a) On or before January 1, 2011, each school district board shall provide the clerk of the county in which the school district is located with maps and written descriptions of the boundaries of each school board district located in the county for the county clerk to maintain a roster of voters who are eligible to vote in school board elections.
 - (b) Documentation of any change to a school district's boundaries shall be reported to the county clerk within sixty (60) days of the change, or immediately if the change is within sixty (60) days of the August 1 deadline established in KRS 160.210(4)(d).
- (3) Each county clerk shall code all registered voters in that county in such a manner that precinct election officers may determine the voter's eligibility to vote in city and school board elections prior to each primary and regular election for city officers in that county, each regular election for school board members in that county, and each special election in which a ballot question is presented to the residents of a city or a school board district.
- (4) Notwithstanding KRS 64.012, the county clerk shall not charge a fee to a city or school district providing any information required by subsections (1)(a) and (2)(a) of this section.
- (5) Nothing in this section shall prohibit a county clerk from requesting additional information from the city, school district board, or any other reliable source to ascertain whether a registered voter resides within a city or a school district boundary.

➔Section 14. KRS 131.020 is amended to read as follows:

- (1) The Department of Revenue, headed by a commissioner appointed by the secretary with the approval of the Governor, shall be organized into the following functional units:
 - (a) Office of the Commissioner of the Department of Revenue, *which shall consist of:*
 - I. ~~to include~~ The Division of Special Investigations, headed by a division director who shall report to the commissioner. The division shall investigate alleged violations of the tax laws and recommend criminal prosecution of the laws as warranted; *and*

2. *The taxpayer ombudsman, who shall perform those duties set out in Section 1 of this Act;*
- (b) Division of Legislative Services, headed by a division director who shall report to the commissioner of the Department of Revenue. The division shall perform such duties as providing support to the commissioner's office; managing the department's legislative efforts, including developing and drafting proposed tax legislation, coordinating review of proposed legislation, and coordinating development of administrative regulations; providing technical support and research assistance to all areas of the department; performing studies, surveys, and research projects to assist in policy-making decisions; and performing various miscellaneous duties, including working on special projects and conducting training;
- (c) Office of Processing and Enforcement, headed by an executive director who shall report directly to the commissioner. The office shall be responsible for processing documents, depositing funds, collecting debt payments, and coordinating, planning, and implementing a data integrity strategy. The office shall consist of the:
1. Division of Operations, which shall be responsible for opening all tax returns, preparing the returns for data capture, coordinating the data capture process, depositing receipts, maintaining tax data, and assisting other state agencies with similar operational aspects as negotiated between the department and the other agency;
 2. Division of Collections, which shall be responsible for initiating all collection enforcement activity related to due and owing tax assessments, including protest resolution, and for assisting other state agencies with similar collection aspects as negotiated between the department and the other state agency; and
 3. Division of Registration and Data Integrity, which shall be responsible for registering businesses for tax purposes, ensuring that the data entered into the department's tax systems is accurate and complete, and assisting the taxing areas in proper procedures to ensure the accuracy of the data over time;
- (d) Office of Property Valuation. The Office of Property Valuation shall be headed by an executive director who shall report directly to the commissioner. The functions and duties of the office shall include:
1. Mapping;
 2. Providing assistance to property valuation administrators;
 3. Supervising the property valuation process throughout the Commonwealth;
 4. Valuing the property of public service companies;
 5. Valuing unmined coal and other mineral resources;
 6. Administering personal property taxes;
 7. Collecting delinquent taxes;
 8. Overseeing the real property tax assessment and collection process throughout the state in each county's property valuation administrator's and sheriff's office;
 9. Administering all state-assessed taxes, including public service property tax, motor vehicle property tax, and the tangible and intangible tax program; and
 10. Administering the severance tax and unmined minerals property tax programs and coordinate the department's geographical information system (GIS);
- (e) Office of Sales and Excise Taxes, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters relating to sales and use taxes and miscellaneous excise taxes, including but not limited to technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:
1. Division of Sales and Use Tax, which shall administer the sales and use tax; and
 2. Division of Miscellaneous Taxes, which shall administer various other taxes, including but not limited to alcoholic beverage taxes; cigarette enforcement fees, stamps, meters, and taxes; gasoline tax; bank franchise tax; inheritance and estate tax; insurance premiums and insurance surcharge taxes; motor vehicle tire fees and usage taxes; and special fuels taxes;

- (f) Office of Income Taxation, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters related to income and corporation license taxes, including technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:
 - 1. Division of Individual Income Tax, which shall administer the following taxes or returns: individual income, fiduciary, and employer withholding; and
 - 2. Division of Corporation Tax, which shall administer the corporation income tax, corporation license tax, pass-through entity withholding, and pass-through entity reporting requirements; and
 - (g) Office of Field Operations, headed by an executive director who shall report directly to the commissioner. The office shall manage the regional taxpayer service centers and the field audit program.
- (2) The functions and duties of the department shall include conducting conferences, administering taxpayer protests, and settling tax controversies on a fair and equitable basis, taking into consideration the hazards of litigation to the Commonwealth of Kentucky and the taxpayer. The mission of the department shall be to afford an opportunity for taxpayers to have an independent informal review of the determinations of the audit functions of the department, and to attempt to fairly and equitably resolve tax controversies at the administrative level.
 - (3) The department shall maintain an accounting structure for the one hundred twenty (120) property valuation administrators' offices across the Commonwealth in order to facilitate use of the state payroll system and the budgeting process.
 - (4) Except as provided in KRS 131.190(4), the department shall fully cooperate with and make tax information available as prescribed under KRS 131.190(2) to the Governor's Office for Economic Analysis as necessary for the office to perform the tax administration function established in KRS 42.410.
 - (5) Executive directors and division directors established under this section shall be appointed by the secretary with the approval of the Governor.

➔Section 15. 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 16. It is the intent of the General Assembly that the repeal and reenactment of statutes in this Act shall not serve to void amendments made to these sections by other bills enacted during the 2012 Regular Session of the Kentucky General Assembly, regardless of whether this Act is enacted before or after those other Acts. Notwithstanding KRS 446.100 or 446.260 or any other statute to the contrary, the reviser of statutes shall give force and effect to other 2012 Acts that amend one or more sections contained in this Act, and shall codify those amendments in accordance with KRS 446.250 and other applicable rules of codification.

➔Section 17. The General Assembly confirms Executive Order 2011-354, dated May 19, 2011, to the extent that it is not otherwise confirmed or superseded by this Act.

Signed by Governor April 11, 2012.