

CHAPTER 80

(HB 84)

AN ACT relating to the transfer of financial information by state agencies.

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

➔Section 1. KRS 56.813 is amended to read as follows:

- (1) An agency may request that the Finance and Administration Cabinet provide additional space in a building in which space is already leased by the state. If the cabinet determines there is need for more space, the current lease may be amended, with agreement of the lessor, to increase the leased space. However, the rental rate paid for the additional space shall not exceed the square foot rental rate fixed by the original lease. A lease may also be modified with agreement of the lessor to decrease the number of square feet leased and the rent shall be appropriately reduced.
 - (2) (a) When an agency occupying leased premises desires improvements in the premises, the agency shall obtain the cabinet secretary's approval for the improvements at an estimated cost before the lessor makes the improvements.
 1. If the improvements cost more than *ten thousand dollars (\$10,000)*~~one thousand dollars (\$1,000)~~, the agency shall obtain the cabinet secretary's approval for the rent increase necessary to amortize the cost of the improvements in full over the life of the lease. No other financing method shall be used.
 2. *a.* If the improvements cost *ten thousand dollars (\$10,000)*~~one thousand dollars (\$1,000)~~ or less, the agency shall obtain the cabinet secretary's approval for the dollar amount necessary to pay for the cost of the improvements at direct state expense or the rent increase necessary to amortize the cost of the improvements in full over a period of time which shall run no longer than the life of the lease. No other financing method shall be used. No improvement shall be artificially divided so as to qualify under the provisions of this subparagraph.
 - b.* ***Any improvements approved under this subparagraph with a cost between one thousand dollars (\$1,000) and ten thousand dollars (\$10,000) shall be reported semiannually by the Finance and Administration Cabinet to the Capital Projects and Bond Oversight Committee established by KRS 45.790. The report shall include, for each project, the agency for which the improvement was made, the cost, a description of the work performed, and the property identification number.***
 - (b) Any rent increase necessary to amortize a cost pursuant to paragraph (a) of this subsection shall not extend beyond the period required to accomplish the agreed amortization.
 - (c) The cabinet secretary shall amend a lease to reflect a rent increase necessary to amortize a cost pursuant to paragraphs (a) and (b) of this subsection, and the amendment shall state that the rent increase is for the purpose of amortizing this cost.
- (3) Any modification to an existing lease which is required because of an emergency as described at KRS 56.805(3) shall be made pursuant to KRS 56.805(3) and (4) and this section.
- (4) The Division of Real Properties, within the Department for Facilities and Support Services, shall maintain a register of all proposed lease modifications which, if approved, will result in the payment of a square foot rate for the leased space which is greater than the square foot rate contained in the original lease. All such proposed modifications shall be filed and kept in the register for public inspection and comment for thirty (30) calendar days. Comments received from the public during the period shall be considered before the lease modification is executed by the parties and becomes binding against the Commonwealth. After receiving comments, if the secretary determines that the proposed modifications are not in the interest of the Commonwealth, he *or she* may require the agency to continue operation in its present space or cancel the lease and seek more suitable space. The lessor, under any lease proposed to be modified as contemplated therein, shall be advised of the requirements of this subsection and cautioned that the Commonwealth shall have no liability for any action undertaken by the lessor in anticipation of, but prior to execution of, the modifications of the lease.

➔Section 2. KRS 342.260 is amended to read as follows:

- (1) The commissioner shall ~~promulgate~~~~prepare~~ administrative regulations as he or she considers necessary to carry on the work of the department and the work of the administrative law judges and may promulgate administrative regulations not inconsistent with this chapter and KRS Chapter 13A for carrying out the provisions of this chapter.
- (2) *The commissioner shall promulgate administrative regulations on or before December 31, 2015, establishing the information necessary to be received to create an e-mail notification system where a person may enter his or her e-mail address into the Insurance Coverage Look-up database established by the Department of Workers' Claims and be notified of any cancellation of a specific business' workers' compensation coverage.*
- (3) The commissioner shall develop or adopt life expectancy tables for use in making computations for the apportionment of benefits under KRS 342.120, computation of attorneys' fees under KRS 342.320, and for use in all other situations arising under this chapter in which the calculation of a life expectancy is necessary or desirable, including the computation of assessments or reserves for self-insurers. The commissioner may adopt life tables published by the United States Department of Health and Human Services or other life tables developed by a qualified entity, as determined by the commissioner. The life tables **developed or adopted**~~designated~~ by the commissioner through **the promulgation of** administrative **regulations**~~regulation~~ in effect as of the date of an opinion, award, or settlement approved by an administrative law judge shall apply to computations concerning that opinion, award, or settlement.
- ~~(4)~~~~(3)~~ Processes and ~~procedures~~~~procedure~~ under this chapter shall be as summary and simple as reasonably possible. The board or any member thereof or any administrative law judge for the purpose of this chapter, may subpoena witnesses, administer or cause to have administered oaths, and examine or cause to have examined those parts of the books and records of the parties to a proceeding as relate to questions in dispute.
- ~~(5)~~~~(4)~~ The sheriff shall serve all subpoenas of the board and administrative law judges and shall receive the same fee as provided by law for like service in civil actions. Each witness who appears in obedience to the subpoena of the board or any administrative law judge shall receive for attendance the fees and mileage for witnesses in civil cases in the Circuit Courts.
- ~~(6)~~~~(5)~~ The Circuit Court shall, on application of the board, any member thereof, or any administrative law judge, enforce by proper proceedings the attendance and testimony of witnesses and the production and examination of books, papers, and records.

➔Section 3. KRS 342.340 is amended to read as follows:

- (1) Every employer under this chapter shall:
 - (a) ~~either~~ Insure and keep insured its liability for compensation~~hereunder~~ in some corporation, association, or organization authorized to transact the business of workers' compensation insurance in this state; or
 - (b) ~~shall~~ Furnish to the commissioner satisfactory proof of its financial ability to pay directly the compensation in the amount and manner and when due as provided~~for~~ in this chapter. In ~~this~~~~the latter~~ case, the commissioner shall require the deposit of an acceptable security, indemnity, or bond to secure, to the extent the commissioner directs, the payment of compensation liabilities as they are incurred. A public sector self-insured employer shall not be required to deposit funds as security, indemnity, or bond to secure the payment of liabilities under this chapter, if the public employer has authority to raise taxes, notwithstanding provisions of KRS 68.245, 132.023, 132.027, and 160.470 relating to recall and reconsideration of local taxes; raise tuition; issue bonds; raise fees or fares for services provided; or has other authority to generate funds for its operation.
- (2) Every employer subject to this chapter shall file, or have filed on its behalf, with the department, as often as may be necessary, evidence of its compliance with the provisions of this section and all others relating hereto. Any insurance carrier or self-insured group providing workers' compensation insurance coverage for a Kentucky location shall file on behalf of the employer, with the commissioner, evidence of the employer's compliance with this chapter. Evidence of compliance filed with the department may include a named additional insured who has been provided proof of workers' compensation insurance coverage by the employer. The filing shall be made within ten (10) days after the issuance of a policy, endorsement to a policy, or similar documentation of coverage. Every employer who has complied with the foregoing provision and has subsequently canceled its insurance or its membership in an approved self-insured group, as the case may be,

shall immediately notify, or have notice given on its behalf to the department of the cancellation, the date ~~thereof~~, and the reasons ~~therefor~~; and every insurance carrier or self-insured group shall in like manner notify the commissioner upon the cancellation, lapse, termination, expiration by reason of termination of policy period, or nonrenewal of any policy issued by it or termination of any membership agreement, whichever is applicable under the provisions of this chapter, except that the carrier or self-insured group need not set forth its reasons ~~therefor~~ unless requested by the commissioner. The above filings are to be made on the forms prescribed by the commissioner. Termination of any policy of insurance issued under the provisions of this chapter shall take effect no greater than ten (10) days prior to the receipt of the notification by the commissioner unless the employer has obtained other insurance and the commissioner is notified of that fact by the insurer assuming the risk. Upon determination that any employer under this chapter has failed to comply with these provisions, the commissioner shall promptly notify interested government agencies of this failure and, with particular reference to employers engaged in coal mining, the commissioner shall promptly report any failures to the Department for Natural Resources so that appropriate action may be undertaken pursuant to KRS 351.175.

~~{(3) The Department of Workers' Claims shall notify a named additional insured at the address listed on the evidence of coverage under a workers' compensation insurance policy upon the cancellation, lapse, termination, expiration, or nonrenewal of a workers' compensation insurance policy issued by the insurance carrier. The notice required in this subsection shall be provided by the department no later than ten (10) days after the insurance notice is provided to the commissioner as required in subsection (2) of this section.}~~

Signed by Governor April 10, 2014.