CHAPTER 92

(HB 331)

AN ACT relating to municipal classification.

WHEREAS, Section 156 of the Constitution was repealed and Section 156a of the Constitution was ratified in 1994, authorizing the General Assembly to provide for the classification of cities as it deems necessary based on population, tax base, form of government, geography, or any other reasonable basis, and to enact legislation relating to the classifications; and

WHEREAS, in devising a classification system for cities, certain sections of the Constitution, including Section 160, use the classes of the system in use at the time of the ratification of the 1891 Constitution and the ratification of the 1994 amendments to that Constitution; and

WHEREAS, the General Assembly, in invoking its authority to devise a new classification system under the broad authority of Section 156a of the Constitution does not intend to render any part of the Constitution without meaning, but may necessarily and as a part of devising a new classification system, may need to use new terms or define existing classification terms in these constitutional sections, all of which pre-date the 1994 ratified amendments, within the context of the revised classification system.

NOW, THEREFORE,

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) Cities shall be organized into two (2) classes based on the form of their respective government. The two (2) classes of cities shall be:

(a) First class, which shall include cities organized and operating under the mayor-alderman plan of government in accordance with KRS Chapter 83; and

(b) Home rule class, which shall include any city government organized and operating under the following classes of government:

1. City manager plan of government in accordance with KRS 83A.150;

2. Mayor-council plan of government in accordance with KRS 83A.130; or

3. Commission plan of government in accordance with KRS 83A.140.

(2) Cities incorporated before January 1, 2015, shall be classified in accordance with the classes set out in subsection (1) of this section on January 1, 2015.

(3) When a city is incorporated on or after January 1, 2015, that city's initial classification shall be the form of government designated by the court upon incorporation in accordance with Section 4 of this Act.

(4) A city shall be deemed to be reclassified to the class designated under subsection (2) of this section upon the effective date of a change in the form of government pursuant to Section 7 of this Act.

(5) When a city changes class, it shall thereafter be governed by the laws relating to the class to which it is assigned, but the change from one (1) class to another shall not affect any ordinance previously enacted by the city, except that any ordinance in conflict with the laws relating to cities of the class to which the city is assigned shall be repealed to the extent the ordinance so conflicts.

(6) A city that is reclassified shall provide the Secretary of State written notice of the reclassification, including the effective date of the reclassification no later than thirty (30) days after the effective date of the reclassification pursuant to Section 7 of this Act.

(7) In order to update the record of incorporation of cities in the Secretary of State's office, every city operating as a public corporation and a unit of local government shall file with the Secretary of State before January 1, 2015, a document listing the name of the city, the year of its incorporation, form of government, and the classification assigned the city by this section. If a city fails to comply with this subsection, it shall be barred from receiving state moneys until such time as the city complies.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 81 IS CREATED TO READ AS FOLLOWS:

(1) If the General Assembly establishes a population requirement for cities and bases that population requirement upon the most recent federal decennial census, a city may file a petition with the circuit clerk of the county in which the city, or the largest part of the city, is contained, if the city is in more than one (1) county, and, as a consequence, more than one (1) judicial circuit, to certify the city's population at a number different than shown by the most recent federal decennial census.

(2) The petition shall be presented in the form of a resolution passed by the city legislative body and shall contain:

(a) An accurate map of the city;

(b) An affidavit certifying new growth of the city that may be through any of the following:

1. Annexation since the most recent federal decennial census;

2. Property valuation records;

3. Population counts conducted by the city, or by a person contracted with the city;

4. Census estimates of the United States Bureau of Census; and

5. Any other data that the city may provide to certify the additional growth of the city since the most recent federal decennial census.

(3) The petition shall be docketed for hearing not less than sixty (60) days from the date of filing the petition. Notice of the filing of the petition and of its object shall be given by publication pursuant to KRS Chapter 424.

(4) At the hearing, the court shall, if the proper notice has been given and publication made and no defense is interposed, enter a judgment declaring the city's population as requested by the petition filed pursuant to this section, if the court finds that the information provided pursuant to subsection (2) of this section is accurate.

(5) Defense may be made to the petition by any resident of the city and, if so, the court shall hear and determine the same, and render a judgment either declaring the city's population as requested by the petition, or by refusing to declare the city's population as requested by the petition. If the court refuses to declare the city's population as requested by the petition, then the population as determined by the most recent federal decennial census shall remain effective for determining the city's population pursuant to the requirements in state law. If the court finds in favor of the petitioners, the court shall in the judgment direct the clerk of the court wherein the judgment is entered to, not later than ten (10) days thereafter, certify a copy thereof to the county clerk who shall properly index and file the judgment as a permanent record in his office.

(6) A judgment of the court of the city's population shall be used to determine the city's population for any population requirements established by the General Assembly wherein the most recent federal decennial census is used to measure the population of a city.

(7) At the time of the federal decennial census next following any judgment of the court finding the city's population to be different than that of the federal decennial census, the judgment shall expire and that population determination of the most recent federal decennial census shall be used to determine the population for any population requirements established by the General Assembly until such time a city petitions the court for a determination of population under the provisions of this section.

➔Section 3. KRS 81.028 is amended to read as follows:

(1) Any city located in a county containing a consolidated local government~~[or a city of the first class]~~ which ***was***~~[is]~~ reclassified as a city of the second class after March 16, 2000, ***but prior to January 1, 2015, under a classification system in effect before January 1, 2015,*** shall be exempt from the provisions of KRS 90.300 to 90.400, 95.430 to 95.500, and 95.851 to 95.991 relating to the organization and structure of civil service systems, police departments, fire departments, and pension systems in cities~~[of the second class]~~.

(2) In lieu of the requirements of these statutes, any city reclassified ***under the conditions set out in subsection (1) of this section***~~[as a city of the second class]~~ shall ensure that police and fire protection services are provided for the citizens of the city in the same manner and at least at the same level of service as was being provided prior to the reclassification.

(3) Nothing in this section shall prevent a city from restructuring or creating a new civil service system, police department, or fire department after a reclassification ***under the conditions set out in subsection (1) of this***

section~~[to a city of the second class]~~. Any city that restructures or creates a new civil service system, police department, or fire department may adopt any of the provisions of KRS 90.300 to 90.400, 95.430 to 95.500, and 95.851 to 95.991 relating to the organization and structure of civil service systems, police departments, fire departments, and pension systems~~[in cities of the second class]~~.

(4) If fire protection service ***was***~~[is]~~ being provided by a fire protection district in any city that ***was***~~[is]~~ reclassified ***under the conditions set out in subsection (1) of this section***~~[as a city of the second class]~~, the reclassification shall in no way affect the operations of the fire protection district and the services it provides. If at any time after a city is reclassified~~[as a city of the second class]~~, the fire protection district ceases to exist or fails to adequately provide for the fire protection needs of the city, the city shall have the right to create its own fire department or secure some other means for the provision of adequate fire protection services.

➔Section 4. KRS 81.060 is amended to read as follows:

(1) At the hearing the court shall, if the proper notice has been given or publication made, and no defense is interposed, enter a judgment establishing a city as requested by the petition, filed pursuant to KRS 81.050, if the court finds as a matter of law that the following standards have been met:

(a) At least three hundred (300) persons reside in the territory sought to be incorporated;

(b) Incorporation constitutes a reasonable way of providing the public services sought by the voters or property owners of the territory, and there is no other reasonable way of providing the services;

(c) The territory is contiguous;

(d) The territory is able to provide necessary city services to its residents within a reasonable period after its incorporation; and

(e) The interest of other areas and adjacent local governments is not unreasonably prejudiced by the incorporation.

(2) In determining whether the standards for incorporation have been met, the court shall consider, but shall not be limited to the consideration of the following criteria:

(a) Whether the character of the territory is urban or rural;

(b) The ability of any existing city, county or district to provide needed services;

(c) Whether the territory and any existing city are interdependent or part of one (1) community;

(d) The need for city services in the territory;

(e) The development scheme of applicable land-use plans;

(f) The area and topography of the territory; and

(g) The effect of the proposed incorporation on the population growth and assessed valuation of the real property in the territory.

(3) Defense may be made to the petition by any inhabitant of the proposed city, and if defense is made, the court shall hear and determine the same, and render a judgment establishing or refusing to establish a city, as may seem proper.

(4) If the court renders judgment granting the petition, the order shall set out the name of the city, a metes and bounds description of its boundaries, the population contained therein***, the form of government under which the city shall operate,*** and the class to which the city shall be assigned by reason of its ***form of government as set out in Section 1 of this Act***~~[population]~~. The order shall appoint the officers appropriate to the class of the new city, who shall hold their respective offices until the next regular election at which city officers are elected, at which time officers shall be elected by the residents of the new city.

(5) Whenever any city shall be established in the manner above provided, the court shall in the judgment direct the clerk of the court wherein such judgment is entered to, not later than ten (10) days thereafter, certify a copy thereof to the Secretary of State, whose duty it shall be to properly index and file the same as a permanent record in his office.

➔Section 5. KRS 81.500 is amended to read as follows:

(1) When two (2) cities of the ***home rule*** ~~[second through the sixth]~~ class have a common boundary and it is determined that a specified area within one (1) city can be better served by the adjoining city, the specified incorporated area may be transferred to the adjoining city upon enactment of identical ordinances by each city legislative body and the submission of a petition in support of the transfer signed by voters in the area to be transferred.

(2) The ordinances declaring the transfer of property between two (2) cities shall include, but not be limited to, the following:

(a) A definition of the area to be transferred;

(b) A statement of the financial considerations between the two (2) cities regarding the area and the terms of any financial agreements;

(c) The resolution of any taxes or revenues from the area; and

(d) A statement of the land use or zoning regulations which would be applicable to the area being transferred if planning and zoning is in effect pursuant to KRS Chapter 100 in either city.

(3) Prior to the effective date of the transfer of the property, a petition in support of the transfer, containing a number of signatures of residents in the area to be transferred which is not less than fifty-one percent (51%) of the number of registered voters in the area to be transferred, shall be submitted to the county clerk of the county from which the property is being transferred. The county clerk shall within ten (10) working days of receipt of the petition notify each city of the validity of each signature and address on the petition. No petition shall be required to be submitted when the property proposed for transfer contains no residents and the property owners consent in writing to the transfer.

(4) The enactment of ordinances by each city shall be pursuant to KRS 83A.060.

(5) The authority for the transfer of incorporated property between cities shall be exclusive of the provisions of KRS 81A.440.

(6) In addition to other public notice requirements, cities involved in the transfer of incorporated areas between cities shall comply with the provisions of KRS 81A.470 and 81A.475.

(7) The incorporated area being transferred shall assume the local option status of the city to which it is being transferred.

➔Section 6. KRS 81A.530 is amended to read as follows:

(1) When ***any*** ~~[a]~~ city ***with a population equal to or greater than one thousand (1,000)*** ~~[of the third, fourth, or fifth class]~~ and a city ***with a population of less than one thousand (1,000)*** ~~[of the sixth class]~~ have a common boundary, and it is determined by the legislative body of the city ***with a population of less than one thousand (1,000)*** ~~[of the sixth class]~~ and of the adjoining city ***with a population equal to or greater than one thousand (1,000)*** ~~[of the third, fourth, or fifth class]~~ that the entire area of the city ***with a population of less than one thousand (1,000)*** ~~[of the sixth class]~~ can be better served by the adjoining city, the entire area of the city ***with a population of less than one thousand (1,000)*** ~~[of the sixth class]~~ may be annexed to the adjoining city and the city ***once annexed shall be*** ~~[of the sixth class]~~ dissolved after the enactment of identical ordinances by each legislative body according to the provisions of this section.

(2) The ordinances declaring the annexation ~~[of the city of the sixth class by the adjoining city]~~ shall include, but not be limited to, the following:

(a) A statement of the financial consideration, if any, between the two (2) cities regarding the area of the city ***being annexed*** ~~[of the sixth class]~~ and the terms of any financial arrangements;

(b) The resolution of any taxes or revenues from the area of the city ***being annexed*** ~~[of the sixth class]~~;

(c) A statement of the land use or the zoning regulations that would be applicable to the area of the city ***being annexed*** ~~[of the sixth class]~~ if planning and zoning is in effect pursuant to KRS Chapter 100 in either city; and

(d) The date that the annexation of the city ***being annexed*** ~~[of the sixth class]~~ by the adjoining city would be effective, which shall not be more than one (1) year after the date on which the last of the identical ordinances is adopted.

(3) In order for the annexation to be completed, either of the following procedures shall be followed and concluded:

(a) Prior to the effective date of the annexation of the area of the city ***being annexed*** ~~[of the sixth class]~~ into the adjoining city, a petition in support of the annexation, containing a number of signatures of residents in the area of the city ***being annexed*** ~~[of the sixth class]~~ that is not less than fifty-one percent (51%) of the number of registered voters in the area of ***that*** ~~[the]~~ city ~~[of the sixth class]~~, shall be submitted to the county clerk of the county in which the city ***being annexed*** ~~[of the sixth class]~~ is located. The county clerk shall within ten (10) working days of receipt of the petition notify each city of the validity of each signature and address on the petition; or

(b) An election shall be held to determine the desire of the voters in the city ***being annexed*** ~~[of the sixth class]~~. An election shall be held at a regular election. The qualifications of voters and all other matters in regard to the election shall be governed by the general election laws. The question shall be submitted in substantially the following form: "Are you in favor of annexing the city of _____ into the city of _____ and dissolving the city of _____? Yes_____ No_____".

(4) If the requisite number of signatures is verified by the county clerk as provided in subsection (3)(a) of this section, or if a majority of the legal votes cast at the election in the city ~~[of the sixth class]~~ proposing to be annexed favors the annexation, the annexation shall proceed and become effective, and the city ***being annexed*** ~~[of the sixth class]~~ shall be dissolved at the date provided in the identical ordinances adopted by the legislative bodies of ***both cities*** ~~[the city of the sixth class and of the adjoining city]~~ upon the enactment by the legislative body of the adjoining city of an ordinance accepting the annexation of the city ***being annexed*** ~~[of the sixth class]~~.

(5) All assets of the city ***being annexed*** ~~[of the sixth class]~~ existing on the date of annexation shall become the property of the annexing city. Any indebtedness for which the city ***being annexed*** ~~[of the sixth class]~~ is liable on the date of annexation shall be assumed by the annexing city, so that after annexation the burden of taxation shall be uniform throughout the area of the two (2) cities.

(6) The enactment of ordinances by each city shall be pursuant to KRS 83A.060.

(7) The authority for the annexation of the city ***being annexed*** ~~[of the sixth class]~~ shall be exclusive of the provisions of KRS 81A.440.

(8) In addition to other public notice requirements, the annexing city shall comply with the provisions of KRS 81A.470, but shall not be required to comply with the provisions of KRS 81A.475. The city clerk of the city ***being annexed*** ~~[of the sixth class]~~ shall, within sixty (60) days after the effective date of the dissolution of ***that*** ~~[the]~~ city ~~[of the sixth class]~~, give written notice of the dissolution and the date of the dissolution to the Secretary of State who shall properly index and file the notice and date as a permanent record in the secretary's office.

(9) The area of the city ~~[of the sixth class]~~ being annexed shall assume the local option status of the city by which it is being annexed.

(10) For the purposes of this section, the city population shall be determined by using the populations contained in the most recent federal decennial census.

➔Section 7. KRS 83A.160 is amended to read as follows:

(1) Any city may become organized and governed under the mayor-council plan, the commission plan or the city manager plan only by popular vote in accordance with KRS 83A.120.

(2) If a majority of the votes cast are in favor of changing the organization and government of the city, the corporate entity of the city shall remain the same as it was before the change. All laws applicable to and governing cities and not inconsistent with the newly adopted plan shall continue to apply to and govern each city that so changes its plan. All city ordinances, resolutions and orders in force in any such city and not inconsistent with the newly adopted plan shall continue in force until amended or repealed in the manner provided in the new plan.

(3) Upon the expiration of the terms of the existing legislative body members, or if terms are staggered, when the terms of a sufficient number of members have expired to achieve a correct number of members remaining, or upon election of a sufficient number of additional members at the next regular election to achieve a correct number of members, the city shall be organized and governed under the newly adopted plan as provided in this chapter and shall take action necessary to be in compliance with this chapter. In no event shall a city not be in compliance two (2) years after the adoption of the new plan by the voters.

(4) Failure on the part of any ministerial officer to perform the duties required of him by this section shall not prevent the change of the plan of organization and government of the city.

(5) No city which changes the plan under which it is organized and governed under this section shall again change the plan sooner than five (5) years from the effective date of the last change.

(6) Any city with the largest population located in a county with a population equal to or greater than two hundred fifty thousand (250,000) based upon the most recent federal decennial census may elect to become organized and governed under the mayor-alderman plan of government provided in KRS 83.410 to 83.660 by popular vote in accordance with KRS 83A.120. The process for the adoption of the mayor-alderman plan of government shall be governed by subsections (2) to (5) of this section.

➔SECTION 8. A NEW SECTION OF KRS CHAPTER 67A IS CREATED TO READ AS FOLLOWS:

Any comprehensive system of classification of cities enacted pursuant to the authority granted in Kentucky Constitution Section 156a shall not in and of itself be construed to impact the constitutional and statutory rights, powers, privileges, immunities, and responsibilities provided to urban-county governments pursuant to KRS 67A.060.

➔SECTION 9. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

Once a city meets the population criteria established in Sections 12, 36, 96, 151, 158, 176, 188, 191, 192, 194, 196, 284, 288, 291, 293, 294, 296, 298, 300, 301, and 302 of this Act under the most recent federal decennial census and has exercised the powers and duties pursuant to the section, the city shall not thereafter lose the ability to exercise the powers and duties provided in those sections because of an increase or decrease in population in a subsequent federal decennial census, or because of a judgment of a court pursuant to a petition to certify a city's population as different than the federal decennial census made under Section 2 of this Act. The city shall be permitted to continue to exercise the powers and duties under the applicable section as if it still meets the population requirements provided by the section. However, if there is a conflict between a power or privilege established under a lower population limit and a higher population limit, then the city shall follow the provisions required by the higher population limit.

➔SECTION 10. A NEW SECTION OF KRS CHAPTER 83A IS CREATED TO READ AS FOLLOWS:

On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the second class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site. The mayoral term limits expressed in Kentucky Constitution Section 160 relating to cities of the second class shall apply only to the cities on the registry created pursuant to this section.

➔Section 11. KRS 82.085 is amended to read as follows:

(1) The legislative body of each consolidated local government, and of any city of ***any***~~[the first, second, third, fourth, fifth, and sixth]~~ class, may provide by ordinance, for reasonable differences in the rate of ad valorem taxation within different areas of the same taxing district on that class of property which includes the surface of the land. Those differences shall relate directly to differences between nonrevenue-producing governmental services and benefits giving the land urban character which are available in one (1) or several areas of a taxing district in contrast to other areas of the same taxing district in which those services and benefits are not available.

(2) These nonrevenue-producing governmental services and benefits shall include but not be limited to police protection, fire protection, streets, street lighting, sidewalks, water service, and sewer facilities.

(3) This section shall be effective notwithstanding any other statute relating to the uniformity of ad valorem tax assessment.

➔Section 12. KRS 82.095 is amended to read as follows:

(1) ***Any city with a population equal to or greater than three thousand (3,000) but less than twenty thousand (20,000) based upon the most recent federal decennial census***~~[Any city of the fourth class located in a county containing a city of the first class or consolidated local government, or any city of the third class]~~, located in a county containing a~~[city of the first class or]~~ consolidated local government, which provides police, fire, or garbage collection services for the residents of the city may levy a supplemental tax which shall be in addition to ad valorem property taxes.

(2) Such supplemental tax shall be in an amount not to exceed the reasonable cost of police, fire, and garbage collection services actually provided by the city. The rate of such tax shall be established by an ordinance which shall have readings at no less than two (2) different meetings of the city legislative body before passage.

(3) The rate of such supplemental tax may be apportioned in a reasonable manner, other than an ad valorem approach, so that the recipient of police, fire, or garbage collection services pays an amount based on the cost of services actually received.

(4) Any ordinance levying a supplemental tax pursuant to subsection (2) of this section may be recalled as provided in subsections (2) and (3) of KRS 160.485, provided that the petition for recall shall be effective upon the signature of a number of registered and qualified voters as described therein equal to five percent (5%) instead of the percentage provided therein.

➔Section 13. KRS 83A.030 is amended to read as follows:

(1) Each city organized and governed under the mayor-council plan shall have a mayor and each shall have a legislative body composed of ~~[~~:

~~(a) Twelve (12) members in cities of the first class;~~

~~(b)]~~not less than six (6) nor more than twelve (12) members as prescribed by ordinance~~[in cities of the second, third and fourth classes;~~

~~(c) Six (6) members in cities of the fifth and sixth classes]~~.

(2) Each city organized and governed under the commission plan or city manager plan shall have a legislative body composed of a mayor and four (4) commissioners.

➔Section 14. KRS 83A.045 is amended to read as follows:

(1) Except as provided in KRS 83A.047, partisan elections of city officers shall be governed by the following provisions, regardless of the form of government or classification of the city:

(a) A candidate for party nomination to city office shall file his or her nomination papers with the county clerk of the county not earlier than the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot and not later than the last Tuesday in January before the day fixed by KRS Chapter 118 for holding a primary election for the office sought. Signatures for nomination papers shall not be affixed on the document to be filed prior to the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which the papers are permitted to be filed.

(b) An independent candidate for nomination to city office shall not participate in a primary, but shall file his or her nomination papers with the county clerk of the county not earlier than the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot and not later than the second Tuesday in August before the day fixed by KRS Chapter 118 for holding a regular election for the office. Signatures for nomination papers shall not be affixed on the document to be filed prior to the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which the papers are permitted to be filed.

(c) A candidate for city office who is defeated in a partisan primary election shall be ineligible as a candidate for the same office in the regular election. However, if a vacancy occurs in the party nomination for which he or she was an unsuccessful candidate in the primary, his or her name may be placed on the voting machines for the regular election as a candidate of that party if he or she has been duly made the party nominee after the vacancy occurs, as provided in KRS 118.105.

(2) Except as provided in KRS 83A.047, nonpartisan elections of city officers shall be governed by KRS 83A.050, 83A.170, 83A.175, and the following provisions, regardless of the form of government or classification of the city:

(a) A candidate for city office shall file his or her nomination papers with the county clerk of the county not earlier than the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot and not later than the last Tuesday in January before the day fixed by KRS Chapter 118 for holding a primary for nominations for the office. Signatures for

nomination papers shall not be affixed on the document to be filed prior to the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which the papers are permitted to be filed;

(b) Any city of the ***home rule***~~[fourth to sixth]~~ class may by ordinance provide that the nomination and election of candidates for city office in a nonpartisan election shall be conducted pursuant to the provisions of this subsection:

1. A city may forgo conducting a nonpartisan primary election for the nomination of candidates to city office, regardless of the number of candidates running for each office, and require all candidates to file their nomination papers with the county clerk of the county not earlier than the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot and not later than the second Tuesday in August before the day fixed by KRS Chapter 118 for holding a regular election for the office. Signatures for nomination papers shall not be affixed on the document to be filed prior to the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot.

2. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which the papers are permitted to be filed.

3. If a city does not conduct a primary pursuant to this subsection, the election of candidates to city office shall be governed by the provisions of this subsection, KRS 83A.175(2) to (6), and KRS Chapters 116 to 121.

4. In the absence of a primary pursuant to this subsection, the number of candidates equal to the number of city offices to be filled who receive the highest number of votes cast in the regular election for each city office shall be elected.

5. Candidates shall be subject to all other applicable election laws pursuant to this chapter and KRS Chapters 116 to 121.

6. If a vacancy occurs in a candidacy for city office in any city which has not held a primary pursuant to this subsection after the expiration of time for filing nomination papers, or if there are fewer candidates than there are offices to be filled, the vacancy in candidacy shall be filled by write-in voting.

(c) A candidate for city office who is defeated in a nonpartisan primary election shall be ineligible as a candidate for the same office in the regular election.

➔Section 15. KRS 83A.050 is amended to read as follows:

(1) Election of city officers shall be governed by general election laws as provided in KRS Chapters 116 through 121 unless the city legislative body prescribes by ordinance that election of city officers shall be under nonpartisan city election laws as provided in KRS 83A.045, 83A.170, 83A.175 and 83A.047. The ordinance shall become effective not later than twenty-three (23) days prior to the date prescribed by the election law generally for filing notification and declaration forms with the county clerk in a year in which a regular election is to be held in which any city office is to be filled. Immediately subsequent to publication of any ordinance prescribing that election of city officers be under nonpartisan city election laws, a copy of that ordinance shall be filed with the county clerk of the county in which the city is located.~~[City officers of each city of the second class operating under the city manager form of government pursuant to KRS 83A.150 shall be elected in nonpartisan elections as provided in KRS 83A.045, 83A.170, 83A.175, and 83A.047.]~~

(2) A city may change the manner of election of city officers within the provisions of subsection (1) of this section by ordinance, except that no change shall be made earlier than five (5) years from the last change.

(3) The city shall pay the costs of city elections only if city elections are held at a time other than prescribed by KRS Chapters 116 to 121.

➔Section 16. KRS 83A.165 is amended to read as follows:

(1) A candidate running to fill the unexpired term of any city office shall file his nomination papers in accordance with the provisions of KRS 83A.045, 118.365, 118.375, and 83A.047.

(2) Vacancies in the office of mayor or city legislative body that are to be filled temporarily by appointment shall be governed by the provisions of KRS 83A.040 and Section 152 of the Kentucky Constitution.

(3) Vacancies in the office of mayor or city legislative body that are to be filled by partisan election shall be governed by the following provisions:

(a) Vacancies in candidacy shall be governed by KRS 118.105;

(b) Nominations for unexpired terms shall be governed by KRS 118.115 and Section 152 of the Kentucky Constitution; and

(c) Independent candidates filing to fill a vacancy shall be governed by KRS 118.375.

(4) Vacancies in the office of mayor or city legislative body that are to be filled by nonpartisan election shall be governed by the following provisions:

(a) If the vacancy occurs not less than one hundred thirty-four (134) days before a May primary, candidates to fill the vacancy shall be nominated at that primary in the manner prescribed in KRS 83A.170; and

(b) If the vacancy occurs on or after the one hundred thirty-fourth day before a May primary or at a time after the primary, the election to fill the unexpired term shall be held without a primary in the manner prescribed in Section 152 of the Kentucky Constitution. Petitions of nomination for candidates to fill the vacancy shall be filed at the time and place prescribed in KRS 118.365; and

(c) Vacancies in candidacy in any city~~[of the fourth to sixth class,]~~ that has ***eliminated the***~~[not conducted a]~~ nonpartisan primary election ***pursuant to Section 14 of this Act*** shall be governed by the provisions of KRS 83A.045(2)(b)6.

➔Section 17. KRS 83A.170 is amended to read as follows:

(1) In any city which has under the provisions of KRS 83A.045 or 83A.050 required nonpartisan city elections~~[, or in any city of the second class operating under the city manager form of government pursuant to KRS 83A.150,]~~ no person shall be elected to city office except as provided in this section or as otherwise provided in this chapter relating to nonpartisan elections.

(2) No person shall be elected to city office without being nominated in the manner provided in this section at a nonpartisan primary to be held at the time prescribed by KRS Chapters 116 to 121, except as otherwise provided in this chapter. Nonpartisan primaries shall be conducted by the same officers, chosen and acting in the same manner, with the same rights and duties as in regular elections.

(3) Each applicant for nomination shall, not earlier than the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot and not later than the last date prescribed by the election law generally for filing notification and declaration forms with the county clerk as provided in KRS 83A.047, file a petition of nomination, which shall be in the form prescribed by the State Board of Elections signed by at least two (2) registered voters in the city. Each voter may sign individual petitions equal to the number of offices to be filled. If a voter signs petitions for more candidates than he or she is authorized, he or she shall be counted as a petitioner for the candidate whose petition is filed first.

(4) The county clerk shall examine the petition of each candidate to determine whether it is regular on its face. If there is an error, the county clerk shall notify the candidate by certified mail within twenty-four (24) hours of filing.

(5) Immediately upon expiration of the time for filing petitions, the county clerk shall have published in accordance with KRS Chapter 424 the names of the applicants as they will appear before the voters at the primary.

(6) Subsection (5) of this section shall not apply if it appears, immediately upon expiration of the time for filing petitions, that there are not more than two (2) applicants for nomination for each city office to be filled, or, when the nominations are for city legislative body members in cities electing legislative body members at large, and there are no more than twice the number of applicants for nomination for the number of offices to be filled. In that case, the applicants for nomination shall thereby be nominated and no drawing for ballot position nor primary election shall be held for that office.

(7) The ballot position of a candidate shall not be changed after the ballot position has been designated by the county clerk.

(8) If, before the time of certification of candidates who will appear on the ballot, any candidate whose petition has been filed in the office of the county clerk dies or notifies the clerk in writing, signed and properly

notarized, that he or she will not accept the nomination, the clerk shall not cause the candidate's name to be printed on the ballot.

(9) If, after the certification of candidates who will appear on the ballot, any candidate whose name appears thereon shall withdraw pursuant to KRS 118.212 or die:

(a) Neither the precinct election officers nor the county board of elections shall tabulate or record the votes cast for the candidate;

(b) The county clerk shall provide notices to the precinct election officers who shall see that a notice is conspicuously displayed at the polling place advising voters of the change, and that votes for the candidate shall not be tabulated or recorded. If the county clerk learns of the death or withdrawal at least five (5) days prior to the election and provides the notices required by this subsection and the precinct officers fail to post the notices at the polling place, the officers shall be guilty of a violation;

(c) In a primary, if there are only one (1) or two (2) remaining candidates on the ballot for that office, following the withdrawal or death of the other candidate or candidates, neither the precinct election officers nor the county board of elections shall tabulate or record the votes for the remaining candidate or candidates, and the officer with whom the remaining candidate or candidates has filed his or her nomination papers shall immediately issue and file in his or her office a certificate of nomination for that remaining candidate or candidates and send a copy to the remaining candidate or candidates.

(10) Names of applicants for each nomination shall be placed before the voters of the city. The voters shall be instructed to vote for one (1) candidate, except that they shall be instructed to vote for the number of legislative body members to be elected in cities nominating legislative body members at large. No party designation or emblem of any kind nor any sign indicating any applicant's political belief or party affiliation shall be used.

(11) Persons qualified to vote at a regular election shall be qualified to vote at a nonpartisan primary and the law applicable to challenges made at a regular election shall be applicable to challenges made at a nonpartisan primary.

(12) Votes shall be counted as provided in general election laws, pursuant to KRS Chapters 116 to 121, and the result shall be published as provided in KRS Chapter 424.

(13) The two (2) applicants receiving the highest number of votes for nomination for each city office shall be nominated; or where the nominations are for city legislative body members in cities electing legislative body members at large, there shall be nominated the number of applicants receiving the highest number of votes equal to twice the number of offices to be filled. If two (2) candidates are tied for the second highest number of votes in a mayoral election, the names of those two (2) candidates, plus the name of the candidate receiving the highest number of votes, shall be placed upon the ballot.

(14) At the regular election following a nonpartisan primary, the names of the successful nominees and candidates who have filed a petition of candidacy as provided in this chapter to fill a vacancy shall be placed before the voters.

(15) The nominee or candidate receiving the greater number of votes cast for each city office shall be elected.

(16) KRS Chapters 116 to 121 prescribing duties of county clerks and other public officers in the conduct of elections shall be applicable in all respects to nonpartisan city elections, except no election officer or other person within a polling place shall tell or indicate to a voter, by word of mouth or otherwise, the political affiliation of any candidate for city office.

➔Section 18. KRS 83A.175 is amended to read as follows:

(1) The election to fill the regular term of a nonpartisan city office shall be conducted in the manner prescribed in KRS 83A.165 when, in a regular election for nonpartisan city office no candidates nominated to an office as provided in KRS 83A.170 are available due to death, incapacity, or withdrawal, or when city legislative body members are to be elected at large and there are fewer nominees than there are offices to be filled, or when a city ***has eliminated the*** ~~[of the fourth to sixth class has not conducted a]~~ primary pursuant to KRS 83A.045.

(2) Each candidate shall, not earlier than the first Wednesday after the first Monday in November of the year before the year in which the office will appear on the ballot and not later than the last date prescribed by the election law generally for filing petitions of nomination with the county clerk as provided in KRS 83A.047, file a petition for candidacy. The petition shall be prescribed by the State Board of Elections and shall be signed by at least two (2) registered voters in the city. Each voter may sign individual petitions equal to the

number of offices to be filled. If a voter signs petitions for more candidates than he or she is authorized, he or she shall be counted as a petitioner for the candidate whose petition is filed first.

(3) The county clerk shall examine the petition of each candidate to determine whether it is regular on its face. If there is an error, the county clerk shall notify the candidate by certified mail within twenty-four (24) hours of filing.

(4) The ballot position of a candidate shall not be changed after the ballot position has been designated by the county clerk.

(5) If, before the certification of candidates who will appear on the ballot, any candidate whose petition has been filed in the office of the county clerk, dies or notifies the clerk in writing, signed and properly notarized, that he or she will not accept the election, the clerk shall not cause his or her name to be printed on the ballot.

(6) If, after the certification of candidates who will appear on the ballot, any candidate whose name appears thereon shall withdraw pursuant to KRS 118.212 or die:

(a) Neither the precinct election officers nor the county board of elections shall tabulate or record the votes cast for the candidate;

(b) The county clerk shall provide notices to the precinct election officers who shall see that a notice is conspicuously displayed at the polling place advising voters of the change, and that votes for the candidate shall not be tabulated or recorded. If the county clerk learns of the death or withdrawal at least five (5) days prior to the election and provides the notices required by this subsection and the precinct officers fail to post the notices at the polling place, the officers shall be guilty of a violation;

(c) If there is only one (1) remaining candidate on the ballot for that office in a primary, following the withdrawal or death of the other candidate or candidates, neither the precinct election officers nor the county board of elections shall tabulate or record the votes for the remaining candidate, and the officer with whom the remaining candidate has filed his or her nomination papers shall immediately issue and file in his or her office a certificate of nomination for that remaining candidate and send a copy to the remaining candidate.

➔Section 19. KRS 83A.180 is amended to read as follows:

In cities of the ***home rule*** ~~[second through sixth]~~ class, the official oath of any city officer, whether elected or appointed, may be administered by the mayor of the city for which the officer serves, except that a mayor's official oath shall be administered by such person as otherwise provided by law.

➔Section 20. KRS 11.200 is amended to read as follows:

(1) There is created the Commission on Small Business Advocacy. The commission shall be a separate administrative body of state government within the meaning of KRS 12.010(8).

(2) It shall be the purpose of the Commission on Small Business Advocacy to:

(a) Address matters of small business as it relates to government affairs;

(b) Promote a cooperative and constructive relationship between state agencies and the small business community to ensure coordination and implementation of statewide strategies that benefit small business in the Commonwealth;

(c) Coordinate and educate the small business community of federal, state, and local government initiatives of value and importance to the small business community;

(d) Create a process by which the small business community is consulted in the development of public policy as it affects their industry sector;

(e) Aid the small business community in navigating the regulatory process, when that process becomes cumbersome, time consuming, and bewildering to the small business community; and

(f) Advocate for the small business, as necessary when regulatory implementation is overly burdensome, costly, and harmful to the success and growth of small businesses in the Commonwealth.

(3) The Commission on Small Business Advocacy shall consist of thirty (30) members:

(a) The Governor, or the Governor's designee;

(b) The secretaries of the following cabinets, or their designees:

1. Economic Development;
2. Energy and Environment;
3. Finance and Administration; and
4. Transportation;

(c) The state director of the Small Business Development Centers in Kentucky;

(d) One (1) representative of each of the following organizations, appointed by the Governor from a list of three (3) nominees submitted by the governing bodies of each organization:

1. Associated Industries of Kentucky;
2. National Federation of Independent Business;
3. Kentucky Chamber of Commerce;
4. Kentucky Federation of Business and Professional Women's Club, Inc.;
5. Kentucky Retail Federation;
6. Professional Women's Forum;
7. Kentuckiana Minority Supplier Development Council;
8. Greater Lexington Chamber of Commerce;
9. Lexington chapter of the National Association of Women Business Owners;
10. Greater Louisville, Inc.;
11. Louisville chapter of the National Association of Women Business Owners;
12. Northern Kentucky Chamber of Commerce, Inc.;
13. Northern Kentucky - Greater Cincinnati chapter of the National Association of Women Business Owners;
14. Kentucky Association of Realtors;
15. Henderson - Henderson County Chamber of Commerce;
16. Kentucky Farm Bureau Federation; and
17. Kentucky Homebuilders Association;

(e) One (1) representative from small business from each of the following areas, appointed by the Governor:

1. A city ***with a population equal to or greater than twenty thousand (20,000) but less than one hundred thousand (100,000)*** ~~[of the second class]~~;
2. A city ***with a population equal to or greater than eight thousand (8,000) but less than twenty thousand (20,000)*** ~~[of the third class]~~;
3. A city ***with a population equal to or greater than three thousand (3,000) but less than eight thousand (8,000)*** ~~[of the fourth class]~~; and
4. A city ***with a population equal to or greater than one thousand (1,000) but less than three thousand (3,000)*** ~~[of the fifth class]~~;

(f) One (1) representative who is a small business owner served by each of the following organizations, appointed by the Governor:

1. The Center for Rural Development; and
2. Community Ventures Corporation; and

(g) One (1) representative who is a small business owner under the age of thirty-five (35), appointed by the Governor.

(4) The terms of all members appointed by the Governor shall be for four (4) years, except that the original appointments shall be staggered so that seven (7) appointments shall expire at two (2) years, seven (7) appointments shall expire at three (3) years, and seven (7) appointments shall expire at four (4) years from the dates of initial appointment.

(5) The Governor shall appoint the chair and vice chair of the commission from the list of appointed members.

(6) The commission shall meet quarterly and at other times upon call of the chair or a majority of the commission.

(7) A quorum shall be a majority of the membership of the commission.

(8) Members of the commission shall serve without compensation but shall be reimbursed for their necessary travel expenses actually incurred in the discharge of their duties on the commission, subject to Finance and Administration Cabinet administrative regulations.

(9) The commissioner of the Department for Existing Business Development shall be the administrative head and chief executive officer of the commission. The secretary of the Cabinet for Economic Development shall have authority to hire staff, contract for services, expend funds, and operate the normal business activities of the commission.

(10) The Commission on Small Business Advocacy shall be an independent agency attached to the Department for Existing Business Development.

➔Section 21. KRS 15.705 is amended to read as follows:

(1) For the purpose of administration of the unified prosecutorial system, there is hereby created the Prosecutors Advisory Council, hereafter referred to as the council.

(2) The council shall consist of nine (9) members who shall be residents of Kentucky and shall include the Attorney General; three (3) Commonwealth's attorneys, one (1) from counties containing a ***consolidated local government, a city with a population of twenty thousand (20,000) or more based on the most recent federal decennial census,*** ~~[first or second class city]~~ or an urban-county government, one (1) from counties containing a~~[third class]~~ city ***with a population equal to or greater than eight thousand (8,000) but less than twenty thousand (20,000) based on the most recent federal decennial census***, and one (1) from the other counties, each of whom shall be appointed by the Governor from a list of three (3) names for each Commonwealth's attorney position submitted by the Commonwealth's Attorneys Association; and three (3) county attorneys, one (1) from counties containing a ***consolidated local government, a city with a population equal to or greater than twenty thousand (20,000) based on the most recent federal decennial census,*** ~~[first or second class city]~~ or an urban-county government, one (1) from counties containing a city ***with a population equal to or greater than eight thousand (8,000) but less than twenty thousand (20,000) based on the most recent federal decennial census*** ~~[of the third class,]~~ and one (1) from the other counties, each of whom shall be appointed by the Governor from a list of three (3) names for each county attorney position submitted by the County Attorneys Association and two (2) nonattorney citizen members. The Attorney General shall serve during his term of office and the other members shall serve at the pleasure of the Governor.

(3) The Attorney General shall be the chairman of the council. Five (5) members shall constitute a quorum for the conduct of business. The council shall promulgate annually a schedule of meetings. Special meetings may be called by the chairman or five (5) members of the council. A minimum of ten (10) days' notice must be given prior to the call of a special meeting. Such a notice may be waived by a majority of the council.

(4) The council shall be responsible for, but not limited to, the preparation of the budget of the unified prosecutorial system of the Commonwealth of Kentucky and the continuing legal education and program development of the unified prosecutorial system of Kentucky.

(5) Each nonattorney citizen member of the council shall receive twenty-five dollars ($25) per day for attending each meeting. All council members shall be reimbursed for actual expenses incurred in the performance of their duties.

➔Section 22. KRS 15.755 is amended to read as follows:

(1) The compensation of each Commonwealth's attorney shall be paid out of the State Treasury.

(2) The compensation of the staff of each Commonwealth's attorney shall be paid out of the State Treasury.

(3) In each judicial circuit containing a ***consolidated local government, a*** city ***with a population equal to or greater than twenty-five thousand (25,000) based on the most recent federal decennial census,*** ~~[of the first or~~

~~second class~~] or an urban-county government, or a city ***with a population equal to or greater than eight thousand (8,000) but less than twenty thousand (20,000) based on the most recent federal decennial census***[~~of the third class~~] and a population of sixty-eight thousand (68,000) or more, or which has a full-time Commonwealth's attorney, the Commonwealth's attorney shall not engage in the private practice of law. The population of a judicial circuit shall, for the purpose of this statute, be determined by the most recent federal decennial census enumeration. All other Commonwealth's attorneys shall not be prohibited from engaging in the private practice of law.

(4) Each Commonwealth's attorney who is prohibited from engaging in the private practice of law shall receive as compensation for his services the sum of twenty-six thousand dollars ($26,000) per annum.

(5) Each Commonwealth's attorney who is not prohibited from engaging in the private practice of law shall receive as compensation for his services the sum of fourteen thousand three hundred dollars ($14,300) per annum.

(6) Each full-time Commonwealth's attorney of the state shall be paid each month the sum of one thousand dollars ($1,000) and each part-time Commonwealth's attorney shall be paid each month the sum of five hundred dollars ($500), which sums are declared to be the equivalent of the minimum sums that each Commonwealth's attorney will expend each month in the performance of his official duties directed to be performed for the Commonwealth. The aforementioned sum shall be paid out of the State Treasury.

(7) In order to equate the compensation of Commonwealth's attorneys with the purchasing power of the dollar, the Department for Local Government shall compute by the second Friday in February of every year the annual increase or decrease in the consumer price index of the preceding year by using 1949 as the base year in accordance with Section 246 of the Constitution of Kentucky which provides that the above elected officials shall be paid at a rate no greater than twelve thousand dollars ($12,000) per annum. The Department for Local Government shall notify the appropriate governing bodies charged by law to fix the compensation of the above elected officials of the annual rate of compensation to which the elected officials are entitled in accordance with the increase or decrease in the consumer price index. Upon notification from the Department for Local Government, the appropriate governing body may set the annual compensation of the above elected officials at a rate no greater than that stipulated by the Department for Local Government.

➔Section 23. KRS 39F.160 is amended to read as follows:

(1) A rescue squad taxing district may be created by the fiscal court pursuant to KRS 65.182 or 65.188.

(2) The ad valorem tax that may be imposed for the maintenance and operation of the district shall not exceed ten cents ($0.10) for each one hundred dollars ($100) of the assessed valuation of all property in the district.

(3) Upon the creation of a district, the district so established shall be a taxing district within the meaning of Section 157 of the Constitution of Kentucky.

(4) The district ad valorem taxes shall be collected by the sheriff in the same manner as county ad valorem taxes. The sheriff shall be entitled to a fee of four percent (4%) of the amount of the tax collected for the district.

(5) The affairs of the district shall be controlled by a board of directors appointed by the county judge/executive, the mayor of an urban-county, or the chief executive of another local government with the approval of the legislative body of that jurisdiction.

(a) If the district consists of one (1) county, three (3) directors shall be appointed;

(b) If the district consists of two (2) counties, the county judge/executive of the county having the greater portion of the population of the district shall appoint two (2) directors and the county judge/executive of the other county shall appoint the third director;

(c) If the district consists of more than two (2) counties, the county judge/executive of the county having the greatest portion of the population of the district shall appoint two (2) directors and the county judge/executive of the remaining counties comprising the district shall each appoint one (1) director;

(d) The legislative body of each city ***that contains a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census***[~~of the first three (3) classes, or if there is no such class of city, the city of the highest class located within the district~~] shall appoint one (1) additional director. ***If there is not a city within the district that contains a population equal to or greater than three thousand (3,000), then the city with the greatest population based upon the most recent federal decennial census shall appoint one (1) additional director.***

(6) The board of directors shall be appointed within thirty (30) days after the establishment of the district. Each board member shall reside within the county or city for which appointed. Directors shall be appointed for terms of two (2) years each, except that initially the appointing authority shall appoint a minority of the board members for one (1) year terms. Subsequent terms shall all be for two (2) years. Any vacancies shall be filled by the appointing authority for the unexpired term.

(7) A majority of the membership of the board shall constitute a quorum.

(8) A member of the board of directors may be removed from office as provided by KRS 65.007.

(9) The board of directors shall provide rescue service to inhabitants of the district and may:

(a) Purchase vehicles and all other necessary equipment and employ trained personnel who meet all federal and state requirements;

(b) Adopt rules and regulations necessary to effectively and efficiently provide rescue service for the district. Rules and regulations shall be consistent with the provisions of this chapter;

(c) Employ persons to administer the daily operations of the rescue service;

(d) Compensate employees of the district at a rate determined by the board;

(e) Apply for and receive available funds from the state and federal government for the purpose of maintaining or improving the rescue service of the district; and

(f) Acquire by bequest, gift, grant, or purchase any real or personal property necessary to provide rescue service.

(10) A district shall be eligible for grants pursuant to KRS 39F.130 and workers' compensation coverage pursuant to KRS 39F.170.

(11) Tax revenues of a rescue squad taxing district shall be used only for rescue services as described in this chapter. Tax revenues of a rescue squad taxing district shall be distributed among all rescue squads in the district in proportion to the percentage of the district's population served by each squad.

(12) The board of directors shall comply with the provisions of KRS 65A.010 to 65A.090.

➔Section 24. KRS 41.240 is amended to read as follows:

(1) (a) Before any bank shall be named as a state depository to receive public funds, it shall either pledge or provide to the State Treasurer, as collateral, securities or other obligations having an aggregate current face value or current quoted market value at least equal to the deposits or provide to the State Treasurer a surety bond or surety bonds in favor of the State Treasurer in an amount at least equal to the deposits, provided, however, that amounts insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation need not be so collateralized. The president or cashier of each depository bank shall submit to the Treasurer and the State Investment Commission a statement subscribed and sworn to by him showing:

1. The face value or current quoted market value of the securities or other obligations pledged or provided as of the time the securities or other obligations are offered as collateral; and

2. The value of surety bonds provided as of the time such surety bonds are provided as collateral.

The valuation of all pledged or provided collateral and the face amount of all surety bonds provided as collateral shall be reported to the State Treasurer and State Investment Commission upon receipt of deposit and within ten (10) days of the close of each quarter after the quarter beginning December 31. Such value with respect to pledged collateral other than surety bonds shall be as of the end of the quarter or the preceding business day and, as to market values, shall be obtained from a reputable bond pricing service. The State Treasurer and Governor may from time to time call for additional collateral to adequately secure the deposits as aggregate face or current market values may require.

(b) No deposit of state collected demand and time funds shall collectively exceed at any time the depository's sum of capital, reserves, undivided profits and surplus or ten percent (10%) of the total deposits of any particular depository, whichever is less. Deposits will be valued at the end of each business day.

(2) (a) As an alternative to paragraph (1)(a) of this section, a Kentucky depository insured by the Federal Deposit Insurance Corporation may either pledge to the State Treasurer, as collateral, securities or other obligations having an aggregate face value or a current quoted market value or provide to the State Treasurer a surety bond or surety bonds in an amount equal to eighty percent (80%) of the value of the state deposit including demand and time accounts, if the depository is determined by the State Investment Commission to have very strong credit with little or no credit risk at any maturity level and the likelihood of short-term unexpected problems of significance is minimal or not of a serious or long-term nature. The value of the state deposit will be determined at the end of the business day of deposit and as of the end of business on the last day of each quarter that funds are so deposited.

(b) Valuation of all pledged or provided collateral and the face amount of surety bonds provided shall be reported to the State Treasurer and the State Investment Commission upon receipt of the state deposit and within ten (10) days of the close of each quarter after the quarter beginning December 31.

(c) Depositories designated as qualified for reduced pledging shall be so recorded in the executive journal.

(d) The State Investment Commission shall determine eligibility for the reduced pledging option based on totally objective and quantifiable measures of financial intermediary performance. The information for such eligibility shall be obtained from publicly available documents. The State Investment Commission shall promulgate the particular criteria of eligibility by regulations issued pursuant to KRS Chapter 13A.

(3) Depositories which do not qualify or do not choose to qualify under subsection (1) or (2) of this section shall not receive state deposits in excess of amounts that are insured by an instrumentality of the United States.

(4) Only the following securities and other obligations may be accepted by the State Treasurer as collateral under this section:

(a) Bonds, notes, letters of credit, or other obligations of or issued or guaranteed by the United States, or those for which the credit of the United States is pledged for the payment of the principal and interest thereof, and any bonds, notes, debentures, letters of credit, or any other obligations issued or guaranteed by any federal governmental agency or instrumentality, presently or in the future established by an Act of Congress, as amended or supplemented from time to time, including, without limitation, the United States government corporations listed in KRS 66.480(1)(c);

(b) Obligations of the Commonwealth of Kentucky including revenue bonds issued by its statutory authorities, commissions, or agencies;

(c) Revenue bonds issued by educational institutions of the Commonwealth of Kentucky as authorized by KRS 162.340 to 162.380;

(d) Obligations of any city~~[of the first, second, and third classes]~~ of the Commonwealth of Kentucky, or any county, for the payment of principal and interest on which the full faith and credit of the issuing body is pledged;

(e) School improvement bonds issued in accordance with the authority granted under KRS 162.080 to 162.100;

(f) School building revenue bonds issued in accordance with the authority granted under KRS 162.120 to 162.300, provided that the issuance of such bonds is approved by the Kentucky Board of Education; and

(g) Surety bonds issued by sureties rated in one (1) of the three (3) highest categories by a nationally recognized rating agency.

(5) The State Treasurer shall accept letters of credit issued by federal home loan banks as collateral under this section.

➔Section 25. KRS 56.140 is amended to read as follows:

(1) The State Treasurer, with approval of every investment by the Finance and Administration Cabinet, may invest the state fire and tornado insurance fund in:

(a) Obligations of the United States government, its agencies, and Kentucky cities of the first ***and home rule***~~[, second, third, and fourth]~~ classes;

(b) Warrants issued on the State Treasurer;

(c) State bonds, including bridge revenue bonds issued under KRS 180.010 to 180.250;

(d) Bonds or other evidences of indebtedness of any domestic corporation that is an agent or instrumentality of the state or of any city, county, or school district of the state, secured by a mortgage on real estate in Kentucky that has been conveyed to the corporation by any city, county, school district, or state educational institution, and which the corporation has leased and given the option to lease to the city, county, school district, or state educational institution, with option in the lessee to purchase the property, or an interest therein, on the payment of the aggregate sum of the bond issue, plus the expenses incident to the issuance of the bonds and the formation and dissolution of the corporation, subject to credit of the amounts paid as rental for such property; and

(e) School bonds issued by cities under KRS 162.120 to 162.290.

(2) The Finance and Administration Cabinet shall not approve investments on which there has ever been a default in payment of principal or interest preceding the date of acceptance by the State Treasurer.

(3) All income from investments credited to the state fire and tornado insurance fund shall be credited to that fund.

➔Section 26. KRS 61.080 is amended to read as follows:

(1) No person shall, at the same time, be a state officer, a deputy state officer, or a member of the General Assembly, and an officer of any county, city, consolidated local government, or other municipality, or an employee thereof.

(2) The offices of justice of the peace, county judge/executive, surveyor, sheriff, deputy sheriff, coroner, constable, jailer, and clerk or deputy clerk of a court, shall be incompatible, the one (1) with any of the others. The office of county judge/executive and county school superintendent are incompatible.

(3) No person shall, at the same time, fill a county office and a municipal office. Notwithstanding the fact that consolidated local governments have both municipal and county powers, persons who hold the office of mayor or legislative council member of a consolidated local government shall not thereby be deemed to hold both a county office and a municipal office. Officers of consolidated local governments shall not, at the same time, fill any other county or municipal office.

(4) No person shall, at the same time, fill two (2) municipal offices, either in the same or different municipalities.

(5) The following offices shall be incompatible with any other public office:

(a) Member of the Public Service Commission of Kentucky;

(b) Member of the Workers' Compensation Board;

(c) Commissioner of the fiscal court in counties containing a city of the first class;

(d) County indexer;

(e) Member of the legislative body of cities of the first class;

(f) Mayor and member of the legislative council of a consolidated local government; ***and***

(g) Mayor and member of the legislative body in cities of the ***home rule*** ~~[second]~~ class~~[; and~~

~~(h) Mayor and member of council in cities of the fourth class]~~.

(6) No office in the Kentucky active militia shall be incompatible with any civil office in the Commonwealth, either state, county, district, or city.

(7) Service as a volunteer firefighter in a volunteer fire department district or fire protection district formed pursuant to KRS Chapter 65, 75, 95, or 273 shall not be incompatible with any civil office in the Commonwealth, whether state, county, district, or city.

➔Section 27. KRS 62.055 is amended to read as follows:

(1) Every county clerk, before entering on the duties of his office, shall execute bond to the Commonwealth, with corporate surety authorized and qualified to become surety on bonds in this state. Any county clerk holding office as of January 1, 1978, who has not executed bond as provided herein shall do so within thirty (30) days from February 9, 1978.

(2) In counties containing a consolidated local government or a city of the first class, the amount of the county clerk's bond shall be at least five hundred thousand dollars ($500,000). In~~[counties containing a city of the second class but not containing consolidated local governments and in]~~ counties containing an urban-county form of government, the amount of county clerk's bond shall be at least four hundred thousand dollars ($400,000). In counties containing a city of the ***home rule***~~[third]~~ class but not a city of the first~~[or second]~~ class, a consolidated local government, or an urban-county form of government, the amount of the county clerk's bond shall be at least one hundred thousand dollars ($100,000).~~[In counties containing a city of the fourth or fifth class, but not a city of the first, second, or third class, a consolidated local government, or an urban-county form of government, the amount of the county clerk's bond shall be at least seventy-five thousand dollars ($75,000). In counties containing a city of the sixth class, but not a city of the first, second, third, fourth, or fifth class, a consolidated local government, or an urban-county form of government, the amount of the county clerk's bond shall be at least fifty thousand dollars ($50,000).]~~

(3) The bond of the county clerk shall be examined and approved by the fiscal court, which shall record the approval in its minutes. The fiscal court shall record the bond in the county clerk's records and a copy of the bond shall be transmitted within one (1) month to the Department of Revenue, where it shall be recorded and preserved. Except in those counties where the fees of the county clerk are paid into the State Treasury, the premium on the county clerk's bond shall be paid by the county.

(4) Where circumstances in a particular county indicate that the amount of the bond may not be sufficient, the Department of Revenue may request the fiscal court to increase the bond as provided in KRS 62.060. The fiscal court shall then require a bond of sufficient amount to safeguard the Commonwealth.

➔Section 28. KRS 64.012 is amended to read as follows:

The county clerk shall receive for the following services the following fees:

(1) (a) Recording and indexing of a:

1. Deed of trust or assignment for the benefit of creditors;
2. Deed;
3. Real estate mortgage;
4. Deed of assignment;
5. Real estate option;
6. Power of attorney;
7. Revocation of power of attorney;
8. Lease which is recordable by law;
9. Deed of release of a mortgage or lien under KRS 382.360;
10. United States lien;
11. Release of a United States lien;
12. Release of any recorded encumbrance other than state liens;
13. Lis pendens notice concerning proceedings in bankruptcy;
14. Lis pendens notice;
15. Mechanic's and artisan's lien under KRS Chapter 376;
16. Assumed name;
17. Notice of lien issued by the Internal Revenue Service;
18. Notice of lien discharge issued by the Internal Revenue Service;
19. Original, assignment, amendment, or continuation financing statement;
20. Making a record for the establishment of a city, recording the plan or plat thereof, and all other service incident;
21. Survey of a city, or any part thereof, or any addition to or extensions of the boundary of a city;

22. Recording with statutory authority for which no specific fee is set, except a military discharge; and

23. Filing with statutory authority for which no specific fee is set.

For all items in this subsection if the entire thereof does not exceed

three (3) pages $12.00

And, for all items in this subsection exceeding three (3) pages,

for each additional page $3.00

And, for all items in this subsection for each additional reference

relating to same instrument $4.00

(b) The twelve dollar ($12) fee imposed by paragraph (a) of this subsection shall be divided as follows:

1. Six dollars ($6) shall be retained by the county clerk; and

2. Six dollars ($6) shall be paid to the affordable housing trust fund established in KRS 198A.710 and shall be remitted by the county clerk within ten (10) days following the end of the quarter in which the fee was received. Each remittance to the affordable housing trust fund shall be accompanied by a summary report on a form prescribed by the Kentucky Housing Corporation.

(2) Recording and indexing a file-stamped copy of documents set forth in KRS 14A.2-040(1) or (2) that have been filed first with the Secretary of State:

(a) The entire record thereof does not exceed three (3) pages $10.00

(b) And, exceeding three (3) pages, for each additional page $3.00

(3) Recording wills or other probate documents pursuant to KRS

Chapter 392 or 394 .....$ 8.00

(4) Recording court ordered name changes pursuant to KRS Chapter 401 .....$ 8.00

(5) For noting a security interest on a certificate of title pursuant to

KRS Chapter 186A $12.00

(6) For filing the release of collateral under a financing statement

and noting same upon the face of the title pursuant to KRS Chapter

186 or 186A $5.00

(7) Filing or recording state tax or other state liens $5.00

(8) Filing release of a state tax or other state lien $5.00

(9) Marginal release, noting release of any lien, mortgage, or redemption

other than a deed of release $8.00

(10) Acknowledging or notarizing any deed, mortgage, power of attorney,

or other written instrument required by law for recording and certifying

same $4.00

(11) Recording a land use restriction according to KRS 100.3681 .....$15.00

(12) Recording plats, maps, and surveys, not exceeding 24 inches by

36 inches, per page $20.00

(13) Recording a bond, for each bond $10.00

(14) Each bond required to be taken or prepared by the clerk $4.00

(15) Copy of any bond when ordered $3.00

(16) Administering an oath and certificate thereof $5.00

(17) Issuing a license for which no other fee is fixed by law $8.00

(18) Issuing a solicitor's license $15.00

(19) Marriage license, indexing, recording, and issuing certificate thereof $24.00

(20) Every order concerning the establishment, changing, closing, or discontinuing of roads, to be paid out of the county levy when the road is established, changed, closed, or discontinued, and by the applicant when it is not $3.00

(21) Registration of licenses for professional persons required to register with the county clerk $10.00

(22) Certified copy of any record $5.00
Plus fifty cents ($.50) per page after three (3) pages

(23) Filing certification required by KRS 65.070(2)(a) $5.00

(24) Filing notification and declaration and petition of candidates for Commonwealth's attorney $200.00

(25) Filing notification and declaration and petition of~~[candidates for office in cities of the fifth or sixth class and]~~ candidates for county and independent boards of education $20.00

(26) Filing notification and declaration and petition of candidates for boards of soil and water conservation districts $20.00

(27) Filing notification and declaration and petition of candidates for other office $50.00

(28) Filing declaration of intent to be a write-in candidate for office~~[other than municipal office in a city of the fifth or sixth class]~~ $50.00

(29) ~~[Filing declaration of intent to be a write-in candidate for municipal office in a city of the fifth or sixth class .....$20.00~~

~~(30)]~~Filing petitions for elections, other than nominating petitions $50.00

(30)~~[(31)]~~ Notarizing any signature, per signature $2.00

(31)~~[(32)]~~ Filing bond for receiving bodies under KRS 311.310 .....$10.00

(32)~~[(33)]~~ Noting the assignment of a certificate of delinquency and recording and indexing the encumbrance under KRS 134.126 or 134.127 .....$27.00

(33)~~[(34)]~~ Filing a going-out-of-business permit under KRS 365.445 .....$50.00

(34)~~[(35)]~~ Filing a renewal of a going-out-of-business permit under KRS 365.445 .....$50.00

(35)~~[(36)]~~ Filing a grain warehouseman's license under KRS 359.050 .....$10.00

(36)~~[(37)]~~ Filing and processing a transient merchant permit under KRS 365.680 .....$25.00

➔Section 29. KRS 64.530 is amended to read as follows:

(1) Except as provided in subsections (5) and (6) of this section, the fiscal court of each county shall fix the reasonable compensation of every county officer and employee except the officers named in KRS 64.535 and the county attorney and jailer. The fiscal court may provide a salary for the county attorney.

(2) For the purposes of this section, justices of the peace and constables in all counties shall be deemed to be county officers and deputies or assistants of county officers shall be deemed to be county employees, but employees of county boards or commissions which are now authorized by law to fix the compensation of their employees shall not be deemed to be county employees for the purposes of this section.

(3) In the case of officers compensated from fees, or partly from fees and partly by salary, the fiscal court shall fix the reasonable maximum compensation that any officer except the officers named in KRS 64.535 may receive from both sources. The fiscal court may also fix the reasonable maximum amount that the officer may expend each year for expenses of his office. The fiscal court shall fix annually the reasonable maximum amount, including fringe benefits, which the officer may expend for deputies and assistants, and allow the officer to determine the number to be hired and the individual compensation of each deputy and assistant. Any revenue received by a county clerk in any calendar year shall be used exclusively for the statutory duties of the county clerk and budgeted accordingly. At the conclusion of each calendar year, any excess fees remaining shall be paid to the fiscal court pursuant to KRS 64.152.

(4) In the case of county officers elected by popular vote and the county attorney, in the event the fiscal court provides him a salary, the monthly compensation of the officer and of his deputies and assistants shall be fixed by the fiscal court, consistent with the provisions of subsection (3) of this section, not later than the first Monday in May in the year in which the officers are elected, and the compensation of the officer shall not be changed during the term but the compensation of his deputies or assistants may be reviewed and adjusted by the fiscal court not later than the first Monday in May of any successive year upon the written request of the officer. On or before August 1, 1966, the fiscal court shall fix the salary provided herein for the county attorneys for the term commencing in January, 1966, notwithstanding any other provisions of this section which may be inconsistent herewith.

(5) Nothing in this section shall apply to property valuation administrators or their deputies, assistants, and expenses, in any county, or to the circuit court clerk, county clerk, sheriff, jailer, and their deputies, assistants, and expenses, in counties having a population of seventy thousand (70,000) or more. If a county's population that equaled or exceeded seventy thousand (70,000) is less than seventy thousand (70,000) after the most recent federal decennial census, then the provisions of KRS 64.368 shall apply.

(6) Justices of the peace serving on a fiscal court in any county, and county commissioners serving on a fiscal court in any county~~[other than one containing a city of the first, second, third, or fourth class,]~~ shall be paid for their services, out of the county treasury, not to exceed the maximum compensation allowable under KRS 64.527. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation shall be effective as to any member of a fiscal court during his term of office.~~[The compensation of county commissioners serving on fiscal courts in counties containing a city of the first class shall not exceed nine thousand six hundred dollars ($9,600) per year; in counties containing cities of the second class it shall not exceed nine thousand dollars ($9,000) per year; and in counties containing cities of the third or fourth class it shall not exceed twenty percent (20%) more than the annual compensation paid in the county for the calendar year immediately preceding 1974; and]~~ All of said annual salaries shall be payable monthly. Justices of the peace and county commissioners shall not receive any compensation for their services on the fiscal court, other than as provided by this section; provided, however, justices of the peace and county commissioners may receive no more than three thousand six hundred dollars ($3,600) annually or three hundred dollars ($300) per month as an expense allowance for serving on committees of the fiscal court. The fiscal court shall fix the amount to be received within the above limit, but no change of compensation except as provided in KRS 64.285 shall be effective as to any member of a fiscal court during his term of office.

➔Section 30. KRS 65.156 is amended to read as follows:

(1) The governing board of any local government retirement system created pursuant to KRS 67A.320, 67A.340, 67A.360 to 67A.690, 79.080, 90.400, 90.410, 95.290, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.784, 95.851 to 95.884, or KRS Chapter 96 shall submit the retirement system to an actuarial evaluation at least once every three (3) years, if the system provides a defined benefit. The evaluation shall be prepared by an actuary who is a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, or an enrolled actuary under the Employees' Retirement Income Security Act of 1975. The board shall send a copy of the most recent evaluation to the librarian of the Legislative Research Commission by September 1, 1982, and thereafter the board shall send a copy of each new evaluation within ten (10) days of receipt.

(2) Actuaries performing evaluations pursuant to this section shall use the entry age normal cost funding method. Their reports shall include a definition of each actuarial term and an explanation of each actuarial assumption

used. Assumptions shall be reasonably related to the experience of the system and represent the actuary's best estimate of anticipated experience.

(3) Any city or municipal agency with a retirement system created pursuant to KRS 79.080, 90.400, 90.410, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.784, 95.851 to 95.884, or KRS Chapter 96 which is closed to new members pursuant to KRS 78.530, 95.520, 95.621, or 95.852 shall, if its local pension system provides a defined benefit, contribute annually to the pension system, for the benefit of the retirees of the system and the active participants who choose to remain in the system, and~~[in cities of the second class]~~ for the benefit of members who have completed at least twenty (20) years' service and withdrawn from service pursuant to KRS 95.857, an amount equal to that which would be required pursuant to the funding standards of KRS 95.868, plus so much of the principal amount of any unfunded prior service liability as the actuary states is necessary to maintain cash flow adequate to pay retiree and beneficiary payments until financial obligations to all retirees and beneficiaries are fully satisfied.

(4) All lawful expenses for general administration, performance bonds, medical, actuarial, accounting, auditing, legal, and investment services of a retirement system listed in subsection (1) of this section shall be paid from the pension fund. Actuaries performing evaluations pursuant to this section shall include estimates of the expenses in their recommendations for pension system funding, and local governments shall add payments for the expenses to their annual contributions to their respective retirement systems.

(5) A city or city agency, consolidated local government, or urban-county government may, pursuant to KRS 67A.340, 79.080, 90.410, or KRS Chapter 96 as applicable, provide for the retirement security of its employees through the creation of a money purchase or defined contribution plan qualified under Section 401(a) of the Internal Revenue Code of 1954 as amended. City employee deferred compensation plans created pursuant to KRS 18A.270, or money purchase or defined contribution plans, qualified under Section 401(a) of the Internal Revenue Code of 1954 as amended, which by their nature cannot have an unfunded liability, shall not be subject to the actuarial evaluation requirements of this section, and shall not be subject to termination for purposes of employee entry into the County Employees Retirement System, as required by KRS 78.530, 79.080, 90.410, and 96.180.

(6) No city or county, except an urban-county, or special district, nor any agency or instrumentality of a city or county or special district shall create or maintain for its officers or employees a defined benefit retirement system, which by its nature can have an unfunded liability. The provisions of this subsection shall not preclude employer contributions for city managers or other appointed local government executives who participate, pursuant to KRS 78.540, in a retirement system which operates in more than one (1) state, nor the continuation of a local government defined benefit retirement system which has been closed to new members but which must fulfill its obligations to current active members, retirees, and beneficiaries. Notwithstanding any provision to the contrary, the provisions of this subsection shall not apply to length of service awards programs established for the benefit of volunteer firefighters and volunteer life squad and volunteer rescue personnel.

(7) Notwithstanding any provision to the contrary, any city or county may establish awards programs that recognize the length of service to the community by volunteer firefighters, volunteer life squads, and volunteer rescue personnel.

➔Section 31. KRS 65.7623 is amended to read as follows:

(1) There is hereby created the Commercial Mobile Radio Service Emergency Telecommunications Board of Kentucky, the "CMRS Board," consisting of ten (10) members, appointed by the Governor as follows: two (2) members shall be employed by or representative of the interest of CMRS providers, of which, one (1) shall be a representative of a Tier III CMRS provider; one (1) member shall be a mayor of a city~~[of the first or second class]~~ or urban-county government or his or her designee containing a public safety answering point; one (1) member shall be appointed from a list of local exchange landline telephone companies' representatives submitted by the Kentucky Telephone Association; one (1) member shall be a director of a certified public safety answering point operated by a local governmental entity or a consolidated group of local governmental entities appointed from lists of candidates submitted to the Governor by the Kentucky Firefighters Association, the State Association of Chiefs of Police, and the Kentucky Ambulance Providers Association; two (2) members shall be appointed from lists of candidates submitted to the Governor by the Kentucky Emergency Number Association and the Association of Public Communications Officials; and one (1) member shall be a director of a certified public safety answering point operated by a local government entity or a consolidated group of local governmental entities. The commissioner of the Department of Kentucky State Police, or the commissioner's designee, and the CMRS emergency telecommunications administrator also shall be members of the board. Any vacancy on the board shall be filled in the same manner as the original appointment.

(2) The commissioner and administrator shall serve by virtue of their office. The other members shall be appointed no later than August 15, 1998, for a term of four (4) years and until their successors are appointed and qualified, except that of the first appointments, one (1) shall be for a term of one (1) year, one (1) shall be for a term of two (2) years, one (1) for a term of three (3) years, and two (2) shall be for a term of four (4) years. Any member missing three (3) consecutive meetings may be removed by a majority vote of the remaining voting members.

(3) In addition to the administrator, the Kentucky Office of Homeland Security shall provide staff services and carry out administrative duties and functions as directed by the board. The board shall be attached to the Kentucky Office of Homeland Security for administrative purposes only and shall operate as an independent entity within state government.

(4) The board members shall serve without compensation but shall be reimbursed in accordance with KRS 45.101 for expenses incurred in connection with their official duties as members of the board.

(5) All administrative costs and expenses incurred in the operation of the board, including payments under subsection (4) of this section, shall be paid from that portion of the CMRS fund that is authorized under KRS 65.7631 to be used by the board for administrative purposes.

➔Section 32. KRS 67.060 is amended to read as follows:

(1) If a majority of the votes cast at an election held under KRS 67.050 are in favor of the fiscal court being composed of the county judge/executive and three (3) commissioners, the county judge/executive shall, no later than the first Monday in January in the year of the regular election for county officers, divide the county into three (3) districts as nearly equal in population as practicable, and shall establish the boundary lines of each of the three (3) commissioner districts so that each district is an unbroken area and not split or divided by another commissioner district. At the next regular election for county officers, and every four (4) years thereafter, there shall be elected by the voters of the entire county three (3) commissioners, one (1) from each district who, with the county judge/executive, shall constitute the fiscal court.

(2) (a) In any county containing a city of the first class, which county has heretofore voted in favor of a fiscal court composed of the county judge/executive and three (3) county commissioners, the county judge/executive shall divide the county into three (3) districts as provided in subsection (1) of this section, the districts to be designated for identification purposes by the letters A, B and C, respectively.

(b) The three (3) commissioners shall be elected by the qualified voters of the county at large at regular elections held every four (4) years. One commissioner shall represent District A and shall be elected at the regular election in the year 1973, and two (2) commissioners who shall represent Districts B and C, respectively, shall be elected at the regular election in the year 1975.

(3) Persons seeking the nomination of a political party as candidate for the office of county commissioner shall, where a primary election is required for such political party, be voted upon exclusively by the eligible voters of the district in which the person resides and seeks to represent. Persons seeking the nomination of a minor political party~~[,]~~ persons who file as independent candidates or persons seeking the nomination in counties containing ***a city with a population equal to or greater than eight thousand (8,000) as determined by the most recent federal decennial census***~~[cities of the second or third]~~ but not a city of the first class shall not be subject to the provisions of this paragraph. They shall be nominated by the voters of the entire county.

(4) To be eligible for election as a commissioner representing one of the three (3) districts, a person shall have been a bona fide resident of the district he proposes to represent for at least one (1) year immediately preceding the election, and, upon election, shall continue to reside within the district he was elected to represent for the duration of his term of office, under penalty of forfeiture of the office.

(5) Commissioners elected under this section shall take the oath of office and enter upon the discharge of their duties on the first Monday in January after their election, and shall serve for terms of four (4) years and until their successors are elected and qualify, or until the effective date of a return to a fiscal court composed of justices of the peace and the county judge/executive.

(6) No person is eligible to be a county commissioner unless he is at least twenty-four (24) years of age and has been for two (2) years next preceding his election a resident of the county and a citizen of Kentucky.

➔Section 33. KRS 67.180 is amended to read as follows:

(1) The fiscal court of each county***, except a county*** containing a city of the ***first***~~[second, fourth, fifth or sixth]~~ class may, in its discretion, for the protection of the public and its employees, appropriate county funds to purchase policies of insurance of all kinds deemed advisable, covering vehicles operated by the county, and compensation insurance covering employees of the county receiving injuries arising out of and in the course of employment.

(2) Suits instituted on such policies may be maintained against the county only for the purpose of obtaining a judgment which when final shall measure the liability of the insurance carrier to the injured party for whose benefit the insurance policy was issued, but not to be enforced or collectible against the county or fiscal court or the members thereof.

➔Section 34. KRS 67.185 is amended to read as follows:

The fiscal court~~[,]~~ in each county~~[,]~~ having therein a city of the first~~[or third]~~ class~~[,]~~ may, in its discretion, for the protection of the public and its employees~~[,]~~ appropriate county funds to purchase policies of insurance~~[,]~~ of all kinds~~[,]~~ deemed advisable~~[,]~~ covering motor vehicles and other vehicles operated by the county, and compensation insurance covering employees of the county receiving injuries arising out of and in the course of employment; provided, the insurance carrier, by its policy of insurance, waives therein the right to contest or deny liability, by denying the liability of the county because of its governmental capacity and immunity on that account, and, provided, said policy of insurance shall bind the company to pay any final judgment rendered against the county for loss, or damage to property of any person or death or injury of any person.

➔Section 35. KRS 67.323 is amended to read as follows:

(1) Any county ***that has not established a county police merit system, as provided by KRS 78.400 to 78.460 and 78.990*** may, by order of its fiscal court, duly made and entered of record, create a county fire department merit system, and for that purpose establish a county fire department merit board, whose duties it shall be to classify and examine applicants seeking employment as firefighters or employees of the fire department of the said county, and, in addition, to promulgate rules and regulations governing the classification, qualification, examination, appointment, promotion, demotion, fine, suspension and other disciplinary action within the said county fire department of all personnel of the county fire department or departments affected as provided in this section and KRS 67.325 and 78.425, and, in addition thereto, to hold such hearings, public and executive, and impose such penalties upon the personnel affected as provided in this section, KRS 67.325 and 78.425.

(2) Fiscal courts affected hereby shall make appropriations of money for the reasonable and necessary expenses of the said board.

(3) KRS 78.410 to 78.460 and 78.990 shall be followed in the establishing of a county fire department merit system as provided in this section. All terms referring to the county police force, by context or definition, shall be taken to mean county fire department. Other terms mean:

(a) "Board" means the county fire department merit board created by subsection (1).

(b) "Chief" means the chief of the county fire department affected by this section, KRS 67.325 and 78.425.

(c) "Assistant chief" means the next in command to the chief of the county fire department affected by this section, KRS 67.325 and 78.425.

(d) "Secretary" means the executive secretary and examiner employed by the county fire department merit board created by this section, KRS 67.325 and 78.425.

(e) "Officer" means any member of the county fire department affected by this section, KRS 67.325 and 78.425.

(f) "Employee" means all other employees of the county fire department affected by this section, KRS 67.325 and 78.425.

~~[(4) This section applies to counties containing a city of the second class which have not established county police merit systems as provided by KRS 78.400 to 78.460 and 78.990.]~~

➔Section 36. KRS 67.750 is amended to read as follows:

As used in KRS 67.750 to 67.790, unless the context requires otherwise:

(1) "Business entity" means each separate corporation, limited liability company, business development corporation, partnership, limited partnership, sole proprietorship, association, joint stock company, receivership, trust, professional service organization, or other legal entity through which business is conducted;

(2) "Compensation" means wages, salaries, commissions, or any other form of remuneration paid or payable by an employer for services performed by an employee, which are required to be reported for federal income tax purposes and adjusted as follows:

(a) Include any amounts contributed by an employee to any retirement, profit sharing, or deferred compensation plan, which are deferred for federal income tax purposes under a salary reduction agreement or similar arrangement, including but not limited to salary reduction arrangements under Section 401(a), 401(k), 402(e), 403(a), 403(b), 408, 414(h), or 457 of the Internal Revenue Code; and

(b) Include any amounts contributed by an employee to any welfare benefit, fringe benefit, or other benefit plan made by salary reduction or other payment method which permits employees to elect to reduce federal taxable compensation under the Internal Revenue Code, including but not limited to Sections 125 and 132 of the Internal Revenue Code;

(3) "Fiscal year" means "fiscal year" as defined in Section 7701(a)(24) of the Internal Revenue Code;

(4) "Employee" means any person who renders services to another person or business entity for compensation, including an officer of a corporation and any officer, employee, or elected official of the United States, a state, or any political subdivision of a state, or any agency or instrumentality of any one (1) or more of the above. A person classified as an independent contractor under the Internal Revenue Code shall not be considered an employee;

(5) "Employer" means "employer" as defined in Section 3401(d) of the Internal Revenue Code;

(6) "Gross receipts" means all revenues or proceeds derived from the sale, lease, or rental of goods, services, or property by a business entity reduced by the following:

(a) Sales and excise taxes paid; and

(b) Returns and allowances;

(7) "Internal Revenue Code" means the Internal Revenue Code in effect on December 31, 2008, as amended;

(8) "Net profit" means gross income as defined in Section 61 of the Internal Revenue Code minus all the deductions from gross income allowed by Chapter 1 of the Internal Revenue Code, and adjusted as follows:

(a) Include any amount claimed as a deduction for state tax or local tax which is computed, in whole or in part, by reference to gross or net income and which is paid or accrued to any state of the United States, local taxing authority in a state, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any foreign country or political subdivision thereof;

(b) Include any amount claimed as a deduction that directly or indirectly is allocable to income which is either exempt from taxation or otherwise not taxed;

(c) Include any amount claimed as a net operating loss carryback or carryforward allowed under Section 172 of the Internal Revenue Code;

(d) Include any amount of income and expenses passed through separately as required by the Internal Revenue Code to an owner of a business entity that is a pass-through entity for federal tax purposes; and

(e) Exclude any amount of income that is exempt from state taxation by the Kentucky Constitution or the Constitution and statutory laws of the United States;

(9) "Sales revenue" means receipts from the sale, lease, or rental of goods, services, or property;

(10) "Tax district" means a city~~[of the first to fifth class]~~, county, urban-county, charter county, consolidated local government, school district, special taxing district, or any other statutorily created entity with the authority to levy net profits, gross receipts, or occupational license taxes;

(11) "Taxable gross receipts," in case of a business entity having payroll or sales revenues both within and without a tax district, means gross receipts as defined in subsection (6) of this section, as apportioned under KRS 67.753;

(12) "Taxable gross receipts," in case of a business entity having payroll or sales revenue only in one (1) tax district, means gross receipts as defined in subsection (6) of this section;

(13) "Taxable net profit," in case of a business entity having payroll or sales revenue only in one (1) tax district, means net profit as defined in subsection (8) of this section;

(14) "Taxable net profit," in case of a business entity having payroll or sales revenue both within and without a tax district, means net profit as defined in subsection (8) of this section, as apportioned under KRS 67.753;~~[and]~~

(15) "Taxable year" means the calendar year or fiscal year ending during the calendar year, upon the basis of which net income or gross receipts is computed***; and***

(16) "City" means a city with a population equal to or greater than one thousand (1,000) based on the most recent federal decennial census and any city with a population of less than one thousand (1,000) based on the most recent federal decennial census that, prior to January 1, 2014, imposed a license fee at a percentage rate on salaries, wages, commission, or other compensation for work done or services performed within the city or on the net profits or gross receipts of businesses, professions, or occupations from activities conducted within the city.

➔Section 37. KRS 67A.500 is amended to read as follows:

(1) Upon withdrawal from service prior to retirement, a member shall be entitled to receive a refund of the amount of contributions made by the member or picked up by the urban-county government pursuant to KRS 67A.510(2) after the date of establishment, without interest. Payments of picked up employee contributions shall be subject to state and federal tax as appropriate.

(2) Any member receiving a refund of contributions shall thereby ipso facto forfeit, waive, and relinquish all accrued rights and benefits in the system, including all credited and creditable service. The board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed six (6) months after receipt of an application from a member.

(3) Any member who has received a refund shall be considered a new member upon subsequent reemployment if such person qualifies for membership under KRS 67A.360 to 67A.690. Any member who is reemployed after withdrawing from service and who received a refund of contributions shall, within ninety (90) days of his reemployment or prior to retirement, whichever occurs first, make a repayment to the system of the amount or amounts previously received as a refund, including interest at the rate determined by the board to be the actual rate of return on investments made by the board, but not less than three percent (3%) per annum, from the dates of the refund to the date of repayment, compounded annually. Upon the restoration of such refunds, such member shall have reinstated to his account all credited service represented by the refunds of which repayment has been made. Repayment of refunds by any member shall include all refunds received by a member prior to the date of his last withdrawal from service, with interest, and shall be made in a single lump sum payment. Repayments shall not be picked up by the urban-county government. If repayment is not made within the specified time period, the member shall have forever forfeited, waived, and relinquished the right to have reinstated to his account the credited service represented by the refunds for which repayment was not made, but shall not be precluded from purchasing service credit as provided in KRS 67A.402 if the member began participating in the fund prior to March 14, 2013.

(4) Any member who has received, or who is entitled to receive, a refund, but who within six (6) months of becoming entitled to receive such refund, qualifies for membership under the provisions of a fund in effect in another government~~[, or city of the second class,]~~ adopted pursuant to law, shall have the option of paying his refund into such other fund, in which event he shall be deemed a member of such other fund and his account therein shall be credited with all contributions, including those picked up pursuant to KRS 67A.510(2), and service under his original fund.

➔Section 38. KRS 67A.570 is amended to read as follows:

The board may invest the moneys accruing to the fund, in interest-bearing bonds of any county, urban-county government or city~~[of the first, second, or third class]~~ in this Commonwealth, or in any securities in which trustees are permitted to invest trust funds under the laws of this Commonwealth, or in international or other securities as permitted under federal law. Such bonds shall be registered in the name of the board to the extent possible. The securities acquired by the board shall be deposited with the commissioner of finance and shall be subject to the order of the board. The board may at the cost of the pension fund employ or engage consultants to provide investment advice to aid the board in its determinations.

➔Section 39. KRS 67A.600 is amended to read as follows:

(1) It is the intention of KRS 67A.360 to 67A.690 that the fund herein created shall supersede and take the place of the pension fund established under KRS 95.851 to 95.884 inclusive, for cities~~[of the second class]~~

becoming urban-county governments, which sections shall be without force and effect, insofar as applicable to such urban-county governments~~[, but said sections shall remain in full force and effect as relates to other cities of the second class]~~.

(2) The fund created by KRS 67A.360 to 67A.690 shall succeed to and assume as of July 1, 1974, all assets of such pension funds, and shall continue to make payment of all annuities, pensions, and benefits granted by superseded pension funds at the rates previously fixed and under the conditions previously in effect, except as provided in subsection (3) of this section.

(3) (a) Persons who retired under the provisions of KRS 95.520 to 95.620, or 95.851 to 95.884 in a city which subsequently was merged into an urban-county government, or their surviving spouses or eligible children, shall receive an upward adjustment in their retirement or survivor's annuity by calculation of a two percent (2%) annual increase compounded, from July 1, 1974, until July 15, 1980, and annual increases compounded, from July 15, 1980, until July 15, 1990, in the same percentage amount by which the pension board increased other pensions pursuant to KRS 67A.690(1) for those same years. The survivor's annuity shall be determined as if the retired member's annuity had been increased annually by two percent (2%) compounded from July 1, 1974, until July 15, 1980, and annual increases compounded, from July 15, 1980, until July 15, 1990, in the same percentage amount by which the pension board increased other pensions pursuant to KRS 67A.690(1) for those same years. For purposes of calculation, the member's or survivor's first increase shall occur July 1, 1974, but only after the member was retired for one (1) year or attained age fifty-one (51), whichever was later, or would have been retired one (1) year or reached the age of fifty-one (51), whichever was later, in the event the member died before being retired one (1) year or reaching the age of fifty-one (51), unless retirement was under disability, in which case age and length of retirement criteria shall not apply.

(b) After calculation of the new annuity level, persons affected by this section shall be granted the same annual increase granted to retirees pursuant to KRS 67A.690(1), and the annuity on which this cost-of-living increment is based shall be the annuity level reached through the addition of annual compounded increases calculated pursuant to paragraph (a) of this subsection. If the member has not attained the age of fifty-one (51) or would not have attained the age of fifty-one (51) in the event the member is deceased, then the member or survivor shall receive increases of two percent (2%) compounded annually until the member attains or would have attained age fifty-one (51), at which time the same annual increase granted to retirees who retired pursuant to KRS 67A.690(1) shall apply. In addition, each annuitant or surviving spouse or eligible child shall receive a one-time lump-sum payment of five hundred dollars ($500).

(4) The provisions of subsection (3) of this section shall not apply to any retiree or surviving spouse who receives a minimum retirement annuity, annually adjusted, pursuant to 1972 Acts Chapter 185, Section 1, but each such retiree or surviving spouse shall receive a one-time lump-sum payment of five hundred dollars ($500). If, in the future, any retiree or spouse annuity granted pursuant to this section falls below the adjusted minimum annuity, the affected retiree or spouse shall be granted, from that time forward, the adjusted minimum annuity calculated pursuant to 1972 Acts Chapter 185, Section 1.

➔Section 40. KRS 68.200 is amended to read as follows:

(1) As used in this section, unless the context clearly indicates otherwise:

(a) Motor vehicle means "vehicle" as defined in KRS 186.010(8)(a);

(b) Retailer means "retailer" as defined in KRS 139.010; and

(c) Gross rental charge means "gross rental charge" as defined in KRS 138.462(4).

(2) A county containing a ***designated city, consolidated local government,*** ~~[city of the first, second, or third class]~~ or urban-county government may levy a license fee on the rental of motor vehicles which shall not exceed three percent (3%) of the gross rental charges from rental agreements for periods of thirty (30) days or less. The license fee shall apply to retailers who receive more than seventy-five percent (75%) of their gross revenues generated in the county from gross rental charges. Any license fee levied pursuant to this subsection shall be collected by the retailer from the renters of the motor vehicles.

(3) Revenues from rental of motor vehicles shall not be included in the gross rental charges on which the license fee is based if:

(a) The declared gross weight of the motor vehicle exceeds eleven thousand (11,000) pounds; or

(b) The rental is part of the services provided by a funeral director for a funeral; or

(c) The rental is exempted from the state sales and use tax pursuant to KRS 139.470.

(4) A fiscal court or the legislative body of an urban-county government shall provide for collection of the license fee in the ordinance by which the license fee is levied. The revenues shall be deposited in an account to be known as the motor vehicle license fee account. The revenues may be shared among local governments pursuant to KRS 65.245.

(5) The county shall use the proceeds of the license fee for economic development activities. It shall distribute semiannually, by June 30 and December 31, all revenues not shared pursuant to KRS 65.245, to one (1) or more of the following entities if it has established, or contracted with, the entity for the purposes of economic development and is satisfied that the entity is promoting satisfactorily the county's economic development activities:

(a) A riverport authority established by the county pursuant to KRS 65.520; or

(b) An industrial development authority established by the county pursuant to KRS 154.50-316; or

(c) A nonprofit corporation as defined in KRS 273.161(4) which has been organized for the purpose of promoting economic development.

The entity shall make a written request for funds from the motor vehicle license fee account by May 31 and November 30, respectively.

(6) (a) As used in this section, "designated city" means a city on the registry maintained by the Department for Local Government under this subsection.

(b) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the first, second, and third class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 41. KRS 68.202 is amended to read as follows:

(1) A county containing a ***designated*** city~~[of the second class]~~ may levy a license fee not to exceed two percent (2%) on the gross receipts of all cable television systems within its boundaries, including systems franchised by cities within the county.

(2) The fiscal court shall provide for collection of the license fee in the ordinance by which the license fee is levied. The revenues shall be deposited in an account to be known as the cable television license fee account.

(3) The county shall use the proceeds of the license fee only to provide teleconferencing facilities and equipment and television production services, equipment, and facilities pursuant to an arrangement with the Kentucky Authority for Educational Television, as specifically authorized by the General Assembly.

(4) A county which has adopted the license fee authorized by subsection (1) of this section, and any cities within the county, shall not levy a franchise fee exceeding three percent (3%) of the gross receipts of its franchised cable television system.

(5) (a) As used in this section, "designated city" means a city on the registry maintained by the Department for Local Government pursuant to this subsection.

(b) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the second class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 42. KRS 69.010 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, the Commonwealth's attorney shall, except in Franklin County, attend to all civil cases and proceedings in which the Commonwealth is interested in the Circuit Courts of his judicial circuit. In civil cases the Governor may employ counsel to assist the Commonwealth's attorney. The fees of the counsel employed by the Governor shall be paid out of the State Treasury upon a voucher signed by the Governor.

(2) In each judicial circuit containing a city of the first~~[or second]~~ class~~,[or]~~ an urban-county government, ***or any city with a population of twenty-five thousand (25,000) or more,*** the Commonwealth's attorney shall not be required to represent the Commonwealth in any civil proceedings.

➔Section 43. KRS 69.105 is amended to read as follows:

~~[In counties containing a city of the second class,]~~The stenographer for the Commonwealth's attorney shall have the same power of administering an oath as a notary public.

➔Section 44. KRS 70.320 is amended to read as follows:

(1) ***As used in this section:***

(a) "Authorized county" means a county containing either an eligible city or a consolidated local government; and

(b) "Eligible city" means a city on the registry maintained by the Department for Local Government under subsection (5) of this section.

(2) The appointment of deputy constables shall be ***allowed only in*** authorized~~[only in]~~ counties~~[containing a first or second class city or a consolidated local government]~~. In ***authorized*** counties~~[containing a city of the first[or second] class or a consolidated local government]~~, each constable may appoint one (1) or more deputies with the consent of the county judge/executive or the mayor, in a consolidated local government, as the case may be. The constable and his or her surety are liable on his or her bond for all the acts and omissions of his or her deputies.

(3)~~[(2)]~~ Deputy constables may be removed at any time for any cause deemed sufficient by the constable by order of the county judge/executive or the mayor in a consolidated local government, as the case may be, entered after filing of a written direction by the constable.

(4)~~[(3)]~~ Each deputy constable in counties containing a consolidated local government or city of the first class shall be compensated for his or her services by salary fixed by the consolidated local government or fiscal court, and paid out of the levy of the consolidated local government or county.

(5) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the first or second classes. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 45. KRS 74.120 is amended to read as follows:

(1) All or any part of an incorporated city may be included in the boundaries of any existing water district or water district being newly organized, provided the governing body of such city by resolution or ordinance gives, or has given, its consent. Said consent may be limited to water, gas or sewage service, and the authority of the water district to serve the area of the incorporated city shall be limited by the exclusion of any type of service from the consent given. Any city which has been included in the boundaries of a water district for ten (10) or more years shall be deemed to have given its consent to the service, whether water, gas, or sewage, which has been provided for such period. The acquisition by a water district of an existing franchise for a water, gas, or sewage distribution system within such a city, whether by purchase, assignment or otherwise, shall be deemed to constitute the consent of the city which granted the franchise in the first instance, but only for the purpose of operating the type of distribution system for which the franchise was granted.

(2) The commission may contract with any city which is not included within the boundaries of the district for the purpose of furnishing water, gas or sewage services to the residents of such city and may contract with any city for the purpose of obtaining water, gas or sewage services for the use of the district.

(3) When the commission shall contract with any city~~[of the first five (5) classes]~~ in the manner prescribed in this section, such city shall be deemed a part of the district during the life of the contract, but only for the purpose of carrying out the provisions of the contract. Nothing herein shall impair the ownership by the contracting city of its own system, or empower the district to take any action not authorized by the contract.

➔Section 46. KRS 74.370 is amended to read as follows:

(1) Any water district, created in the manner provided in KRS 74.010 to 74.070, both inclusive, may if the commissioners of such water district deem it feasible, build, or acquire or enlarge a water system without resort to, or in combination with, the right to levy assessments for the cost of such water system, as is provided

in KRS 74.130 to 74.240, both inclusive, and may obtain the funds with which to build, acquire or enlarge such system by the issuance of revenue bonds, payable solely from the revenue to be derived from the operation of such system, or payable partially from revenues and partially from assessments.

(2) In the event the commissioners shall decide to finance the cost of such construction, acquisition or enlargement by the issuance of revenue bonds, secured solely by the revenue of the system or partially by the revenue of the system and partially by assessments, the commission shall note such decision by appropriate resolution, and shall thereafter proceed under the provisions of KRS 96.350 to 96.510, both inclusive, and the water district and the commission shall have the same powers and duties as a city~~[of the second to sixth class]~~ inclusive under the provisions of KRS 96.350 to 96.510, both inclusive. However, the water district and the commission shall not be limited solely to the revenue of the system in securing revenue bonds so issued.

➔Section 47. KRS 76.010 is amended to read as follows:

(1) In the interest of the public health and for the purpose of providing adequate sewer and drainage facilities in and around each city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the first and second classes]~~ and in each county containing ***a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[such city]~~, there may be created and established a joint metropolitan sewer district under the provisions of KRS 76.010 to 76.210, having the powers, duties and functions as herein prescribed, to be known by and under the name of .... (Name of city~~[of the first or second class]~~) and .... (Name of county) metropolitan sewer district, which district under that name shall be a public body corporate, and political subdivision, with power to adopt, use, and alter at its pleasure a corporate seal, sue and be sued, contract and be contracted with, and in other ways to act as a natural person, within the purview of KRS 76.010 to 76.210.

➔Section 48. KRS 76.070 is amended to read as follows:

(1) When the district created under KRS 76.010 to 76.210 has organized, thereupon and by virtue of KRS 76.010 to 76.210, the existing sewer and drainage system and facilities of the city ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~, together with all contracts, books, maps, plans, papers and records, of whatever description pertaining to or relating to the design, construction, maintenance, operation, and affairs of the existing sewer and drainage system, shall be assigned, transferred, and dedicated to the use of and be in possession, and under the jurisdiction, control, and supervision, of the district under KRS 76.010 to 76.210 created, and the district is empowered to take possession thereof for its use and purposes. The district created under KRS 76.010 to 76.210 shall thereafter have complete jurisdiction, control, possession, and supervision, of the existing sewer and drainage system, and of all of the facilities of the city~~[of the first or second class]~~ for the disposal of sewage and storm water, and shall continue to exercise such power so long thereafter as any bonds or liabilities of the district remain unpaid or have not been otherwise discharged. When all of the bonds issued by the district and all its obligations have been paid in full or have been otherwise discharged, the district shall nevertheless continue to function as contemplated by KRS 76.010 to 76.210 until dissolved and disposition of its property and assets provided for.

(2) The rights and powers given in this section shall apply in the whole of the district area.

(3) The board shall make and spread upon its records adequate descriptions, by map or otherwise, of the district area.

➔Section 49. KRS 76.080 is amended to read as follows:

The district created under the provisions of KRS 76.010 to 76.210 is empowered:

(1) To have jurisdiction, control, possession, and supervision of the existing sewer and drainage system of the city ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~; to maintain, operate, reconstruct, and improve the same as a comprehensive sewer and drainage system; to make additions, betterments, and extensions thereto within the district area; and to have all the rights, privileges, and jurisdiction necessary or proper for carrying such powers into execution. No enumeration of powers in KRS 76.010 to 76.210 shall operate to restrict the meaning of this general grant of power or to exclude other powers comprehended within this general grant.

(2) To prepare or cause to be prepared and to be thereafter revised and adopted, plans, designs, and estimates of costs, of a system of trunk, intercepting, connecting, lateral, and outlet sewers, storm water drains, pumping and ventilating stations, disposal and treatment plants and works, and all other appliances and structures which in the judgment of the board will provide an effective and advantageous means for relieving the district area from inadequate sanitary and storm water drainage and from inadequate sanitary disposal and treatment of the

sewage thereof, or such sections or parts of such system of the district area as the board may from time to time deem proper or convenient to construct, consistent with the plans and purposes of KRS 76.010 to 76.210, and may take all steps the board deems proper and necessary to effect the purposes of KRS 76.010 to 76.210.

(3) To construct any additions, betterments and extensions to the facilities of the district, within or without the district area, and to construct any construction subdistrict facilities or additions, betterments and extensions thereto, within or without the district area, by contract or under, through, or by means of its own officers, agents and employees. No construction or extensions shall be started within the city ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~ until, firstly, the city's director of works, and secondly, its board of aldermen have approved the plans. No construction or extensions shall be started in any city ***with a population greater than three thousand (3,000) but less than one hundred thousand (100,000) based upon the most recent federal decennial census***~~[of the second, third, or fourth class]~~ until the governing authorities of such city or cities have approved the plans. No construction or extensions shall be started in any other part of the county until the plans have been approved, firstly, by the county engineer and, secondly, by the fiscal court.

(4) To establish, construct, operate, and maintain, as a part of the sewer and drainage system of the district, sewage treatment and disposal plants and systems and all the appurtenances and appliances thereunto belonging. The sewage treatment and disposal plants may be located in the city, or beyond the limits of the city in the county in which the city is located, as the board deems expedient.

(5) To acquire and hold the personal property the board deems necessary and proper for carrying out the corporate purposes of the district and to dispose of personal property when the district has no further need therefor.

(6) To acquire by purchase, gift, lease, or by condemnation, real property or any interest, right, easement, or privilege therein, as the board determines necessary, proper and convenient for the corporate purposes of the district, and to use the same so long as its corporate existence continues, and same is necessary or useful for the corporate purposes of the district. Condemnation proceedings may be instituted in the name of the district pursuant to a resolution of the board declaring the necessity for the taking, and the method of condemnation shall be the same as provided in the Eminent Domain Act of Kentucky. When the board by resolution declares that any real property which it has acquired, or any interest therein, is no longer necessary or useful for the corporate purposes of the district, the real property and interest therein may be disposed of.

(7) To make bylaws and agreements for the management and regulation of its affairs and for the regulation of the use of property under its control and for the establishment and collection of sewer rates, rentals and charges, which sewer rates, rentals and charges, applicable within the limits of a city ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~, shall be subject to the approval, supervision and control of the legislative body of the city as hereinafter provided.

(8) To make contracts and execute all instruments necessary or convenient in the premises.

(9) To borrow money and to issue negotiable bonds and to provide for the rights of the holders thereof.

(10) To fix and collect sewer rates, rentals, and other charges, for services rendered by the facilities of the district, which sewer rates, rentals, and other charges, applicable within the limits of a city ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~, shall be subject to the approval, supervision and control of the legislative body of such city as hereinafter provided.

(11) To enter on any lands, waters and premises for the purpose of making surveys, and soundings and examinations.

(12) To approve or revise the plans and designs of all trunk, intercepting, connecting, lateral and outlet sewers, storm water drains, pumping and ventilating stations, disposal and treatment plants and works proposed to be constructed, altered or reconstructed by any other person or corporation, private or public, in the whole county, in order to insure that such proposed construction, alteration or reconstruction shall conform to and be a part of a comprehensive sewer and drainage system for the said county. No sewers, drains, pumping and ventilating stations, or disposal and treatment plants or works shall be constructed, altered or reconstructed without approval by the board of the district. Any such work shall be subject to inspection and supervision of the district.

➔Section 50. KRS 76.150 is amended to read as follows:

(1) Subsections (2) through (4) have no application to construction subdistrict bonds or obligations. All references to revenues, rates, rentals, charges, or collections in subsections (2) and (3) exclude those derived from or

made on account of construction subdistricts. District facilities referred to in subsections (2) and (3) exclude construction subdistrict facilities.

(2) The district may, from time to time, issue its negotiable interest-bearing revenue bonds for any of its corporate purposes, and it may also, from time to time, issue its negotiable interest-bearing revenue bonds to refund any of its bonds at maturity or pursuant to redemption provisions, or at any time before maturity with the consent of the holders. All the bonds, including interest, are payable solely from and secured only by revenues of the district realized through the collection of rates, rentals, or other charges, imposed for use of the facilities of the district. The bonds shall be authorized by resolution of the board and shall bear the dates, mature at the times not exceeding forty (40) years from their respective dates, bear interest at the rate or rates or method of determining rates, payable at least annually, be in the denominations and form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment at the place, and be subject to the terms of redemption, with or without premium, as the resolutions provide; except that before the issuance of bonds for any project within the corporate limits of any city ***forming a district pursuant to Section 47 of this Act*** ~~[of the first or second class]~~, the issuance of bonds shall first be authorized by ordinance passed by the legislative body of the city and approved by the mayor of the city. The bonds shall be sold at public sale for the price as the board determines.

(3) Any resolution authorizing any bonds may contain provisions, which shall be a part of the contract with the holders of the bonds, as to:

(a) Pledging all or any part of the gross or net revenues of the district to secure the payment of the bonds and interest on the bonds;

(b) The amounts to be raised in each year by rates, rentals, and charges, and their use and disposition, and of any other revenues of the district;

(c) The setting aside of reserves or sinking funds and their regulation and disposition;

(d) Limitations on the right of the district to restrict and regulate the use of its facilities;

(e) Limitations on the purposes to which the proceeds of sale of any issue of bonds to be issued may be applied;

(f) Limitations on the issuance of additional bonds; and

(g) The procedure, if any, by which the term of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent, and the manner in which the consent may be given.

(4) The bonds or other obligations of the district shall not constitute an obligation or indebtedness of the city or of the county and it shall be plainly stated on the face of each bond of the district that it has been issued under the provisions of KRS 76.010 to 76.210, and that it does not constitute an indebtedness of the city or of the county. All bonds authorized may be issued without a vote of the voters and without any other proceedings or happenings of any other conditions or things than those proceedings, conditions and things which are specified and required by KRS 76.010 to 76.210. The bonds shall be signed in the name of the district by the chairman or vice chairman of the board, attested by the signature of the secretary-treasurer, with corporate seal of the district attached.

➔Section 51. KRS 76.170 is amended to read as follows:

(1) The initial unit of the district embraces the area that is coterminous with the boundaries of the city ***forming a district pursuant to Section 47 of this Act*** ~~[of the first or second class]~~. The district also embraces the district area as defined in KRS 76.005. When territory which is part of a construction subdistrict is annexed to the city~~[of the first or second class]~~, that territory shall not become part of the district area during the existence of the construction subdistrict. When the existence of the construction subdistrict is wound up under KRS 76.271, the territory therein shall become a part of the district area if it is then a part of the city~~[of the first or second class]~~ or whenever it is annexed by the city~~[of the first or second class]~~. When a construction subdistrict consisting of territory outside the city~~[of the first or second class]~~ is wound up, the board of the district shall incorporate the territory into the district area under conditions of KRS 76.271. The district may also expand the district area by constructing and extending its initial sewer and drainage system and facilities beyond the corporate limits of the city~~[of the first or second class]~~ and within the county in which the city is located whenever the district and the owners of real property to be served and located outside the limits of the city, by appropriate written instrument, agree as to apportionment of any and all costs of construction work, subsequent maintenance and operation appertaining thereto, and as to payments by the owners of the real

property, of rates, rentals and charges for the services and facilities to be thus afforded and for that portion of the district's capital costs, equitably allocable to the real property. Thereupon the real property served becomes a part of the district area. In a like manner and upon the same conditions, the district may construct and extend its sewer and drainage system and facilities so as to serve all or any part of any other city or other incorporated area located in the same county, pursuant to a written agreement between the district and the other city or incorporated area approved by their respective governing boards or bodies; provided, however, nothing in this subsection shall be construed as requiring the district to obtain the consent of any city ***with a population of less than three thousand (3,000) based upon the most recent federal decennial census located within a county containing a consolidated local government***~~[of the fifth or sixth class]~~ prior to constructing any sanitary or storm sewerage facilities within the limits of such a city, regardless of whether said facilities will serve the said city or not. All agreements referred to in this section shall be in appropriate form for recording and shall be filed of record with the county clerk as other instruments relating to transfer or creating a lien upon real estate. Any agreements entered into by the district pursuant to this section may provide that the district area shall include the real estate in such city or incorporated area, or part thereof, to be served pursuant to such agreement, and in such case when such instrument has been filed of record with the county clerk as aforesaid, the district area shall be thereby officially enlarged and extended to include same; except that the district area shall not be enlarged to include a construction subdistrict by agreement or otherwise.

(2) The district may also expand the district area by constructing and extending its initial sewer and drainage system, or by constructing or extending new sewerage and drainage systems and facilities, into areas of the county outside of the city of the first class and annexing the areas to be served by such new or expanded systems or facilities to the district area, as provided in KRS 76.171.

(3) The words "incorporated area" as used in this section do not mean or apply to any sanitation district organized under KRS Chapter 220.

(4) The provisions of this section shall not apply in cases involving annexation by a city of the first class pursuant to KRS 81.300 to 81.360.

➔Section 52. KRS 76.172 is amended to read as follows:

(1) The ordinance providing for the construction of sewerage or drainage facilities and appurtenances shall describe the nature and kind of facilities to be furnished and shall describe the particular area benefited by said sewerage or drainage facilities.

(2) The costs of the sanitary sewers, combined sewers, drains, and appurtenances shall be assessed against the land in said benefited area according to the number of square feet in any lot or tract within the area described in the ordinance, or according to any other equitable basis. If the square foot method of assessment is used, the rate of apportionment shall be the same for each square foot of land in said benefited area, and shall be determined by dividing the cost of the assessable sanitary sewers, combined sewers, drains and appurtenances by the total area of all land benefited in the area. No property which has been assessed for collector lines shall be reassessed for the installation or reinstallation of collector lines.

(3) The costs of property service connections from the sewer to the property line or easement line as required shall be assessed against the individual lots or tracts to which such property service connections are furnished. The costs to be assessed for the property service connections shall be fixed by regulation of the metropolitan sewer district based on its experience of costs for such work.

(4) All land included in said described territory shall be assessed, except such property dedicated to use for public roadways and property owned by cities ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~, counties containing cities ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~, and any joint agencies of such cities and counties.

(5) When the board of a metropolitan sewer district determines that such construction of sanitary sewers, combined sewers, drains, appurtenances or property service connections at the cost of the property owners shall be recommended to the board of aldermen of a city of the first class, the metropolitan sewer district shall cause its engineering department to prepare complete drawings and specifications for the work and to keep same available for inspection in its offices.

(6) (a) The actual construction work of the sanitary sewers, combined sewers, drains, appurtenances or property service connections constructed pursuant to such ordinance shall be done by, or under the control of, the metropolitan sewer district.

(b) The cost of the sanitary sewers, combined sewers, drains, appurtenances or property service connections shall include not only the actual construction costs and the costs of any easements required for the sewers, but also costs of surveys, designs, plans, specifications, advertising, inspection and administration; however, these costs other than actual construction costs and costs of easements shall not exceed fifteen percent (15%) of the actual construction cost of the project. The costs of surveys, designs, plans, specifications, advertising, inspection and administration, but not exceeding a total of fifteen percent (15%) of the actual construction costs and the cost of any easements shall be paid by the contractor to the metropolitan sewer district at the completion of the work so that such costs may be included in the apportionment warrants.

(7) A lien superior to all liens except the liens for state, county, city, school and road taxes and liens prior in time for other public improvements shall exist against the respective lots or tracts of land for the cost of the sanitary sewers, combined sewers, drains, appurtenances or property service connections for apportionment as hereinafter provided for, and interest thereon at the rate of six percent (6%) per annum.

(8) No error in the proceedings of the city legislative body shall exempt such property from payment after the work has been done as required by either the ordinance or contract, but the city legislative body, or the courts in which suits shall be proceeding, shall make all corrections, rules and orders to do justice to all parties concerned. In no event, if the sanitary sewers, combined sewers, drains, appurtenances or property service connections are constructed as provided, by ordinance or contract, shall the city or the metropolitan sewer district be liable for the costs of the sanitary sewers, combined sewers, drains, appurtenances or property service connections without the right to enforce such costs against the property receiving the benefit.

(9) Upon completion and acceptance of the sewer facility constructed, the metropolitan sewer district shall make out all apportionment warrants for which liens are given for improvements of sewer facilities and shall immediately enter them in alphabetical order upon a register kept for that purpose. When the holder of the warrant has obtained payment, he shall notify the metropolitan sewer district and it shall mark upon the register the fact of payment.

(10) The lien shall exist from the date of the apportionment warrant, but a lien shall not be valid against a purchaser for a valuable consideration without notice, unless the apportionment warrant is entered and registered within ten (10) days of its issuance.

(11) After any sewer facilities have been constructed in conformity with this section the metropolitan sewer district shall give notice by publication pursuant to KRS Chapter 424 of the costs apportioned, and the amounts assessed and levied on the various tracts of land liable for the payment.

(12) When property is annexed to a city ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~ and subsequently is connected to a sewer owned or operated by the metropolitan sewer district, payment shall be made to the district of a proportionate part of the construction costs of the sewer on the basis that would apply if the sewer were being built within the corporate limits of the city by apportionment of costs against the benefited area as provided in this section.

(13) The district may construct sewerage or drainage facilities in areas of the district located outside of the city of the first class by assessment, using the procedures set forth in this section, with the word "ordinance" being read as "resolution," the words "board of aldermen" being read as "fiscal court," the words "city legislative body" being read as "fiscal court," and the word "city" being read as "county."

➔Section 53. KRS 76.175 is amended to read as follows:

The board of the district may annex any unincorporated area in the county, or any area of the county containing all or any part of a city ***with a population of less than three thousand (3,000) based upon the most recent federal decennial census located within a county containing a consolidated local government***~~[of the fifth or sixth class]~~, whether contiguous or noncontiguous, to the district by making a preliminary order describing the area to be annexed and causing said order to be published pursuant to KRS Chapter 424. The notice so published shall state that objections in writing to the proposed annexation may be filed with the district within thirty (30) days of the date of said notice. The district shall examine and hear all such complaints. It may modify or amend the areas proposed to be annexed; and it shall make a final order, within sixty (60) days of the date of publication of said notice, describing the area or areas to be annexed and shall cause the same to be published pursuant to KRS Chapter 424. Within sixty (60) days after final publication of an order made pursuant to this section, any freeholder of land within the area or areas proposed to be annexed may appeal such final order to the Circuit Court for the county in which the district is located. All matters appealed shall be tried as an equitable action. Decisions of the Circuit Court may be appealed to the Court of Appeals.

➔Section 54. KRS 76.190 is amended to read as follows:

In order to promote and protect its activities and facilities, and in furtherance of the public health, the district may enter into contracts with, and thereunder it may permit other cities, towns, municipalities, sewer and drainage districts, located in the same county as the city ***forming a district pursuant to Section 47 of this Act***~~[of the first or second class]~~, to connect with and use the facilities of the district. The rates for service and connections shall be as agreed upon between the contracting parties.

➔Section 55. KRS 76.231 is amended to read as follows:

(1) As an alternative to establishing a metropolitan sewer district pursuant to KRS 76.010, any city ***with a population equal to or greater than twenty thousand (20,000) but less than one hundred thousand (100,000) based upon the most recent federal decennial census***~~[of the second class]~~, together with the county in which it is located, may jointly establish a sewer agency for the purpose of providing sewer and drainage facilities within the city and the county.

(2) A joint sewer agency shall be established upon the enactment of identical ordinances establishing and setting out the powers of the agency by both the legislative body of the city and the fiscal court of the county.

(3) All the powers granted a metropolitan sewer district in cities of the first class by KRS 76.010 to 76.279 may be granted by ordinance to the sewer agency except that these powers may be restricted or qualified in order to conform to the local needs of the county and the city.

(4) The legislative body of the city and the fiscal court of the county shall establish a schedule of rates, rentals and charges to be collected from all real property served by the facilities of the sewer agency in the manner provided by KRS 76.090. If the city, county, and sewer agency find that local needs warrant, uniformity of rates for all residential property shall not be required for a period of no more than ten (10) years from the date the sewer agency is established under subsection (2) of this section. If for whatever reason the city and county cannot agree to amendments to a rate schedule, the current schedule shall remain in effect until such time as an agreement can be reached.

(5) For purposes of establishing a schedule of rates, rentals, and charges to be collected, the legislative body of the city and the fiscal court of the county may prescribe by joint ordinance for the creation of a rate adjustment board that shall be comprised of the members of both legislative bodies, sitting as a single body. Upon the creation of a rate adjustment board, a simple majority of the combined membership of the rate adjustment board shall be required to establish rates, rentals, and charges to be collected.

(6) The joint sewer agency shall be administered as a separate legal entity or by a jointly appointed administrator or joint board as set out in the establishing ordinances.

(7) The joint sewer agency may be dissolved only by a joint action of the legislative body of the city and the fiscal court of the county. The establishing ordinance may be amended in the same manner as originally enacted.

(8) The legislative body of any city ***with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the third to sixth class]~~ may by ordinance elect to be within the jurisdiction of a joint sewer agency established pursuant to this section.

➔Section 56. KRS 76.232 is amended to read as follows:

(1) A city ***with a population less than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the third to sixth class]~~ together with the county in which it is located or together with the sanitation district, or any city ***with a population equal to or greater than twenty thousand (20,000) but less than one hundred thousand (100,000) based upon the most recent federal decennial census***~~[of the second class]~~ together with the county in which it is located or together with the sanitation district, as an alternative to establishing a metropolitan sewer district under KRS 76.010, may jointly establish a sewer agency for the purpose of providing sewer and drainage facilities within the city and the county or within the city and the sanitation district.

(2) In order to establish a joint sewer agency under this section, the legislative body of the city, the fiscal court of the county, or the governing body of the sanitation district may vote to merge any existing agency or sanitation district or any portion thereof into the jointly established sewer agency or into an existing city or county sewer agency. If the legislative body of the city, fiscal court of the county, or governing body of the sanitation district determines to merge an existing agency or sanitation district into the joint sewer agency, it shall determine a method to satisfy any legal obligations of the existing agency or sanitation district which might be affected.

(3) A joint sewer agency shall be established upon the enactment of identical agreements establishing and setting out the powers of the sewer agency by all parties establishing the joint sewer agency. Any agreement enacted by a city or county shall be by ordinance. Any agreement enacted by a sanitation district shall be done in the same manner as any other official actions taken by the sanitation district.

(4) All the powers granted a metropolitan sewer district and cities of the first class by KRS 76.010 to 76.279 may be granted by ordinance to the joint sewer agency except that such powers may be restricted or qualified in order to conform to the local needs of the county, city, and sanitation district.

(5) The joint sewer agency shall be administered as a separate legal entity or by a jointly appointed administrator, joint board, or one of the merging entities, as set out in the ordinance creating the joint sewer agency.

(6) The joint sewer agency may be dissolved only by adoption of an ordinance of the legislative body of the city and the fiscal court of the county. The ordinance creating the joint sewer agency shall be amended in the same manner as originally enacted.

(7) The legislative body of any city ***with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the third to sixth class]~~ may by ordinance elect to be within the jurisdiction of a joint sewer agency established pursuant to this section.

➔Section 57. KRS 76.233 is amended to read as follows:

Any city ***with a population of less than one hundred thousand (100,000) based upon the most recent federal decennial census*** ~~[of the second to sixth class]~~ and the county in which it is located which have established a joint sewer agency pursuant to KRS 76.231 may authorize the issuance of revenue bonds pursuant to the procedure set out in KRS 76.150 and 76.160.

➔Section 58. KRS 76.242 is amended to read as follows:

The construction subdistrict shall not include the whole or any part of any incorporated city ***with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census*** ~~[of the first, second, third or fourth class]~~, or any sanitation district or sewer construction district, or that part of a water district in which the water district has exercised its power to establish sanitary sewerage facilities pursuant to KRS 74.407 to 74.415, except with the consent of the legislative or managing board of such city or district. With such consent, the property owners of such city or district will be considered as freeholders of the construction subdistrict.

➔Section 59. KRS 76.366 is amended to read as follows:

(1) Any sewer construction district created in the manner provided in KRS 76.300 to 76.325, both inclusive, may if the commissioners of such sewer construction district deem it feasible, build, or acquire or enlarge sewer or drainage facilities, including treatment plants, without resort to the right to levy assessments for the cost of such sewer or drainage facilities, including treatment plants, as is provided in KRS 76.340 to 76.365, both inclusive, and may obtain the funds with which to build, acquire or enlarge such system by the issuance of revenue bonds, payable solely from the revenue to be derived from the operation of such system.

(2) In the event the commissioners shall decide to finance the cost of such construction, acquisition or enlargement by the issuance of revenue bonds, secured solely by the revenue of the system, the commission shall note such decision by appropriate resolution, and shall thereafter proceed under the provisions of KRS 96.350 to 96.510, both inclusive, and the sewer construction district and the commission shall have the same powers and duties as a city ***with a population less than one hundred thousand (100,000) based upon the most recent federal decennial census*** ~~[of the second to sixth class]~~ inclusive under the provisions of KRS 96.350 to 96.510, both inclusive, the language referring to waterworks and water systems in KRS 96.350 to 96.510 to be read as sewers and drains including treatment plants.

(3) In the event such procedure is followed the commission shall not observe the provisions of KRS 76.340 to 76.365 both inclusive.

➔Section 60. KRS 77.005 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Legislative body" means the chief legislative body of the city, whether it is the board of aldermen, general council, board of commissioners, or otherwise;

(2) "Air contaminant" or "air contaminants" includes smoke, charred paper, dust, soot, grime, carbon, noxious acids, fumes, gases, odors, or particulate matter, or any combination thereof;

(3) "District" means an air pollution control district;

(4) ***"Largest city" means the city with the greatest population within the county based upon the most recent federal decennial census conducted by the United States Census Bureau;***

(5) "Person" means any individual, firm, copartnership, joint adventure, association, corporation, social club, fraternal organization, estate, trust, receiver, syndicate, any county, city, municipality, district (for air pollution control or otherwise), or other political subdivision, or any group or combination acting as a unit, and the plural as well as the singular unit; ***and***

(6) ~~[(5)]~~ "Ringelmann Chart" means that standard published by the United States Bureau of Mines to determine the density of smoke.

➔Section 61. KRS 77.015 is amended to read as follows:

(1) An air pollution control district shall not transact any business or exercise any of its powers under this chapter until or unless the fiscal court of the county within which such district is situated, by proper resolution, declares at any time hereafter that there is need for an air pollution control district to function in such county, provided:

(2) ***For the creation of any air pollution control district after January 1, 2015*** ~~[In any county containing a city of the first or second class]~~, it shall also be necessary, before the district of such county is qualified to transact any business or exercise any of its powers under this chapter, that the legislative body of ***the largest*** ~~[such]~~ city ***within the county***, by proper ordinance, declare, at any time after the aforementioned resolution has been made by the fiscal court of such county, that there is need for an air pollution control district to function in such city.

➔Section 62. KRS 77.020 is amended to read as follows:

The fiscal court of any county desiring to place its air pollution control district in operation and the legislative body of ***the largest city*** ~~[a city of the first or second class]~~ in such county must hold separate public hearings prior to and for the purpose of determining whether or not there is need for an air pollution control district to function.

➔Section 63. KRS 77.035 is amended to read as follows:

The legislative body of ***the largest city in the county*** ~~[a city of the first or second class]~~ may adopt an ordinance declaring that there is need for an air pollution control district to function if from the evidence received at such public hearing it finds:

(1) That the air within such city is so polluted with air contaminants as to be injurious to health, or an obstruction to the free use of property, or offensive to the senses of a considerable number of persons, so as to interfere with the comfortable enjoyment of life or property;

(2) And further that for any reason it is not practical to rely upon the enactment or enforcement of local ordinances to prevent or control the emission of smoke, fumes, or other substances which cause or contribute to such pollution.

➔Section 64. KRS 77.040 is amended to read as follows:

(1) A resolution of the fiscal court declaring that there is need for an air pollution control district to function is sufficient if it finds that there is need for an air pollution control district to function, and finds in substantially the wording of KRS 77.030 that both the conditions enumerated therein exist. No further detail is necessary.

(2) An ordinance of the legislative body of ***the largest city within the county*** ~~[a city of the first or second class]~~ declaring that there is need for an air pollution control district to function is sufficient if it finds that there is need for an air pollution control district to function, and finds in substantially the wording of KRS 77.035 that both the conditions enumerated therein exist. No further detail is necessary.

➔Section 65. KRS 77.045 is amended to read as follows:

(1) A copy of a resolution of the fiscal court declaring that there is need for an air pollution control district, duly certified by the county clerk, is admissible in evidence in any suit, action or proceeding.

(2) A copy of an ordinance of the legislative body of ***the largest city within the county*** ~~[a city of the first or second class]~~ declaring that there is need for an air pollution control district, duly certified by the clerk of such legislative body, is admissible in evidence in any suit, action or proceeding.

➔Section 66. KRS 77.055 is amended to read as follows:

(1) Upon the adoption of the resolution by the fiscal court of the county in which the district is to function, and, where necessary pursuant to KRS 77.015, the passage of the ordinance by the legislative body of ***the largest*** ~~[a]~~ city ~~[of the first or second class]~~ within such county, the district shall immediately begin to function.

(2) After the adoption of the resolution of the fiscal court of the county in which the district is to function, and ~~[, where necessary pursuant to KRS 77.015,]~~ the passage of the ordinance by the legislative body of ***the largest city*** ~~[a city of the first or second class]~~ within such county, the regular activation and organization of the district shall be finally and conclusively established against all persons except the Commonwealth of Kentucky upon suit commenced by the Attorney General. The activation and organization of said district shall not be directly or collaterally questioned in any suit, action or proceeding instituted by any other person.

➔Section 67. KRS 77.065 is amended to read as follows:

(1) The members of the fiscal court of a county shall be, and they are hereby designated as, and empowered to act as, ex officio the air pollution control board of the air pollution control district in such county.

(2) All county officers, their assistants, clerks, deputies, and employees, and all other county employees shall be ex officio officers, assistants, deputies, clerks, and employees respectively of the air pollution control district in the county in which they are employed. Except as otherwise provided in this chapter, they shall perform respectively the same various duties for the air pollution control district as for the county without additional compensation, in order to carry out the provisions of this chapter.

(3) The provisions of subsections (1) and (2) of this section shall not be applicable to any county containing a city of the first ~~[or second]~~ class***,*** or a consolidated local government***, or to a county where the largest city in that county contains a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***.

(4) Notwithstanding any provision of this chapter to the contrary, whenever a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the county shall provide all staff support, including a secretary-treasurer and an air pollution control officer, to the air pollution control board through county officers, assistants, clerks, deputies and employees. In such case, the staff of the air pollution control board, including the secretary-treasurer and the air pollution control officer, shall be deemed county employees and shall be subject to the control of fiscal court. At the time the compact takes effect, the employees of the air pollution control district shall be transferred to the service of the county government; provided that all such employees who are in the classified service at such time shall be continued in the classified service administered by county government. Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the employees of an air pollution control district shall be deemed to be employees of the consolidated local government and the provisions of this subsection shall be applied to the consolidated local government.

➔Section 68. KRS 77.070 is amended to read as follows:

(1) In a county containing a ***consolidated local government or a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[city of the first or second class]~~, the air pollution control board of the air pollution control district shall consist of seven (7) members, three (3) of whom shall be appointed by the county judge/executive, subject to the approval of the fiscal court, and four (4) of whom shall be appointed by the mayor ~~[of the city of the first or second class within such county]~~. The mayoral appointments shall be subject to the approval of the legislative body of the city.

(2) The mayor shall appoint, subject to the approval of the legislative body of the city, one (1) member for a term of one (1) year, one (1) member for a term of two (2) years, one (1) member for a term of three (3) years, and one (1) member for a term of four (4) years, and the county judge/executive, subject to the approval of the fiscal court, shall appoint one (1) member for a term of two (2) years, one (1) member for a term of three (3) years, and one (1) member for a term of four (4) years, and upon the expiration of each of said terms respectively, and thereafter, the term of each of such members shall be four (4) years, and until their successors are appointed and qualified.

(3) All air pollution control board members appointed pursuant to this section must be freeholders within the district; those appointed by the county judge/executive must be residents of such county, and those appointed by a mayor must be residents of their respective city or consolidated local government.

(4) Not more than four (4) of the seven (7) board members appointed pursuant to this section shall be of the same political party affiliation, nor shall an officer or employee of such city, consolidated local government, or county, whether holding a paid or unpaid position, be eligible for appointment to the board.

(5) A member of the air pollution control board is eligible to succeed himself or herself. A vacancy in the membership shall be filled by an appointee of the mayor or of the county judge/executive as the case may be, for the unexpired portion of the term. An appointee to a vacancy shall have the same qualifications as any regularly appointed member.

(6) Any member of the board appointed by a mayor may be removed, for cause, after a hearing, by the legislative body of such city or consolidated local government, and after ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the legislative body shall be final and removal results in vacancy in such office.

(7) Any member of the board appointed by a county judge/executive may be removed, for cause, after a hearing, by the fiscal court of such county, and after ten (10) days' notice in writing shall have been given to the member, which notice shall embrace the charges preferred against him. At the hearing he may be represented by counsel. The finding of the fiscal court shall be final and removal results in vacancy in such office.

(8) As used in this section "mayor" means the chief executive of the city or consolidated local government whether the official designation of his office is mayor, city manager, or otherwise.

(9) Notwithstanding subsections (1) and (2) of this section, when a city of the first class and a county containing such city have in effect a compact under KRS 79.310 to 79.330, the air pollution control board shall consist of seven (7) members, four (4) of whom shall be appointed by the county judge/executive with the approval of the fiscal court and three (3) of whom shall be appointed by the mayor, with the approval of the legislative body, of the first-class city within such county. The terms of such members shall be three (3) years, and until their successors are appointed and qualified. Upon the effective date of the compact, the mayor, and county judge/executive with the approval of the fiscal court, shall adjust the terms of the sitting members so that the term of one (1) of each of their appointments expires in one (1) year, the term of one (1) of each of their appointments expires in two (2) years, and the term of one (1) of each of their appointments expires in three (3) years. The term of the then remaining member who was previously appointed by the mayor shall terminate immediately and the county judge/executive with approval of the fiscal court shall appoint a member for a one (1) year term. Upon the expiration of these staggered terms, successors shall be appointed for a term of three (3) years. Upon the establishment of a consolidated local government in a county where a city of the first class and a county containing that city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, all members of the board shall be appointed by the mayor of the consolidated local government pursuant to the provisions of KRS 67C.139 for a term of three (3) years. Incumbent members upon the establishment of the consolidated local government shall continue to serve as members of the board for the time remaining of their current term of appointment.

➔Section 69. KRS 77.085 is amended to read as follows:

(1) ***An*** ~~[In a county containing a city of the first or second class, the]~~ air pollution control board ***operating under Section 68 of this Act*** shall, in July of each year, elect from its members a chairman and a vice chairman who shall be of different political party affiliation. The board shall employ a competent secretary-treasurer and an air pollution control officer, neither of whom shall be a member of the board. The secretary-treasurer and the air pollution control officer shall devote their entire time and attention exclusively to the services of the board.

(2) The air pollution control officer shall be an engineer by profession and shall be a graduate of a recognized university or college, shall be thoroughly familiar with the theory and practice of the prevention and control of air pollution, and shall meet the qualifications for a nonelective peace officer stated in KRS 61.300.

(3) The secretary-treasurer and the air pollution control officer may be removed by the board, for cause, after hearing by it and after at least ten (10) days notice in writing shall have been given to the secretary-treasurer or the air pollution control officer, as the case may be, which notice shall embrace the charges preferred against the person. At the hearing the person may be represented by counsel. The finding of the board shall be final.

(4) The board may provide for assistants, deputies, clerks, attaches, and other persons to be employed by the secretary-treasurer and the air pollution control officer, and the times at which they shall be appointed.

➔Section 70. KRS 77.090 is amended to read as follows:

(1) In all counties other than those provided for in ***Section 68 of this Act or*** KRS 77.085, the air pollution control board of the air pollution control district may appoint an air pollution control officer, and may provide for assistants, deputies, clerks, attaches and other persons to be employed by the air pollution control officer, and the times at which they shall be appointed.

(2) An air pollution control officer appointed pursuant to this section shall have the qualifications set forth in KRS 77.085.

(3) Such air pollution control officer may be removed by the board, for cause, in the manner provided for the removal of air pollution control officers in subsection (3) of KRS 77.085.

➔Section 71. KRS 77.120 is amended to read as follows:

The air pollution control board shall determine the compensation of, and pay from district funds, the secretary-treasurer of the air pollution control board, his assistants, deputies, clerks, attaches, and other employees, the air pollution control officer, his assistants, deputies, clerks, attaches, and other employees, the members of the hearing board, and all other employees of the air pollution control board. The salaries and compensation paid shall be in line with that paid by the county, or ***the largest city***~~[a city of the first or second class]~~ within the county, for similar services.

➔Section 72. KRS 77.125 is amended to read as follows:

In order to provide money for carrying out the purposes of this chapter, the fiscal court of a county within which the air pollution control district has been activated and the legislative body of a city ***qualified to appoint members of the board pursuant to Section 68 of this Act***~~[of the first or second class]~~ within such county, if there be any such city, may annually appropriate funds to such district. If there be such city within the county, the appropriation shall be in such proportion as may be agreed upon between the city legislative body and the fiscal court. Such funds shall be deposited in the treasury of the air pollution control district.

➔Section 73. KRS 77.127 is amended to read as follows:

(1) In a county containing a consolidated local government or a city of the first ***class*** or ***a city having a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[second class]~~, there is established within the air pollution control district a special trust fund to be known as the "air quality trust fund" to be used for conducting and funding air quality research and development projects, special nonrecurring air quality projects, and air quality education programs approved by the air pollution control board to assist in implementing the policies and purposes of this chapter.

(2) All money collected for the fund shall be deposited by the district into an interest-bearing capital project account maintained by the fiscal court or consolidated local government of the county in which the district is located. Money shall be distributed from the account by the finance director of the county or consolidated local government based upon written authorization from the air pollution control board. Money unexpended at the close of a fiscal year shall not lapse but shall be carried forward for future use.

(3) The fund shall not be used to support or finance the routine day-to-day activities and responsibilities of the district.

(4) The air pollution control board shall, by regulation, set policies and establish procedures for the receipt and disbursement of any money collected under this section and for the full disclosure of the source and use of the money.

(5) The air pollution control board shall control and manage the fund. It shall publish in writing at its June meeting each year an accounting of the income and disbursements of the fund.

(6) Four (4) members of the air pollution control board shall constitute a quorum for conducting business relating to the air quality trust fund. When votes are taken on matters relating to the fund, each member shall have one (1) vote, and the affirmative vote of at least a majority of the votes cast shall be necessary for the adoption of any motion, measure, or resolution.

(7) Members of the air pollution control board shall not solicit, but may accept, money by grant, gift, donation, bequest, civil or criminal penalty, or other conveyance to be credited to the air quality trust fund, but they may not accept penalties collected under KRS 77.990 for the air quality trust fund.

➔Section 74. KRS 77.135 is amended to read as follows:

(1) It shall be the duty of the secretary-treasurer of an air pollution control board ***formed pursuant to Section 68 of this Act***~~[of a consolidated local government and a county containing a city of the first or second class]~~,

during or before the month of May of each year, to prepare and certify to the consolidated local government or fiscal court of the county and to the legislative body of the city, for their joint consideration, a preliminary budget showing the total funds which, in the judgment of the air pollution control board, will be needed for the various departments of the district, together with a statement showing the estimated balances, if any, which will be available on July 1 for expenditure during the next fiscal year following the certification of said statement, and also indicating, as nearly as may be possible, what additional funds or assets (other than appropriations) will be or will become available for expenditure during that year. The board shall also furnish to the consolidated local government or the fiscal court and the city legislative body any other information or data available to it which the consolidated local government, the fiscal court, or the city legislative body may request.

(2) Prior to the first day of each fiscal year, every air pollution control board shall prepare, for its own use and guidance, a financial budget setting forth the total amounts of funds available from all sources for expenditures during the said fiscal year, and also setting forth in detail the estimated expenditures of the board and the district during said fiscal year.

(3) A contingent fund for unanticipated expenditures may be established in order to provide for such contingent and unanticipated needs as may arise during the district's said fiscal year.

(4) All air pollution control boards shall comply with the provisions of KRS 65A.010 to 65A.090.

➔Section 75. KRS 77.140 is amended to read as follows:

(1) The air pollution control board ***created pursuant to Section 68 of this Act***~~[of a consolidated local government or a county containing a city of the first or second class]~~ shall install and maintain a modern and efficient system of accounting and keep financial records. The board, however, may select and use the finance department of the consolidated local government or city to do its financial accounting and make its disbursements in a manner as may be agreed upon by and between the board and the director of finance of the consolidated local government or city, which work shall be done by the finance department without compensation from the board.

(2) The Auditor of Public Accounts of the Commonwealth of Kentucky, the comptroller and inspector of the consolidated local government or the city, and the county auditor of such county, respectively, shall have access to the books and records of the board.

(3) All air pollution control boards shall be subject to audit or attestation engagement procedures as provided in KRS 65A.030. In addition, at any other time upon the direction of the legislative body of a consolidated local government, or upon the direction of the fiscal court of the county, the county auditor shall make an audit of the board's accounts and report back thereon.

➔Section 76. KRS 77.200 is amended to read as follows:

(1) The air pollution control board may contract with the county in which the air pollution control district is located, and may contract with any city within the district, and the county and any such city may contract with the air pollution control district, for the performance of such work in the name of, and subject to the approval of, the air pollution control officer by the building department or other officer, department, or agency of the county or such city charged with the enforcement of regulations pertaining to the erection, construction, reconstruction, movement, conversion, alteration, or enlargement of buildings or structures, as will accomplish all or part of the purposes of KRS 77.195.

(2) In a county ***with a board formed pursuant to Section 68 of this Act, the***~~[containing a city of the first or second class, such]~~ contracts may provide for the consideration, if any, which the air pollution control district shall pay to ***the***~~[such]~~ county or city.

(3) In all other counties such contracts may provide for the consideration, if any, which shall be paid to ***the***~~[such]~~ city. In no event shall any consideration be paid by the district to such counties for such services.

➔Section 77. KRS 77.275 is amended to read as follows:

If any local ordinance has provided regulations similar to those in KRS 77.150 to 77.175 or to any order, regulation, or rule prescribed by the air pollution control board, and has provided for the granting of variances, and pursuant to the local ordinance a variance has been granted prior to the adoption of a resolution by the fiscal court and the passage of an ordinance by the legislative body~~[of a city of the first or second class]~~, pursuant to KRS 77.010 to 77.060, or the passage of an ordinance by the consolidated local government, the variance shall be continued as a

variance of the hearing board for the time specified therein or one (1) year, whichever is shorter, or until and unless prior to the expiration of such time the hearing board modifies or revokes such variance as provided in KRS 77.245 to 77.275.

➔Section 78. KRS 90.300 is amended to read as follows:

(1) In KRS 90.310 to 90.410, unless the context requires otherwise:

(a) "Administrative or directorial position" means the head of a department of municipal government.

(b) "Appointing authority" means the officer, commission, board or body having the power of appointment or removal in any office, department, commission, board or institution.

(c) "Civil service" means the offices and positions of trust or employment in the service of the city not specifically excluded by KRS 90.310 to 90.410 or by ordinance of the city as provided in KRS 90.310.

(d) "Commission" means the board of civil service commissioners as established under KRS 90.310.

(e) "Dismissal" means the discharge of an employee.

(f) "Employee" means any person employed in the conduct of municipal affairs, but the term shall not include the mayor,~~[or]~~ city manager, ***city administrative officer, or*** an administrative or directorial position***. The term "employee"***~~[established for cities of the second or third class, except that the legislative body, no later than December 31, 1982, may elect by ordinance to designate persons in administrative or directorial positions as employees, however, any person employed in an administrative or directorial position on July 15, 1982, shall continue to be covered by the provisions of KRS 90.310 to 90.410 for the time as he is employed in a position notwithstanding the removal of the position from the definition of "employee" and in cities of the second class it]~~ shall not include the offices of the board of health, members of the planning and zoning commission, the board of trustees of the public library, members of the housing authority, municipal hospital commission or the trustees, members or corresponding officers of similar boards or commissions~~[of cities of the second class]~~, persons employed on temporary and special projects or to persons whose regular employments with the city are seasonal and are less than nine (9) months in any one (1) year, persons in a class of employees designated by ordinance to be non-civil-service positions, and the city clerk or city assessor~~[of a city of the second class operating under the commission form of government]~~.

(g) "Pension fund" means the moneys derived from the employees and the levy of a special tax, either or both, or any other sum derived from any other source, to be used for the retirement of employees after the prescribed years of service and for the benefit of disabled employees, and surviving spouses and dependent children in the case of death of an employee within the scope of his employment according to the terms of KRS 90.310 to 90.410 and the ordinance of the city.

(2) The provisions of KRS 90.310 to 90.410 are independent of and do not affect the laws governing the police and fire departments, nor their pension funds, ***as provided in KRS Chapter 95***~~[in cities of the second and third classes]~~.

➔Section 79. KRS 90.310 is amended to read as follows:

(1) Any city of the ***home rule***~~[second or third]~~ class may elect to operate under KRS 90.310 to 90.410, and, by ordinance, create a civil service commission which shall hold examinations as to the qualifications of applicants for municipal employment within the several departments of the city that are designated by ordinance. In all cities of the ***home rule***~~[second]~~ class~~[, and in cities of the third class]~~, the city may, by ordinance, classify employees and designate the class of employees it desires to include.

(2) The mayor, subject to the approval of the city legislative body, shall appoint at least three (3) but no more than five (5) persons who shall constitute the civil service commission of that city. Each appointee shall be at least thirty (30) years of age and not related by either blood or marriage to the mayor or any member of the city legislative body. The appointees shall originally be appointed one (1) for a term of three (3) years, one (1) for a term of two (2) years and all remaining appointments shall be for a term of one (1) year, and the successors to these appointees shall be appointed in like manner, each for a period of three (3) years and until his successor is appointed and qualified. A vacancy shall be filled for the unexpired term in the same manner as original appointments. At the time of any appointment, if the mayor elects to appoint only three (3) commissioners, not more than two (2) commissioners shall be adherents of the same political party. If the mayor elects to appoint more than three (3) commissioners not more than three (3) commissioners shall be adherents of the same political party. The appointee originally appointed for the term of three (3) years shall be secretary of the

commission. Each appointee shall qualify by taking an oath of office as required by law. The salaries of the members of the commission may be fixed by the city legislative body.

(3) If the appointing authority of any city fails to appoint a civil service commission within thirty (30) days after he has the power to so appoint or after a vacancy exists, the mayor pro tem shall make the appointment and the appointee shall hold office until the expiration of the term and until his successor is appointed and qualified.

(4) The civil service commission shall make and enforce rules, not inconsistent with the provisions of KRS 90.310 to 90.410 or the ordinances of the city, for examinations and registrations therefor.

➔Section 80. KRS 90.320 is amended to read as follows:

(1) The civil service commission shall prescribe and propound such examinations as are proper, commensurate with vacant positions within the various departments of the city, according to classification prescribed by ordinance, shall set such times and places for holding examinations as may be proper and shall give public notice of examinations by publication pursuant to KRS Chapter 424.

(2) The civil service commission shall, as soon after examinations as is practicable, certify to the mayor or other appointing authority a list of the applicants so examined, with the one (1) having the highest average ranked first and all others ranked numerically according to the result of the examination.

(3) Any honorably discharged soldier, sailor, marine, member of the Air Force, or member of any other branch of the military service who was inducted into that service through voluntary or involuntary enlistment, and who is an applicant for any municipal civil service position, and a registered voter of that municipality, shall be entitled to a five percent (5%) increase on his examination score. Any Red Cross nurse who served during the period of hostilities between the United States and the Central Powers in World War I and between the United States and Japan and Germany in World War II, and who is a registered voter of that municipality, shall be entitled to the same percentages. Such percentages shall be added to examination scores only if the score is determined by the civil service commission to be a passing score and after verification of the required service.

(4) The civil service commission of cities~~[of the second class]~~ shall maintain an eligible list of not less than three (3) for each position to be filled.

(5) The appointing authority may designate certain civil service positions and prescribe that for such positions the examinations shall first be given exclusively to current employees; provided, however, that if less than three (3) employees with a minimum of two (2) years seniority achieve a passing grade, the examination shall be held in accordance with subsection (1) of this section.

➔Section 81. KRS 90.340 is amended to read as follows:

Employees who at the time the provisions of KRS 90.310 to 90.410 are adopted by any city~~[of the second or third class]~~ have been in the employ of that city for one (1) year last past shall not be required to stand an original examination, and shall be eligible for all the benefits provided by KRS 90.310 to 90.410.

➔Section 82. KRS 90.350 is amended to read as follows:

(1) The appointing authority shall make all civil service appointments, and the appointments shall be made only from the lists of applicants certified to him by the civil service commission after examination. Appointments shall be made only by the selection of one (1) of the three (3) holding the highest averages in the particular class and grade wherein the vacancy exists, except as provided in subsection (6) of this section.

(2) Whenever it is imperative to fill a vacancy in classified civil service before the commission can certify a list of as many as three (3) persons eligible for appointment after competitive examination, the appointing authority shall nominate a competent person from the same class or next lower rank to the commission for noncompetitive examination, and if certified by the commission as qualified after the noncompetitive examination he may be appointed provisionally to fill the vacancy until an appointment can be made after competitive examination. This provisional appointment shall continue only until a regular appointment can be made from the eligible list prepared by the commission, which eligible list shall be prepared within ***sixty (60)***~~[thirty (30)]~~ days after a vacancy occurs~~[in cities of the second class, or within ninety (90) days after vacancy in cities of the third class]~~.

(3) In case of great emergency and when no one upon the eligible list or by promotion from a lower rank is available, an appointment may be made by the appointing authority without examination, but in no case shall such appointment continue longer than ***forty-five (45)***~~[thirty (30)]~~ days~~[in cities of the second class, or sixty~~

~~(60) days in cities of the third class]~~, and in no case shall successive appointments be made of the same person, or other persons, to such vacancy.

(4) Temporary appointments made necessary by reason of illness or disability of regular employees shall continue only during such period of disability.

(5) The death of an employee shall not authorize an appointment without examination~~[in cities of the second class]~~.

(6) Whenever, from any cause, there shall be a vacancy in any of the classified services, the employee in said classification ranking next highest in seniority, if he chooses, shall succeed to and fill said vacancy, unless upon charges made by the city that said employee is not qualified to fill said vacancy, and after notice and upon trial to determine his qualifications in the same manner as is now required for the dismissal, suspension or reduction in grade or pay of an employee, it be established by the city that said employee has not the necessary qualifications to enable him to discharge the duties of the office or position in which the said vacancy occurs. Provided that in case of a vacancy in the classified service, where peculiar and exceptional qualifications of a particular professional or educational character are required, upon satisfactory evidence that for reasons stated in writing by the appointing authority, competitive examination in such case has failed to provide an eligible list; the commission may suspend the provisions requiring competitive examination under civil service.

(7) Where the service to be rendered by an appointee in the classified service is for a temporary period~~[not to exceed thirty (30) days in cities of the second class, or sixty (60) days in cities of the third class]~~, and the need of such service is imperative, the appointing authority may select for that temporary service any person on the list of those eligible for permanent appointment. Successive temporary appointments to the same position shall not be made under this provision. The acceptance or refusal by an eligible applicant of a temporary appointment shall not affect his standing on the register for permanent employment, nor shall temporary service be counted as part of the probationary service in case of subsequent appointment to a permanent position.

(8) No person shall be certified by the commission from an eligible list more than four (4) times to the same appointing authority for the same or similar position.

(9) The appointing authority may provide that all appointments for initial permanent employment may be probationary appointments for a period of not more than twelve (12) months, after which probationary period regular appointments shall be given to all probationary employees who are deemed to be satisfactory by the respective appointing authority.

➔Section 83. KRS 90.360 is amended to read as follows:

(1) No employee in the classified service~~[of a city of the second or third class]~~ shall be dismissed, suspended, or reduced in grade or pay for any reason except inefficiency, misconduct, insubordination,~~[or]~~ violation of law involving moral turpitude, or~~[, in a city of the third class,]~~ violation of any rule adopted by the city legislative body or civil service commission.

(2) Any person may prefer charges in writing against any employee by filing them with the mayor or other appointing authority who shall communicate the charges without delay to the civil service commission of the city. The charges must be signed by the person making them and must set out clearly each charge. The appointing authority shall, whenever probable cause appears, prefer charges against any employee whom he or she believes guilty of conduct justifying his or her removal. Upon the filing of charges, the clerk of the civil service commission shall notify its members and serve a copy of the charges upon the accused employee with a statement of the date, place, and hour at which the hearing of charges will begin, this hearing not to be held within three (3) days of the date of the service of charges upon the accused employee. The day on which the charges are served on the accused employee shall count as one (1) of the days of notice. The person accused may in writing waive the service of charges and demand trial within three (3) days after they have been filed with the clerk of the civil service commission.

(3) Upon the hearing, the charges shall be considered traversed and put in issue, and the trial shall be limited to the issues presented by the written charges.

(4) The civil service commission shall have the power to summon and compel attendance of witnesses at all hearings by subpoena issued by the clerk of that body and served upon the witnesses by members of the police department of the city or any officer authorized to serve subpoenas. If any witness fails to appear in response to a summons or refuses to testify concerning any matter on which he may lawfully be interrogated, any

District Judge, on application of the commission, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the District Court. The accused employee shall have the right to have subpoenaed any witnesses he or she may desire, upon furnishing their names to the clerk. As many as ten (10) subpoenas may be served on the request of the accused employee without charge but each additional subpoena requested by him shall be issued by the clerk and served by the police department only upon payment of fifty cents ($0.50) to the city clerk by the employee. The action and decision of the civil service commission on the charges shall be reduced to writing and kept in a book for that purpose and the written charge shall be attached to the book containing the body's decision.

(5) In cases where the head of the department or the appointing authority has probable cause to believe an employee has been guilty of conduct justifying his removal or punishment he shall immediately suspend that employee from duty or from both pay and duty pending trial and the employee shall not be placed on duty or allowed pay thereafter until the charges are heard by the civil service commission.

(6) The civil service commission shall punish any employee found guilty by reprimand or a suspension for any length of time not to exceed six (6) months, or by reducing the grade, if the employee's classification warrants, or by combining any two (2) or more of these punishments, or by dismissal. No employee shall be reprimanded, removed, suspended, or dismissed except as provided in this section.

(7) (a) Any of the following offices, positions, and places of employment, in the police and fire departments~~[of a city of the second or third class]~~, may be excluded from the classified service:

1. Chief of police;
2. Assistant chief of police;
3. Chief of firefighters; and
4. Assistant chief of firefighters.

(b) Any classified employee in either department who shall accept an appointment and qualify as chief of police, assistant chief of police, chief of firefighters, or assistant chief of firefighters shall be deemed to have received a leave of absence from the classified service for, and during the incumbency of, any of those respective positions. If an individual should cease to serve in any of those positions, there shall be restored to him or her the same classification and rank which he or she held prior to his or her appointment.

➔Section 84. KRS 90.390 is amended to read as follows:

(1) No person shall be appointed to any position because of political partisan service rendered by him or his family, or because of political sentiment or affiliation, nor shall any person be dismissed or reduced in grade because of any political opinion.

(2) No employee~~[of a city of the second class]~~ shall coerce or persuade another, or in any way actively participate in any election, or cause others to do so.

➔Section 85. KRS 90.400 is amended to read as follows:

(1) Any city ***maintaining a pension fund for employees under civil service hired before August 1, 1988, operating pursuant to this section as of January 1, 2015, shall continue to operate the existing pension fund in accordance with this section. The city***~~[of the second class adopting a civil service plan under KRS 90.310 shall provide by ordinance for the creation and maintenance of a pension fund for employees under civil service, and]~~ may assess monthly such amount or percent of the salary of the employees as may be equitably determined on a fair actuarial basis, the assessment to be deducted from the employees' salaries and paid in cash into the pension fund.

(2) The city may make current contributions to the fund on an actuarially funded basis, toward the annuities and benefits herein provided. These contributions shall be equal to the sum of the following:

(a) An annual amount resulting from the application of a rate percent of salaries of active members, representing the present value of the actuarial reserve requirements for membership service, for service retirement annuity, disability retirement annuity, and annuities to surviving spouses and children, and the one-year term premium for the city's liability for death benefits, after applying the contribution by the active members. Such rate percent shall be fixed by the ***city legislative body***~~[board of city~~

~~commissioners]~~ every three (3) years after an actuarial survey of the fund, and shall be in effect for a period of at least three (3) years.

(b) An amount resulting from the application of a rate percent of the salaries of active members which will provide each year regular interest on the remaining liability for prior service.

(3) The city may create ***or continue to operate*** a board for the pension fund and designate trustees of that board, and may fix the powers of the trustees, determine the eligibility of employees or their dependents to a pension or other benefit, and may provide a monthly allowance for employees eligible for a pension.

(4) Temporary employees appointed without examination shall not be compelled to contribute to any pension fund and shall not be eligible to benefits.

(5) In no year shall the contribution by the city to the pension fund, in the manner provided in this section, be less than the total amount assessed upon and deducted from the salary of the employees.

(6) The trustees of the pension fund shall, at least once every three months, report in writing to the mayor the receipts, expenditures, and financial status of the pension fund, stating the places of deposit of funds, or the character of investments made, and the mayor shall cause copies of the report to be posted in at least three (3) places where city employees frequent and report.

(7) When any city ***maintaining a pension fund for employees under civil service hired before August 1, 1988, operating pursuant to this section as of January 1, 2015***~~[of the second class adopts an ordinance under this section for the creation of a pension fund]~~, picks up employee contributions pursuant to KRS 65.155, or accepts from its employees a portion of their wages and contributes city funds therefor, an inviolable contract shall be created between the city as employer and its employees, and the city and its employees shall continue to operate under KRS 90.310 to 90.390 and the adopting ordinance, except that employees, pursuant to subsection (8) of this section, may choose to participate in the County Employees Retirement System. A repeal of that ordinance by the city shall in no wise affect such employees unless by the mutual consent of the city and an employee or employees.

(8) After August 1, 1988, no new pension fund shall be created pursuant to this section, and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988. Any city which provided a pension plan for its employees on or prior to August 1, 1988, shall place employees hired after August 1, 1988, in the County Employees Retirement System. The board shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section.

➔Section 86. KRS 90.410 is amended to read as follows:

(1) Any city ***maintaining a pension fund for employees under civil service hired before August 1, 1988, operating pursuant to this section as of January 1, 2015, shall continue to operate the existing pension fund in accordance with this section. The city***~~[of the third class adopting a civil service plan under KRS 90.310 may provide by ordinance for the creation and maintenance of a pension fund for the benefit of employees under civil service, and]~~ may assess monthly such amount or percent of the salary of employees as may be equitably determined on a fair actuarial basis, not to exceed five percent (5%) of the monthly salary of any employee. The city legislative body shall contribute city revenues to the fund which shall be not less than the contributions of the employees.

(2) The city may create a board for the pension fund and designate trustees of that board, and may fix the powers of trustees, determine the eligibility of employees or their dependents to a pension or other benefit, and may provide a monthly allowance for employees eligible for a pension, not to exceed one-half (1/2) of the monthly salary of any employee at the time of his retirement.

(3) In order to adjust retirement benefits to the purchasing power of the dollar, the city may annually provide an increase in benefits paid pursuant to this section. The city may provide an increase of any amount up to the increase in the consumer price index calculated pursuant to KRS 64.527, but in no case shall the annual increase exceed five percent (5%).~~[The city may grant the first increase in 1990.]~~

(4) When any city ***maintaining a pension fund for employees under civil service hired before August 1, 1988, operating pursuant to this section as of January 1, 2015***~~[of the third class adopts an ordinance under this section for the creation of a pension fund]~~, picks up employee contributions pursuant to KRS 65.155, or accepts from its employees a portion of their wages and contributes city funds therefor, an inviolable contract shall be created between the city as employer and its employees, and the city and its employees shall continue

to operate under KRS 90.310 to 90.390 and the adopting ordinance, except that employees, pursuant to subsection (5) of this section, may choose to participate in the County Employees Retirement System. A repeal of that ordinance by the city shall in no wise affect such employees unless by the mutual consent of the city and an employee or employees.

(5) After August 1, 1988, no new pension fund shall be created pursuant to this section, and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988. Any city which provided a pension plan for its employees on or prior to August 1, 1988, shall place employees hired after August 1, 1988, in the County Employees Retirement System. The board shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section.

➔Section 87. KRS 90.990 is amended to read as follows:

Any person who shall knowingly, or wittingly, or intentionally, or through gross negligence, violate any of the provisions of this chapter~~[pertaining to cities of the first and second classes,]~~ shall be guilty of a misdemeanor, and shall upon conviction thereof be subject to a fine of not less than fifty dollars ($50) nor more than five hundred dollars ($500), provided, however, that the provisions of this section shall not apply to KRS 90.220.

➔Section 88. KRS 91A.040 is amended to read as follows:

(1) ***Except as provided in subsections (2) and (3) of this section,*** each city~~[of the first through fifth class]~~ shall, after the close of each fiscal year, cause each fund of the city to be audited by the Auditor of Public Accounts or a certified public accountant. The audits shall be completed by February 1 immediately following the fiscal year being audited. Within ten (10) days of the completion of the audit and its presentation to the city legislative body, in accordance with subsection (4)(e) of this section, each city shall forward three (3) copies of the audit report to the Department for Local Government for information purposes. The Department for Local Government shall forward one (1) copy of the audit report to the Legislative Research Commission to be used for the purposes of KRS 6.955 to 6.975.

(2) ***A city with a population of less than one thousand (1,000) based upon the most recent federal decennial census***~~[Except as provided in subsection (3) of this section, each city of the sixth class]~~ shall, after the close of each odd-numbered fiscal year, cause each fund of the city to be audited by the Auditor of Public Accounts or a certified public accountant. The audits shall be completed by February 1 immediately following the fiscal year to be audited. Within ten (10) days of the completion of the audit and its presentation to the city legislative body, in accordance with subsection (4)(e) of this section, ***the***~~[each sixth class]~~ city shall forward three (3) copies of the audit report to the Department for Local Government for information purposes. The Department for Local Government shall forward one (1) copy of the audit report to the Legislative Research Commission to be used for the purposes of KRS 6.955 to 6.975. After the close of each even-numbered fiscal year, each~~[sixth class]~~ city ***subject to the provisions of this subsection*** shall prepare a financial statement in accordance with KRS 424.220 and immediately forward one (1) copy to the Department for Local Government, which shall forward one (1) copy of the financial statement to the Legislative Research Commission.

(3) Any city~~[of the sixth class]~~, which for any fiscal year receives and expends, from all sources and for all purposes, less than seventy-five thousand dollars ($75,000), and which has no long-term debt, whether general obligation or revenue debt, shall not be required to audit each fund of the city for that particular fiscal year. Each city ***exempted in accordance with this subsection*** shall annually prepare a financial statement in accordance with KRS 424.220 and immediately forward one (1) copy to the Department for Local Government for information purposes. The Department for Local Government shall be responsible for forwarding one (1) copy of the financial statement to the Legislative Research Commission to be used for the purposes of KRS 6.955 to 6.975.

(4) Each city required by this section to conduct an annual or biannual audit shall enter into a written contract with the selected auditor. The contract shall set forth all terms and conditions of the agreement which shall include but not be limited to requirements that:

(a) The auditor be employed to examine the basic financial statements, which shall include the government-wide and fund financial statements;

(b) The auditor shall include in the annual city audit report an examination of local government economic assistance funds granted to the city under KRS 42.450 to 42.495. The auditor shall include a certification with the annual audit report that the funds were expended for the purpose intended;

(c) All audit information be prepared in accordance with generally accepted governmental auditing standards which include tests of the accounting records and auditing procedures considered necessary in the circumstances. Where the audit is to cover the use of state or federal funds, appropriate state or federal guidelines shall be utilized;

(d) The auditor ***shall*** prepare a typewritten or printed report embodying:

1. The basic financial statements and accompanying supplemental and required supplemental information;

2. The auditor's opinion on the basic financial statements or reasons why an opinion cannot be expressed; and

3. Findings required to be reported as a result of the audit;

(e) The completed audit and all accompanying documentation shall be presented to the city legislative body at a regular or special meeting; and

(f) Any contract with a certified public accountant for an audit shall require the accountant to forward a copy of the audit report and management letters to the Auditor of Public Accounts upon request of the city or the Auditor of Public Accounts, and the Auditor of Public Accounts shall have the right to review the certified public accountant's work papers upon request.

(5) A copy of an audit report which meets the requirements of this section shall be considered satisfactory and final in meeting any official request to a city for financial data, except for statutory or judicial requirements, or requirements of the Legislative Research Commission necessary to carry out the purposes of KRS 6.955 to 6.975.

(6) Each city shall, within thirty (30) days after the presentation of an audit to the city legislative body, publish an advertisement in accordance with KRS Chapter 424 containing:

(a) The auditor's opinion letter;

(b) The "Budgetary Comparison Schedules-Major Funds," which shall include the general fund and all major funds;

(c) A statement that a copy of the complete audit report, including financial statements and supplemental information, is on file at city hall and is available for public inspection during normal business hours;

(d) A statement that any citizen may obtain from city hall a copy of the complete audit report, including financial statements and supplemental information, for his personal use;

(e) A statement which notifies citizens requesting a personal copy of the city audit report that they will be charged for duplication costs at a rate that shall not exceed twenty-five cents ($0.25) per page; and

(f) A statement that copies of the financial statement prepared in accordance with KRS 424.220***, when a financial statement is required by Section 309 of this Act,*** are available to the public at no cost at the business address of the officer responsible for preparation of the statement.

(7) Any city~~[of the fifth or sixth class]~~ may utilize the alternative publication methods authorized by KRS 424.190(2) to comply with the provisions of this section.

(8) Any person who violates any provision of this section shall be fined not less than fifty dollars ($50) nor more than five hundred dollars ($500). In addition, any officer who fails to comply with any of the provisions of this section shall, for each failure, be subject to a forfeiture of not less than fifty dollars ($50) nor more than five hundred dollars ($500), in the discretion of the court, which may be recovered only once in a civil action brought by any resident of the city. The costs of all proceedings, including a reasonable fee for the attorney of the resident bringing the action, shall be assessed against the unsuccessful party.

➔Section 89. KRS 91A.180 is amended to read as follows:

(1) The legislative body of any city~~[of the first or second class]~~ or urban-county government may sell or lease property, including any interest in real property, of the city~~[of the first or second class]~~ or urban-county government which is not needed or has become unsuitable for public use by the city~~[of the first or second~~

~~class]~~ or urban-county government, or which property would be more suitably consistent with the public interest for some other use of a public nature.

(2) When the legislative body of a city~~[of the first or second class]~~ or urban-county government finds that the purposes of one (1) or more of its departments and the public purposes of the Commonwealth would be promoted by the construction of buildings and improvements on land owned by the city~~[of the first or second class]~~ or urban-county government, it may authorize the construction of such buildings and improvements by private entrepreneurs with private capital under a conveyance and leaseback agreement authorized by subsection (3) of this section.

(3) The legislative body of a city~~[of the first or second class]~~ or urban-county government may, subsequent to a finding made pursuant to subsection (2) of this section, convey the fee interest in the particular real property to a private individual, corporation or partnership, subject to a written agreement by such private entrepreneur to construct such buildings and improvements on the fee simple holding and then subsequently, after placing a mortgage necessary to fund the capital improvements on the fee interest by the private entrepreneur, reconvey the fee title back to the city~~[of the first or second class]~~ or urban-county government. The city~~[of the first or second class]~~ or urban-county government shall in turn execute a long term lease on the real property back to the private entrepreneur. Under such conveyances the mortgage shall not constitute a general obligation or debt of the city~~[of the first or second class]~~ or urban-county government. The city~~[of the first or second class]~~ or urban-county government may, in event of default, redeem the mortgage if it so elects. In such a leaseback arrangement, with suitable rentals, the actual operation of such constructed facilities shall be conducted solely by the entrepreneur or his agent, but the operation will be considered a public purpose and public use of the property. However, the city~~[of the first or second class]~~ or urban-county government and the lessee shall agree that, and with adequate insurance, the city~~[of the first or second class]~~ or urban-county government shall be held harmless in connection with property loss and general liability for injuries or death suffered on the property. Under the leaseback agreements the facility will not be considered a governmental facility or function of the city~~[of the first or second class]~~ or urban-county government.

➔Section 90. KRS 91A.350 is amended to read as follows:

(1) The local governing bodies of counties containing cities of the first class and the local governing bodies of the cities of the first class located therein may, by joint or separate action, establish tourist and convention commissions for the purpose of promoting convention and tourist activity. The local governing body of a consolidated local government may establish or maintain tourist and convention commissions for the purpose of promoting convention and tourist activity.

(2) Except in a county containing a consolidated local government, the local governing bodies of counties containing ***an urban-county government and counties containing*** cities ***of the home rule class***~~[of the second through sixth classes]~~ and the local governing bodies of the cities of the ***home rule class***~~[second through sixth classes]~~ located therein may, by joint or separate action, establish tourist and convention commissions for the purpose of promoting and developing convention and tourist activities and facilities.

(3) The local governing bodies of two (2) or more counties may jointly establish tourist and convention commissions for the purpose of promoting convention and tourist activities and facilities.

(4) The local governing bodies of two (2) or more counties, which may include a consolidated local government, may jointly establish tourist and convention commissions for the purpose of promoting convention and tourist activities and facilities.

(5) Tourist and convention commissions may continue to fund recreational activities or projects not related to tourism or conventions that were funded by the commission prior to July 13, 1990, at a level no greater than that provided by the commission in the 1990 fiscal year.

(6) For the purpose of promoting recreational, convention, and tourist activity in cities and counties served by joint playground and recreation boards established under KRS 97.035; to provide the boards with the same authority to issue revenue bonds granted to cities by KRS 58.010 to 58.150 and 103.200 to 103.285; and to authorize the boards to build and issue bonds for facilities located on leasehold and permithold land.

➔Section 91. KRS 91A.392 is amended to read as follows:

(1) In addition to the three percent (3%) transient room tax authorized by KRS 91A.390 and the one percent (1%) transient room tax authorized by KRS 153.440, a consolidated local government, or the fiscal court in a county containing ***an authorized***~~[a]~~ city~~[of the first or second class]~~, except those counties that are included in a

multicounty tourist and convention commission under KRS 91A.350, may levy an additional transient room tax not to exceed two percent (2%) of the rent for every occupancy of a suite, room, or rooms charged by all persons, companies, corporations, or other similar persons, groups, or organizations doing business as motor courts, motels, hotels, inns, or similar accommodations businesses.

(2) All money collected from the tax authorized by this section shall be applied toward the retirement of bonds issued pursuant to KRS 91A.390(8) to finance in part the expansion or construction or operation of a governmental or nonprofit convention center or fine arts center useful to the promotion of tourism located in the central business district of the consolidated local government or the ***authorized*** city~~[of the first or second class]~~ located in the county.

(3) After the retirement of the bonds provided for in this section, the additional transient room tax levied pursuant to this section shall be void, and the consolidated local government or fiscal court shall take action to repeal the ordinance which levied the tax.

(4) As used in this section "authorized city" means a city of the first class and a city included on the registry maintained by the Department for Local Government under subsection (5) of this section.

(5) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the second class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 92. KRS 91A.400 is amended to read as follows:

(1) As used in this section, "authorized city" means a city on the registry maintained by the Department for Local Government under subsection (2) of this section.

(2) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of January 1, 2014, were classified as cities of the fourth or fifth class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

(3) In addition to the three percent (3%) transient room tax authorized by KRS 91A.390, the city legislative body in ***an authorized city***~~[cities of the fourth and fifth classes]~~ may levy an additional restaurant tax not to exceed three percent (3%) of the retail sales by all restaurants doing business in the city. All moneys collected from the tax authorized by this section shall be turned over to the tourist and convention commission established in that city as provided by KRS 91A.350 to 91A.390.

➔Section 93. KRS 91A.550 is amended to read as follows:

As used in KRS 91A.550 to 91A.580, unless the context otherwise requires:

(1) "Board" means any appointed board of directors, or any existing governmental agency designated pursuant to the ordinance establishing a management district;

(2) "City" means a city of the ***home rule***~~[second through sixth]~~ class;

(3) "Economic improvement" means any activity or service for the improvement and promotion of a management district that is of special benefit to property within the district, but shall not include any service ordinarily provided throughout the city from general fund revenues unless an increased level of the service is provided in the management district;

(4) "Fair basis" means assessed value basis, front foot basis, square foot basis, or benefits received basis;

(5) "Legislative body" means the legislative body of any city of the ***home rule***~~[second through sixth]~~ class;

(6) "Management district" means an area designated by a legislative body pursuant to KRS 91A.555 to 91A.580, that is to be benefited by economic improvements and subjected to the payment of special assessments for the costs of the economic improvements;

(7) "Property" means any real property benefited by economic improvements; and

(8) "Special assessment" means a special charge fixed on property to finance economic improvements in whole or in part.

➔Section 94. KRS 91A.555 is amended to read as follows:

A city of the ***home rule***~~[second through sixth]~~ class may establish one (1) or more management districts pursuant to KRS 91A.550 to 91A.580, for the purpose of providing and financing economic improvements that specially benefit property within the management district.

➔Section 95. KRS 92.280 is amended to read as follows:

(1) Except as provided in KRS 132.487, the legislative body of ***an urban-county government and*** each city of the ***home rule***~~[second to the sixth]~~ class shall provide each year, by ordinance, for the assessment of all real and personal property within the corporate limits that is subject to taxation for ***urban-county government or*** city purposes, and shall levy an ad valorem tax thereon for ***those***~~[city]~~ purposes.

(2) The legislative body of ***an urban-county government and*** each city of the ***home rule***~~[second to sixth]~~ class may impose license fees on stock used for breeding purposes, and on franchises, trades, occupations and professions, and may provide for the collection of such fees.

➔Section 96. KRS 92.281 is amended to read as follows:

(1) Cities of all classes are authorized to levy and collect any and all taxes provided for in Section 181 of the Constitution of the Commonwealth of Kentucky, and to use the revenue therefrom for such purposes as may be provided by the legislative body of the city.

(2) Nothing in this section shall be construed to repeal, amend, or affect in any way the provisions of KRS 243.070.

(3) This section shall not in any wise repeal, amend, affect, or apply to any existing statute exempting property from local taxation or fixing a special rate on proper classification or imposing a state tax which is declared to be in lieu of all local taxation, nor shall it be construed to authorize a city to require any company that pays both an ad valorem tax and a franchise tax to pay a license tax.

(4) This section shall also be subject to the provisions of KRS 91.200 in cities of the first class having a sinking fund and commissioners of a sinking fund.

(5) ***(a)*** License fees on businesses, trades, occupations, or professions may not be imposed by a city ***with a population of less than one thousand (1,000) based upon the most recent federal decennial census***~~[of the sixth class]~~ at a percentage rate on salaries, wages, commissions, or other compensation earned by persons for work done or services performed within ***that***~~[said]~~ city~~[of the sixth class]~~ nor the net profits of businesses, professions, or occupations from activities conducted in ***that***~~[said]~~ city~~[of the sixth class]~~.

(b) Notwithstanding paragraph (a) of this subsection, a city with a population of less than one thousand (1,000) based upon the most recent federal decennial census that, prior to January 1, 2014, imposed a license fee at a percentage rate on salaries, wages, commissions, or other compensation for work done or services performed within the city or on the net profits or gross receipts of businesses, professions, and occupations from activities conducted within the city may continue to impose that fee on a percentage rate.

(6) License fees or occupational taxes may not be imposed against or collected on income received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections.

(7) License fees or occupational taxes may not be imposed against or collected on any profits, earnings, or distributions of an investment fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any profits, earnings, or distributions would not be taxable to an individual investor.

(8) (a) It is the intent of the General Assembly to continue the exemption from local license fees and occupational taxes that existed on January 1, 2006, for providers of multichannel video programming services or communications services as defined in KRS 136.602 that were taxed under KRS 136.120 prior to January 1, 2006.

(b) To further this intent, license fees or occupational taxes may not be imposed against any company providing multichannel video programming services or communications services as defined in KRS 136.602. If only a portion of an entity's business is providing multichannel video programming services or communications services including products or services that are related to and provided in support of the multichannel video programming services or communications services, this exclusion applies only to that portion of the business that provides multichannel video programming services or

communications services including products or services that are related to and provided in support of the multichannel video programming services or communications services.

➔Section 97. KRS 92.290 is amended to read as follows:

With the exception that the taxable situs of motor vehicles is governed by KRS 132.227, all real and personal property within any city~~[of the third, fifth or sixth class]~~, and all personal property, except such tangible personal property as has an actual and bona fide situs without the city, of persons domiciled or actually residing in the city on the assessment date, and of all corporations having their chief office or place of business in the city on that date, and all franchises of same, shall be subject to assessment and taxation for city purposes, unless exempt from taxation by the Constitution or statutes of this state. Any franchise granted in whole or in part by a city~~[of the third, fifth or sixth class]~~, and exercised within the city, may be taxed by the city notwithstanding the corporation owning or exercising the same may have its chief office or place of business elsewhere. Any corporation doing business in a city~~[of the sixth class]~~, whether its franchise was granted by such city or not, may be required to pay a license tax.

➔Section 98. KRS 92.300 is amended to read as follows:

(1) The legislative body of ***an urban-county government and*** any city of the ***home rule***~~[second to sixth]~~ class may by ordinance exempt manufacturing establishments from city taxation for a period not exceeding five (5) years as an inducement to their location in the ***urban-county government, or*** city.~~[In cities of the third class, two-thirds (2/3) of the members of the city legislative body must concur for this purpose.]~~

(2) (a) No city of the ***home rule***~~[second to sixth]~~ class or urban-county government may impose or collect any license tax upon:

1. Any bank, trust company, combined bank and trust company, or trust, banking and title insurance company organized and doing business in this state;

2. Any savings and loan association whether state or federally chartered; or

3. The provision of multichannel video programming services or communications services as defined in KRS 136.602. It is the intent of the General Assembly to continue the exemption from local license fees and occupational taxes that existed on January 1, 2006, for providers of multichannel video programming services or communications services as defined in KRS 136.602 that were taxed under KRS 136.120 prior to January 1, 2006. If only a portion of an entity's business is providing multichannel video programming services or communications services including products or services that are related to and provided in support of the multichannel video programming services or communications services, this exclusion applies only to that portion of the business that provides multichannel video programming services or communications services including products or services that are related to and provided in support of the multichannel video programming services or communications services.

(b) No city of the ***home rule***~~[second to sixth]~~ class or urban-county government may impose or collect any license tax upon income received:

1. By members of the Kentucky National Guard for active duty training, unit training assemblies and annual field training; or

2. By precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections.

(3) ~~[Unpaid volunteer members of fire companies in cities of the fourth class shall be exempt from city poll taxes so long as they remain active members.~~

~~(4)]~~Pursuant to KRS 92.281, no city shall regulate any aspect of the manner in which any duly ordained, commissioned, or denominationally licensed minister of religion may perform his or her duties and activities as a minister of religion. Duly ordained, commissioned, or denominationally licensed ministers of religion shall be subject to the same license fees imposed on others in the city enacted pursuant to KRS 92.281.

➔Section 99. KRS 92.305 is amended to read as follows:

(1) Any ***urban-county government or*** city of the ***home rule***~~[second to the sixth]~~ class which finds and declares that there exists abandoned urban property as defined in KRS 132.012 within the ***urban-county government or*** city, or which finds that there exists blighted or deteriorated property pursuant to KRS 99.705 to 99.730, may levy a separate rate of taxation on abandoned urban property pursuant to KRS 132.012.

(2) Prior to levying a tax upon abandoned urban property, the legislative body of ***the urban-county government or the*** ~~[a]~~ city of the ***home rule*** ~~[second to the sixth]~~ class shall delegate to the vacant properties review commission, if established pursuant to KRS 99.710, or another department or agency of ***the urban-county or*** city government, the responsibility of determining which properties within the ***urban-county government or*** city are abandoned urban properties. A list of abandoned urban properties shall be furnished to the county property valuation administrator prior to the date fixed for the annual assessment of real property within the county. If a property classified as abandoned urban property is repaired, rehabilitated, or otherwise returned to productive use, the owner shall notify the ***urban-county government or*** city which shall, if it finds the property is no longer abandoned urban property, notify the property valuation administrator to strike the property from the list of abandoned urban properties.

➔Section 100. KRS 92.330 is amended to read as follows:

All taxes and license fees levied or imposed by cities of the ***home rule*** ~~[second to sixth]~~ class shall be levied or imposed by ordinance. The purpose for which each tax is levied or license fee imposed shall be specified in the ordinance, and the revenue therefrom shall be expended for no other purpose than that for which the tax was levied or the license fee imposed. Failure to specify the purpose of the tax or license fee shall render the ordinance invalid.

➔Section 101. KRS 92.340 is amended to read as follows:

If, in any city of the ***home rule*** ~~[second to sixth]~~ class, any city tax revenue is expended for a purpose other than that for which the tax was levied or the license fee imposed, each officer, agent or employee who, by a refusal to act, could have prevented the expenditure, and the members of the city legislative body who voted for the expenditure, shall be jointly and severally liable to the city for the amount so expended. The amount may be recovered of them in an action upon their bonds, or personally. The city attorney shall prosecute to recovery all such actions. If he fails to do so for six (6) months after the money has been expended, any taxpayer may prosecute such action for the use and benefit of the city. A recovery under this subsection shall not bar a criminal prosecution. Any indebtedness contracted by a city of the ***home rule*** ~~[second to sixth]~~ class in violation of this subsection or of KRS 92.330 or 91A.030(13) shall be void, the contract shall not be enforceable by the person with whom made, the city shall never assume the same, and money paid under any such contract may be recovered back by the city.

➔Section 102. KRS 92.810 is amended to read as follows:

In addition to those powers granted in this chapter for the collection of ad valorem taxes, any ***urban-county government or*** city of the ***home rule*** ~~[second through the sixth]~~ class may enforce collection of any tax bill due it by the procedure authorized by the provisions of KRS 91.484 to 91.527, except the statute of limitations shall, in all cases, be that set forth in KRS 134.546.

➔SECTION 103. A NEW SECTION OF KRS CHAPTER 92 IS CREATED TO READ AS FOLLOWS:

(1) Any city of the home rule class that does not elect by ordinance under KRS 132.285 to use the annual county assessment as the basis for ad valorem tax levies for property situated within its boundaries shall follow the procedures set out in this section.

(2) The city legislative body of any city providing for its own assessment shall establish by ordinance the manner of assessment, levy, and collection of ad valorem taxes, except that taxes on motor vehicles and motorboats shall be governed by KRS 132.487. The ordinance shall, at a minimum, include the following:

(a) The establishment of a board of tax supervisors that shall conform to the requirements of Section 104 of this Act;

(b) The date for assessment of all property subject to city taxation, excluding motor vehicles and motorboats;

(c) The method of assessment by an assessor and the development of an assessment list that shall conform as nearly as possible to that required by law of the property valuation administrator. The method of assessment shall include a mechanism by which the assessor can correct errors and notify owners;

(d) A statement that the assessment of any real property in the name of a person other than the true owner shall not invalidate the assessment or any liens created upon the property;

(e) Specific penalties for the failure of an owner to give a list of all taxable property when requested by the assessor and for providing a false or fraudulent list of property;

(f) The dates that the board of tax supervisors shall be required to meet and complete work unless called to meet earlier by the assessor;

(g) A method for taxpayers to appeal to the board of tax supervisors in the case of a dispute regarding the assessor's valuation and a statement that a taxpayer shall have the right to appeal a decision of the board of tax supervisors to the Circuit Court of the county within thirty (30) days of the final adjournment of the board of tax supervisors by filing with the court a copy of the action of the board, certified by the clerk of the board;

(h) The method for preparation and delivery of tax bills; and

(i) The due date for ad valorem taxes, including any discounts for early payments and any penalties for delinquent payment.

(3) The city may file an action in District Court to request the court to compel answers by process of contempt from an owner who fails to provide a list of taxable property to the assessor or gives a false or fraudulent list and may recover the legal costs, including attorney's fees, from the owner.

(4) If any property subject to taxation has not been listed by the assessor or board of supervisors, the city legislative body may assess it later, but not after more than five (5) years after the date when the assessment should have been made.

(5) The assessment of property, the levy of taxes on property, the tax bills, the sale of property for taxes and the report thereof, and all other acts of record of cities relating to the assessment of property and the levy of taxes on property shall be conclusive notice to all persons of the assessment, levy, and sales, as well as the liens and rights created thereby. No irregularity in the proceedings shall invalidate or defeat the collection of taxes by the city upon any property subject to taxation therein. The courts shall make all necessary orders to require all such property to bear its just proportion of taxation.

(6) The city shall give notice of the due date of taxes by publication pursuant to KRS Chapter 424.

(7) The city shall possess a lien on delinquent taxes in accordance with KRS 91A.070(3).

➔SECTION 104. A NEW SECTION OF KRS CHAPTER 92 IS CREATED TO READ AS FOLLOWS:

(1) The board of tax supervisors shall consist of three (3) members who live in the city and own real property within the corporate limits of the city. Each member shall be appointed annually by the mayor, subject to the approval of the city legislative body. The members of the board of tax supervisors may be compensated as set out in ordinance.

(2) Each member of the board of tax supervisors shall take an oath to faithfully discharge his or her duties. The board shall elect from among its membership a chair. The board shall elect a member to serve as secretary unless the city provides by ordinance another individual to serve as clerk for the board.

(3) The board may cause the custodian of any city records to bring the records before the board for inspection, and may retain them for defense, if necessary, by giving its receipt to the custodian. The board may interrogate any city official who shall, at its request, attend the meeting of the board and respond to all questions. Each member of the board may administer oaths, and the board may compel attendance of witnesses.

(4) The board of tax supervisors shall carefully examine the assessor's books and correct any errors of the assessor that are found. The board shall hear complaints of taxpayers either made in person, by agent, or by attorney, and may add to, increase, or decrease any list of property or the value thereof, or change the name of the person assessed.

(5) The board of tax supervisors shall provide at least ten (10) days' printed notice of its meeting by publication pursuant to KRS Chapter 424.

(6) Failure or informality in the meetings or proceedings of the board of tax supervisors shall not affect the validity of any tax.

➔Section 105. KRS 95.010 is amended to read as follows:

(1) As used in KRS 95.160 to 95.290 and in KRS ***95.830***~~[95.787]~~ to ***95.845***~~[95.850]~~, unless the context requires otherwise:

(a) "Dismissal" means the discharge of an employee by the division or department head, civil service board, or other lawful authority.

(b) "Eligible list" means a list of names of persons who have been found qualified through suitable competitive examinations for positions or classes of positions.

(c) "Fire department" means the officers, firefighters, and clerical or maintenance employees, including the chief of the fire department.

(d) "Member" means any person in the police or fire department, other than the chief or assistant chief of the department.

(e) "Police department" means the officers, policemen, and clerical or maintenance employees, including the chief of police.

(f) "Police force" means the officers and policemen of the police department, other than the chief of police.

(g) "Policeman" means a member of the police department below the rank of officer, other than a clerical or maintenance employee.

(h) "Salary" means any compensation received for services.

(i) "Suspension" means the separation of an employee from the service for a temporary or fixed period of time, by his appointing authority, as a disciplinary measure.

(2) As used in KRS 95.440 to 95.630, the following words and terms shall have the following meaning, unless the context requires otherwise:

(a) "Dismissal" means the discharge of an employee by the division or department head, civil service board, or other lawful authority.

(b) "Eligible list" means a list of names of persons who have been found qualified through suitable competitive examinations for positions or classes of positions.

(c) "Fire department" means and includes all officers, firefighters, and clerical or maintenance employees of the fire department.

(d) "Police department" means and includes all officers, policemen, and clerical or maintenance employees of the police department.

(e) "Member" means any and all officers, firefighters, policemen, clerical or maintenance employees in the police or fire department, except as used in subsections (1) and (3) of KRS 95.440, and KRS 95.450, 95.460, 95.470, 95.550, 95.560, 95.565, 95.570 and 95.580; it shall not include the chief of police~~[in a city of the second class operating under the commission form of government or]~~ in an urban-county government.

(f) "Police force" means and includes all officers and policemen in the police department.

(g) "Policeman" means a member of the police department below the rank of officer, other than a clerical or maintenance employee.

(h) "Firefighter" means a member of the fire department below the rank of officer, other than a clerical or maintenance employee.

(i) "Salary" means any compensation received for services.

(j) "Suspension" means the separation of an employee from the service for a temporary or fixed period of time, by his appointing authority, as a disciplinary measure.

(k) "Pension fund" shall mean the moneys derived from the members of the police and fire departments' salary or salaries and appropriations by the legislative body, or any other means derived from whatever source by gift or otherwise to be used for the retirement of members of the police and fire departments after the prescribed number of years of service, and for the benefit of disabled members of police and fire departments, and for the benefit of surviving spouses and dependent children or dependent fathers or mothers in the case of death of any member of the police or fire department within the scope of his employment.

(3) As used in KRS 95.761 to 95.785 the following words and terms shall have the following meaning:

(a) "Regular police department." For the purpose of KRS 95.761 to 95.785, a "regular police department" is defined as one having a fixed headquarters, where police equipment is maintained and where a

policeman or policemen are in constant and uninterrupted attendance to receive and answer police calls, and execute regular police patrol duties.

(b) "Regular fire department." For the purpose of KRS 95.761 to 95.785, a "regular fire department" is defined as one having a fixed headquarters where firefighting apparatus and equipment are maintained, and where firefighters are in constant and uninterrupted attendance to receive and answer fire alarms.

(c) "Legislative body." Wherever in KRS 95.761 to 95.785 the term "body" or "legislative body" is employed, it shall be construed to mean the legislative branch of the city government or urban-county government.

(d) "Commission." The word "commission" shall mean the board of civil service commissioners, as established under the terms of KRS 95.761 to 95.785.

(e) "Trustees." The word "trustees" shall mean the board of pension fund trustees, as established under the terms of KRS 95.761 to 95.785.

(f) "Pension fund." The term "pension fund" shall mean the moneys derived from the policeman or policemen and firefighter or firefighters salary or salaries, and appropriations by the legislative body, or any other sums derived from whatever source by gifts or otherwise to be used for the retirement of policeman or policemen and firefighter or firefighters after the prescribed number of years of service and for the benefit of disabled policeman or policemen and firefighter or firefighters, and for the benefit of surviving spouses and dependent children or dependent fathers or mothers in the case of death of a policeman or firefighter within the scope of his employment, according to the terms of KRS 95.761 to 95.785.

➔Section 106. KRS 95.019 is amended to read as follows:

(1) The chief of police and all members of the police force in ***urban-county governments and*** cities~~[of the first through fifth classes]~~ shall possess all of the common law and statutory powers of constables and sheriffs. They may exercise those powers, including the power of arrest for offenses against the state, anywhere in the county in which the ***urban-county government or*** city is located, but ***the chief of police and members of the police force in a city*** shall not be required to police any territory outside of the city limits.

(2) ~~[The chief of police and all members of the police force in cities of the sixth class shall possess all of the common law and statutory powers of constables and sheriffs. They may exercise those powers, including the power of arrest for offenses against the state, only within the corporate boundaries of the city and within the boundaries of any real property owned by the city which is located outside of its corporate boundaries.~~

~~(3)]~~The chief of police and all members of the police force in all ***urban-county governments and*** cities shall be entitled to the same fees, and the same remedies for collecting them, that are allowed to sheriffs and other officers for similar services, but all fees shall be paid into the ***urban-county government or*** city treasury.

➔Section 107. KRS 95.290 is amended to read as follows:

(1) The city legislative body in cities of the first class may enact ordinances providing for a system of pensions for retired and disabled members of the police and fire divisions of the department of public safety and their dependents, may appropriate funds for the purpose of paying such pensions, may allot and pay to the policemen's pension fund or the firefighters' pension fund or either or both of them, all fines and forfeitures imposed upon members of the respective divisions, and may provide for, assess, and collect contributions from the members for the benefit of the fund.

(2) There shall be a governing body of the policemen's pension fund, and a governing body of the firefighters' pension fund. The governing bodies of the respective funds shall hold title to all assets in their respective funds, and shall have exclusive authority relating to investment of the assets of the funds, including contracting with investment advisors or managers to perform investment services as deemed necessary and prudent by the board. A majority of the governing body of each fund shall be comprised of persons receiving pension benefits from the respective pension systems, and no more than one (1) member of the city legislative body may be a member of the governing body of either the policemen's or the firefighters' pension fund. To be effective, an action of the governing body of a fund shall require only a simple majority of the votes cast at a properly convened meeting of the governing body where a quorum is present, with a quorum being a majority of the members of a governing body.

(3) Any policemen's pension fund or any firefighters' pension fund established under the provisions of this section shall be held or distributed for, and only for, any of the following purposes of the respective fund as applicable:

(a) Paying pensions, and any bonus payments under applicable ordinances;

(b) Making payments to the city for transfer to the County Employees Retirement System for alternate participation pursuant to KRS 78.530(3)(a) and 78.531(2);

(c) Transferring pension assets through investment contract or other financial instrument for the purpose of amortizing unfunded service liabilities; and

(d) Payment from the city to the County Employees Retirement System for future pension contributions required pursuant to KRS 61.565.

Pursuant to the terms of this section, if policemen of the city of the first class elect entry into the County Employees Retirement System and thereby create excess funds over those required to provide for the purposes set forth in paragraphs (a), (b), and (c) of this subsection, these excess funds shall be distributed to the city for use by the city for any other purpose it may elect, including, but not limited to, the establishment of a reserve for payment under paragraph (d) of this subsection. The governing board of the fund may annually expend for the necessary expenses connected with the fund, including but not limited to expenses for medical, actuarial, accounting, and legal services, the amount such governing board deems proper.

(e) Payment from the city to the County Employees Retirement System for future pension contributions required pursuant to KRS 61.565. Pursuant to the terms of this section, if firefighters of the city of the first class elect entry into the County Employees Retirement System and thereby create excess funds over those required to provide for the purposes set forth in paragraphs (a), (b), and (c) of this subsection, these excess funds shall be distributed according to the terms of an agreement negotiated between the city and the union organization representing the firefighters. The city may use its share of the distributed excess funds for any purpose it may elect, including, but not limited to, the establishment of a reserve for payment under paragraph (e) of this subsection.

(4) (a) The governing body of each pension fund shall insure that all of the assets in the fund are distributed for the purposes in subsection (3) of this section, and only for these purposes. If in any calendar year the assets in either fund exceed those needed for the actuarial liability for payment of pension benefits and any anticipated liabilities under subsection (3)(b) and (c) of this section, the legislative body of the city establishing the pension system shall insure by pension bonus ordinance that a portion of these excess funds be distributed in an equitable manner to all eligible pension recipients. Nothing in this subsection shall be construed to require any change to be made to any pension ordinance as it exists on July 15, 1998.

(b) The governing board of either fund may annually expend for the necessary expenses connected with the fund, including but not limited to expenses for medical, actuarial, accounting, and legal or other professional services, the amount such governing board deems proper.

(5) Any ordinance establishing a pension fund under this section shall make equitable provision for the rights of persons having an interest in assets transferred to the fund from any fund heretofore established by statute.

(6) To assure equal protection for the beneficiaries of either fund, any action taken by the city executive or legislative body in cities of the first class that affects a policemen's pension fund or a firefighters' pension fund established under this section shall, to the maximum extent permitted by law, treat each fund in a uniform manner and shall not cause any change to be made to the structure or operation of either fund, whether through legislation, litigation, compromise, settlement, or otherwise, unless any proposed change is offered to the other fund before it takes effect. Nothing in this subsection shall be construed to require any change to be made to any pension ordinance as it exists on July 15, 1998.

(7) The legislative body in a city of the first class shall issue the appropriate order, pursuant to KRS 78.530(1), directing participation for policemen in the County Employees Retirement System. All new employees who would have been granted membership in the local policemen's pension system shall be members of the County Employees Retirement System. All active members of the local policemen's pension system at the time of transition to the County Employees Retirement System may choose membership in the County Employees Retirement System or may retain membership in the local system. The city shall elect the alternate participation plan, pursuant to KRS 78.530(3), for policemen who transfer to the County Employees

Retirement System. Notwithstanding the provisions of KRS 78.530(3)(b), the city may, at its option, extend the payment period for the cost of alternate participation to a maximum of twenty (20) years with the interest at the rate actuarially assumed by the board. The city shall have the right to use assets in the local pension fund, other than assets necessary to pay benefits to the remaining active members of the local policemen's pension system and to retirees and their survivors as determined by actuarial evaluation, to assist in the payment of the annual installment cost of alternate participation. All policemen who become members of the County Employees Retirement System pursuant to this section shall be granted hazardous duty coverage, and the city may, at its option, purchase accumulated sick leave for each policeman upon retirement pursuant to KRS 78.616.

(8) The legislative body in a city of the first class may issue the appropriate order, pursuant to KRS 78.530(1), directing participation for firefighters in the County Employees Retirement System. In the event that the legislative body in a city of the first class issues such an order, then all new employees who would have been granted membership in the local firefighters' pension system shall be members of the County Employees Retirement System. All active members of the local firefighters' pension system at the time of transition to the County Employees Retirement System may choose membership in the County Employees Retirement System or may retain membership in the local system. The city shall elect the alternate participation plan, pursuant to KRS 78.530(3), for firefighters who transfer to the County Employees Retirement System. Notwithstanding the provisions of KRS 78.530(3)(b), the city may, at its option, extend the payment period for the cost of alternate participation to a maximum of twenty (20) years with the interest at the rate actuarially assumed by the board. The city shall have the right to use assets in the local firefighters' pension fund, other than assets necessary to pay benefits to the remaining active members of the local firefighters' pension system and to retirees and their survivors as determined by actuarial evaluation, to assist in the payment of the annual installment cost of alternate participation. After certification by the County Employees Retirement System of eligibility for hazardous duty coverage, each firefighter who becomes a member of the County Employees Retirement System pursuant to this section shall be granted hazardous duty coverage.

(9) Notwithstanding the provisions of KRS 61.565, which relate to the contributions required of participating employers, any city of the first class participating in the County Employees Retirement System hazardous duty pension plan which has in effect a collective bargaining agreement with a group of employees who participate in said plan, shall have the right to enter into agreement with its employees or with their respective collective bargaining representatives. This agreement may include, but is not limited to, specifications of what portion of the required employer contribution shall be borne by the participating employer and what portion shall be borne by the participating employee. This provision in no way modifies the employer's obligation to remit the contributions required by the County Employees Retirement System pursuant to KRS 61.565, whether such contributions are borne by the city or by its participating employees.

(10) With regard to the employer participation or employer contributions pursuant to KRS 61.565 as it relates to future pension contribution requirements or as it relates to payback period or interest charge for service liability cost under alternate participation, if any statute or any resolution of the appropriate state board of trustees having authority over employer participation or employer contribution grants any terms or conditions to any city of the ***home rule*** ~~[second through the sixth]~~ class, or to any county, or to any urban-county government, which are more favorable in terms of participation than terms or conditions granted to any city of the first class, then said provisions for employer participation or contribution shall be available to the city of the first class, at its option and effective upon adoption by the city of the first class and notification to the County Employees Retirement System.

➔Section 108. KRS 95.435 is amended to read as follows:

(1) The police department in cities of the ***home rule*** ~~[second]~~ class~~[,]~~ and urban-county ***governments*** ~~[government]~~ shall take charge of property, within their jurisdiction, alleged to be or suspected of being the proceeds of crime, property taken from the person of a prisoner, lost or abandoned property taken into the custody of any member of the police force or criminal court, and property taken from persons supposed to be insane, intoxicated or otherwise incapable of taking care of themselves. The officer or court having custody of such property shall as soon as practicable deliver it into the custody of the police department.

(2) All such property shall be particularly described and registered by the police department in a book kept for that purpose, containing the name of the owner, if ascertained, the place where found, the name of the person from whom taken, with the general circumstances, the date of its receipt, the name of the officer recovering the property, the names of all claimants thereto, and any final disposition of the property. The police department shall advertise the property pursuant to KRS Chapter 424 for the information of the public as to the amount and disposition of the property.

(3) If any property in the custody of the police department is desired as evidence in any criminal court, such property shall be delivered to any officer who presents an order to that effect from the court. Such property shall not be retained in the court but shall be returned to the police department.

(4) All property except firearms that remains in the custody of the police department for three (3) months, without any lawful claimant thereto, may be sold at public auction in a suitable room designated for that purpose after having been advertised pursuant to KRS Chapter 424. The proceeds of such sales shall be paid into the police and firefighters' pension fund of said city or urban-county government ***if the city or urban-county government has a pension fund with active members or beneficiaries. If the city or urban-county government does not maintain a policemen's and firefighters' pension fund or no longer has active members or beneficiaries, then the proceeds shall be designated by the city or urban-county government for the exclusive use of the police department***. Firearms shall be transferred to the Department of Kentucky State Police within ninety (90) days of abandonment, confiscation, release of the weapon as evidence, or forfeiture by a court, whichever occurs later.

➔Section 109. KRS 95.440 is amended to read as follows:

(1) The legislative body ***of*** ~~[in]~~ cities of the ***home rule class*** ~~[second and third classes]~~ and urban-county governments ***may*** ~~[shall]~~ require***, in addition to the peace officer professional standards training under KRS 15.380 to 15.404,*** all applicants for appointments as members of the police or fire departments to be examined as to their qualifications for office, including their knowledge of the English language and the law and rules governing the duties of the position applied for.

(2) Each member of the police or fire department in cities ~~[of the second and third classes]~~ and urban-county governments shall be able to read, write and understand the English language, and have such other qualifications as may be prescribed. No person shall be appointed a member of the police or fire department unless he is a person of sobriety and integrity and is and has been an orderly, law-abiding citizen. ***No person convicted of a felony is eligible for appointment.***

(3) Members of the police and fire departments in cities ***required to comply with Section 112 of this Act*** ~~[of the second and third classes]~~ or urban-county governments qualified under this section shall hold their positions during good behavior, except that the legislative body may decrease the number of policemen or firefighters as it may deem proper.

(4) If the legislative body of a city ***required to comply with Section 112 of this Act*** ~~[of the second or third class]~~ or urban-county government decreases the number of policemen or firefighters, the youngest members in point of service shall be the first to be released and returned to the eligible list of the department, there to advance according to the rules of the department.

(5) The legislative body in an urban-county government may by ordinance provide that any person who has successfully completed his probationary period and subsequently ceased working for the police or fire department for reasons other than dismissal may be restored to the position, rank and pay he formerly held or to an equivalent or lower position, rank or pay than that which he formerly held if he so requests in writing to the appointing authority. Such person shall be eligible for reinstatement for a period of one (1) year following his separation from the police or fire department and shall be reinstated only with the approval of the appointing authority.

➔Section 110. KRS 95.442 is amended to read as follows:

Any city ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census,*** ~~[of the second or third class]~~ may elect to operate under KRS 90.310 to 90.410, and, by ordinance, create a civil service commission. Any classified employee in the police or fire department who accepts an appointment and qualifies as chief of police, assistant chief of police, chief of firefighters, or assistant chief of firefighters shall be deemed to have received a leave of absence from the classified service for, and during the incumbency of, any of those respective positions. If an individual should cease to serve in any of those positions, there shall be restored to him or her the same classification and rank which he or she held prior to his ***or her*** appointment.

➔Section 111. KRS 95.445 is amended to read as follows:

(1) Except as provided in subsection (2) of this section, the legislative body of a city of the ***home rule*** ~~[second, third, fourth, fifth, or sixth]~~ class, or urban-county government, ~~[except a city of the fifth or sixth class in a county containing a first-class city,]~~ may by ordinance provide for the establishment or abolishment of an

auxiliary police force to perform special duties within the city on terms it deems proper. The ordinance shall prescribe the number of officers and men of such force and the manner of their appointment, and rules and regulations governing the powers and duties of members of such force.

(2) No city containing a population of less than three thousand (3,000) based upon the most recent federal decennial census that is located within a county that contains a consolidated local government shall establish or otherwise provide for an auxiliary police force.

➔Section 112. KRS 95.450 is amended to read as follows:

(1) ***The provisions of this section shall only apply to members of police and fire departments in urban-county governments and those cities that are included in the Department for Local Government registry created pursuant to subsection (9) of this section.***

(2) Except as provided in subsection ***(6)***~~[(5)]~~ of this section no member of the police or fire department in cities ***listed on the registry pursuant to subsection (9) of this section***~~[of the second and third classes]~~ or ***an*** urban-county government shall be reprimanded, dismissed, suspended or reduced in grade or pay for any reason except inefficiency, misconduct, insubordination or violation of law or of the rules adopted by the legislative body, and only after charges are preferred and a hearing conducted as provided in this section.

(3)~~[(2)]~~ Any person may prefer charges against a member of the police or fire department by filing them with the clerk of the legislative body who shall immediately communicate the same to the legislative body. The mayor shall, whenever probable cause appears, prefer charges against any member whom he believes guilty of conduct justifying his dismissal or punishment. The charges shall be written and shall set out clearly the charges made. The person preferring the charges may withdraw them at any time prior to the conclusion of the hearing. The charges may thereupon be dismissed.

(4)~~[(3)]~~ Upon the hearing all charges shall be considered traversed and put in issue, and the trial shall be confined to matters related to the issues presented. Within three (3) days after the charges have been filed with the legislative body, that body shall proceed to hear the charges. At least two (2) days before the hearing the member accused shall be served with a copy of the charges and a statement of the day, place and hour at which the hearing of the charges will begin. The person accused may, in writing, waive the service of charges and demand trial within three (3) days after the charges are filed with the clerk.

(5)~~[(4)]~~ The legislative body may summon and compel attendance of witnesses at hearings by subpoena issued by the clerk of that body and served upon the witnesses by any officer authorized to serve court subpoenas. If any witness fails to appear in response to a summons or refuses to testify concerning any matter on which he may lawfully be interrogated, any District Judge, on application of the commission, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the District Court. The member accused may have subpoenaed any witnesses he may desire, upon furnishing their names to the clerk. The action and decision of the body on the charges shall be reduced to writing and entered in a book kept for that purpose, and the written charges filed in the matter shall be attached to the book containing the decision.

(6)~~[(5)]~~ When the appointing authority or the head of the department has probable cause to believe a member of the police or fire department has been guilty of conduct justifying dismissal or punishment, he or it may suspend the member from duty or from both pay and duty, pending trial, and the member shall not be placed on duty, or allowed pay, until the charges are heard. If the member is suspended, there shall be no continuances granted without the consent of the member accused.

(7)~~[(6)]~~ The legislative body shall fix the punishment of a member of the police or fire department found guilty, by a reprimand, suspension for any length of time not to exceed six (6) months, by reducing the grade if the accused is an officer, or by combining any two (2) or more of those punishments, or by dismissal from the service.

(8) A member of a police or fire department found guilty pursuant to the provisions of this section shall have the right to appeal to the Circuit Court under the provisions of Section 113 of this Act.

(9) On or before January 1, 2015, the Department for Local Government shall create a registry of cities that shall be required to comply with the provisions of this section. The Department for Local Government shall include each of those cities on the registry that were classified as cities of the second or third class as of January 1, 2014. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 113. KRS 95.460 is amended to read as follows:

(1) Any member of the police or fire department~~[in cities of the second and third classes or urban-county governments]~~ found guilty by the legislative body of any charge, as provided by KRS 95.450, may appeal to the Circuit Court of the county in which the city or urban-county government is located, but the enforcement of the judgment of the body shall not be suspended pending appeal. The notice of the appeal shall be filed not later than thirty (30) days after the date the legislative body makes its determination on the charge.

(2) Upon request of the accused, the clerk of the legislative body shall file a certified copy of the charges and the judgment of that body in the Circuit Court. Upon the transcript being filed, the case shall be docketed in the Circuit Court and tried as an original action.

(3) If the clerk fails to certify the transcript to the Circuit Court within seven (7) days after the request is made, the party aggrieved may file an affidavit in the Circuit Court setting out as fully as possible the charges made, the time of the hearing, and the judgment of the legislative body, together with a statement that demand for transcript was made upon the clerk more than five (5) days before the filing of the affidavit. Upon the filing of the affidavit in the Circuit Court, the case shall be docketed, and the Circuit Court may compel the filing of the transcript by the clerk by entering the proper mandatory order, and by fine and imprisonment for contempt. The appeal shall have precedence over other business, and be determined speedily.

(4) An appeal will lie from the judgment of the Circuit Court to the Court of Appeals as in other cases.

➔Section 114. KRS 95.470 is amended to read as follows:

(1) No person shall be appointed a member of the police or fire department in cities of the ***home rule***~~[second and third classes]~~ or urban-county governments on account of any political service, contribution, sentiment or affiliation. No member shall be dismissed, suspended or reduced in grade or pay for any political opinion.

(2) The appointment and continuance in office of members of the police or fire department shall depend solely upon their ability and willingness to enforce the law and comply with the rules of the department, and shall not be a reward for political activity or contribution to campaign funds.

(3) No member of either department shall be forced to pay or collect any assessments made by political organizations, contribute to political campaign funds, or be active in politics.

(4) No member of either department shall be active in politics or work for the election of candidates while on duty.

➔Section 115. KRS 95.480 is amended to read as follows:

(1) The chief of police in cities ~~[of the second class]~~ or a policeman acting under his authority shall***, if required by the city,*** attend all sessions of the legislative body, execute their orders, and preserve order at their sessions.

(2) The chief of police may receive the same fees, for the use of the city or urban-county government, that sheriffs are entitled to receive for like services, and have the same power to collect them.

(3) The chief of police, policemen deputized by him, and others to whom the process of a court is directed and comes for execution shall execute and return the process within the time prescribed by law for sheriffs to execute and return similar process, and on their failure they and their sureties shall be liable to the same penalties as sheriffs. They shall be subject to similar penalties for not paying over moneys collected on execution, making illegal charges, false returns and like illegal acts.

(4) The District Court may hear and determine motions against them and their sureties for failure to pay over moneys collected, as the Circuit Court has jurisdiction to hear and determine motions against defaulting sheriffs, or may proceed by fines and imprisonment to enforce the execution and return of process.

➔Section 116. KRS 95.490 is amended to read as follows:

(1) Each member of the police force in cities of the ***home rule***~~[second]~~ class or ***in an*** urban-county government, before entering upon the discharge of his duties, shall take an oath before the mayor to faithfully discharge the duties of his ***or her*** office. The oath shall be subscribed by the person taking it, and filed in the office of the city ***clerk***~~[auditor]~~, or in urban-county governments, the office most closely resembling such office.

(2) The chief of police and each other member of the police force shall give such bond to the city or urban-county government, and with such surety as may be required by ordinance, conditioned that they will faithfully perform the duties of their office and pay over to the persons entitled thereto all moneys that may come into their hands. A lien shall exist on the lands of the chief of police or policemen deputized by him, and their sureties, from the time of executing bond, for all sums of money that come into their hands.

➔Section 117. KRS 95.495 is amended to read as follows:

(1) In~~[all]~~ cities ***listed on the registry pursuant to subsection (3) of this section***~~[of the second class]~~ or urban-county governments, except those in which, by ordinance, the patrolmen are employed or paid by the day, the members of the police department shall not be required to work more than eight (8) hours per day, for five (5) days each week or ten (10) hours per day, for four (4) days each week, except in the event of an emergency. Each member of the police department shall have an annual leave of fifteen (15) working days with full pay. Nothing in this section shall prohibit a member of the police department from voluntarily agreeing to work a different work schedule provided that the officer is paid overtime for any work performed in excess of forty (40) hours per week.

(2) The salary of the members of the police department shall not be reduced by reason of the enactment of this section.

(3) On or before January 1, 2015, the Department for Local Government shall create a registry of cities that shall comply with the provisions of this section. The Department for Local Government shall include each of those cities on the registry that were classified as cities of the second or third class on August 1, 2014. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 118. KRS 95.500 is amended to read as follows:

(1) The chief of the fire department in cities~~[of the second class]~~ or urban-county governments, or an officer acting under his authority, shall be present at all fires and investigate their cause. He may examine witnesses, compel the production of testimony, administer oaths, make arrests, and enter any building for the purpose of examination that, in his opinion, is in danger from fires. He shall report his proceedings to the city legislative body when required.

(2) The chief shall direct and control the operations of the members of the fire department in the discharge of their duties. He shall have access to and use of all cisterns, fireplugs, the waters of the waterworks, and the cisterns of private persons, for the purpose of extinguishing fires. He shall have the right to examine all cisterns, and all plugs and pipes of the waterworks, to see that they are in condition for use in case of fire. He shall have control of all buildings, hose, engines, and other equipment provided for the fire department. He shall perform such other duties as the legislative body shall, by ordinance, prescribe.

(3) The fire department of each city ***listed on the registry pursuant to subsection (5) of this section***~~[of the second class]~~ or urban-county government shall be divided into three (3) platoons. Each platoon, excluding the chief and the assistant chief in fire departments in ***the*** cities ***listed on the registry or in urban-county governments***~~[of the second class]~~, shall be on duty for twenty-four (24) consecutive hours, after which the platoon serving twenty-four (24) hours shall be allowed to remain off duty for forty-eight (48) consecutive hours, except in cases of dire emergency. The chief of the fire department shall arrange the schedule of working hours to comply with the provisions of this section. The pay, rank, or benefits of the members and officers of the fire department shall not be reduced as a result of this subsection.

(4) In each city~~[of the second class]~~ or urban-county government ***listed on the registry***, all employees of the fire department shall be given not less than two (2) weeks leave of absence annually, with full pay.

(5) On or before January 1, 2015, the Department for Local Government shall create a registry of cities that shall be required to comply with the provisions of subsections (3) and (4) of this section. The Department for Local Government shall include each of those cities on the registry that were classified as cities of the second class on August 1, 2014. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 119. KRS 95.505 is amended to read as follows:

In cities ***that are not required to comply with Section 118 of this Act***~~[of the third class]~~, the city legislative body may by ordinance provide that members of the fire department shall receive a period of twenty-four (24) consecutive hours off duty in each period of fourteen (14) days, in addition to receiving twenty-four (24) hours off duty in each period of forty-eight (48) hours, except in cases of extraordinary emergency.

➔SECTION 120. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The provisions of KRS 95.520 to 95.620 and KRS 95.621 to 95.629 shall only apply to those cities that were previously classified as cities of the third class on or before August 1, 1988, under the city classification system that was in effect on or before August 1, 1988, and have established a policemen's and firefighters' pension

program specifically under the provisions of KRS 95.520 to 95.620 and KRS 95.621 to 95.629 on or before August 1, 1988, or to any other city that established a policemen's and firefighters' pension program specifically under the provisions of KRS 95.520 to 95.620 and KRS 95.621 to 95.629 on or before August 1, 1988.

➔Section 121. KRS 95.520 is amended to read as follows:

(1) ***In cities meeting the criteria set out in Section 120 of this Act,*** there shall be~~[in cities of the third class]~~ a policemen's and firefighters' pension fund, and a board of trustees for that fund unless the policemen and firefighters are included in the membership of the County Employees Retirement System.

(2) The board of trustees is the trustee of the pension fund, and has exclusive control and management of the pension fund and of all moneys donated or paid for the relief or pensioning of members of the police and fire departments. It may do all things necessary to protect the fund.

(3) (a) After August 1, 1988, no new locally administered pension fund shall be created pursuant to this section, and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988;

(b) Cities which were covered by this section on or prior to August 1, 1988, shall provide for the retirement of police or firefighters rehired after August 1, 1988, by placing such employees in the County Employees Retirement System;

(c) Cities which were covered by this section on or prior to August 1, 1988, shall place police or firefighters newly hired after August 1, 1988, in the County Employees Retirement System;

(d) Cities which were covered by this section on or prior to August 1, 1988, shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section;

(e) The city shall certify that all police and firefighters placed in the County Employees Retirement System, and not covered by Social Security for their employment with the city, are employed in hazardous positions. If the police and firefighters are covered by Social Security for their employment with the city, the city may certify that they are employed in hazardous positions; and

(f) If the city's participation in the County Employees Retirement System is terminated pursuant to KRS 78.535, the city shall provide retirement benefits pursuant to KRS 95.520 to 95.620 to any of its police and firefighters who have not retained membership in the County Employees Retirement System pursuant to KRS 78.535(4).

➔Section 122. KRS 95.530 is amended to read as follows:

(1) In cities ***with a pension fund established under Section 121 of this Act***~~[of the third class]~~ where there are fewer than six (6) active members of the pension fund, the board of trustees of the policemen's and firefighter's pension fund is composed of the mayor, city treasurer, and one (1) retired member each from the police and fire departments. The retired members from the police and fire departments shall be elected by the respective retired members of those departments annually by ballot, one (1) from each department, and shall serve for one (1) year and until their respective successors are elected and qualified. The board shall select from their number a president and a secretary.

(2) If there are six (6) or more active members of the fund, there shall be two (2) additional board members who shall be one (1) active member of the fund from each department elected by the active members of the fund from the respective departments and who shall serve for one (1) year and until their respective successors are elected and qualified. If all of the six (6) or more active members or all of the retired members are from one (1) department, then both of the active member board members or both of the retired board members, as the case may be, shall be elected from that department.

(3) The board of trustees' membership shall be restructured according to the provisions of this section at the time of the next scheduled election of board members after July 15, 1990.

➔Section 123. KRS 95.540 is amended to read as follows:

(1) The board of trustees of the pension fund ***established under Section 121 of this Act***~~[in cities of the third class]~~ may make all necessary rules for its government in the discharge of its duties, and shall hear and decide all

applications for benefits or pensions. Its decision on these applications shall be conclusive, and not subject to revision or reversal, except by the board. A record shall be kept of the meetings and proceedings of the board.

(2) The board of trustees of the pension fund shall make an annual report on the condition of the pension fund to the city legislative body, at that body's last meeting in August.

➔Section 124. KRS 95.550 is amended to read as follows:

(1) The pensions or benefits paid for disability or death from the policemen's and firefighters' pension fund ***established under Section 121 of this Act*** ~~[in cities of the third class]~~ shall be as follows:

(a) If any member of the police or fire department becomes temporarily totally disabled, physically or mentally, while in the performance of duty and by reason of service in the department, the board of trustees of the pension fund shall order paid to him monthly, during his disability but not longer than one (1) year, a sum of not more than sixty dollars ($60) per month, the amount to be determined by the board. This provision shall not apply if a salary is paid during the same period. Provided, however, that the provisions of this paragraph shall not apply unless the disabled firefighter or policeman has served from one (1) day to ten (10) years consecutively in his department, such period of service to be fixed by the board of trustees.

(b) If any member of the police or fire department becomes permanently disabled, physically or mentally, while in the performance of duty and by reason of service in the department, so as to render necessary his retirement from service in the department, the board of trustees shall retire him from service and order paid to him monthly fifty percent (50%) of his monthly salary at the time of his retirement. Provided, however, that the provisions of this paragraph shall not apply unless the disabled firefighter or policeman has served from one (1) day to ten (10) years consecutively in his department, such period of service to be fixed by the board.

(c) If any member of the police or fire department is killed or dies as the result of an injury received in the performance of duty, or dies of any disease contracted by reason of his occupation, or dies while in the service from any cause as a result of his service in the department, or dies in service or while on the retired list from any cause after fifteen (15) consecutive years of service in the department, and leaves a widow, widower, or a child under eighteen (18) years of age, the board of trustees shall order a pension paid to the widow, widower, or child. There shall be paid monthly to the widow or widower, while unmarried, a pension of not less than thirty dollars ($30), or not more than fifty percent (50%) of the deceased's monthly salary at the time of retirement or death and for each child until it reaches the age of eighteen (18) years, not less than six dollars ($6) or not more than ten percent (10%) of the deceased's monthly salary, such amount to be determined by the board of trustees. The board may provide a minimum benefit of no more than four hundred dollars ($400) per month, initially, to the surviving spouse if the benefit can be supported on an actuarially-sound basis by the pension fund. The board may increase the minimum benefit pursuant to the provisions of KRS 95.560. If the deceased member was unmarried and childless, a pension shall be paid to his dependent father and mother of not less than thirty dollars ($30) or not more than twenty percent (20%) of the deceased's monthly salary. If one (1) parent is dead, the other shall receive the entire amount, and if both are living, each shall receive one-half (1/2) the amount, such amount to be determined by the board of trustees.

(2) No person shall receive a pension from the policemen's and firefighters' pension fund except as provided in this section.

➔Section 125. KRS 95.560 is amended to read as follows:

(1) In cities ***that have a policemen's and firefighters' pension fund established under Section 121 of this Act*** ~~[of the third class]~~, any member of the police or fire department having served twenty (20) years or longer in the police or fire department may petition the board of trustees for retirement; and if his petition is granted, the board may order paid to him monthly fifty percent (50%) of his monthly salary at the time of retirement.

(2) In order to adjust retirement benefits to the purchasing power of the dollar, the board shall if it is actuarially feasible annually order an increase in benefits paid pursuant to this section and KRS 95.550. The board shall if it is actuarially feasible order an increase in benefits by an amount equal to the increase in the cost-of-living increase for a recipient of Social Security, but the annual increase shall not exceed five percent (5%).

(3) The board may provide a group hospital and medical insurance plan for retirees and their spouses who have not reached the age to qualify for Federal Medicare, if providing insurance will not jeopardize the capacity of

the board to pay retirement and survivor benefits. No insurance shall be provided for persons who are entitled to Medicare benefits or are receiving Medicare benefits.

➔Section 126. KRS 95.565 is amended to read as follows:

Any member of the police or fire department of a city ***with a pension fund established under Section 121 of this Act***~~[of the third class]~~, who, while a member of the police or fire department, entered the Armed Forces of the United States, and who was honorably discharged therefrom, shall upon his return to that police or fire department be entitled to the same pension or benefits provided by KRS 95.560, and his beneficiaries shall be entitled to the same pension under KRS 95.550, as if the member had remained on active duty with that police or fire department, and his time served in the Armed Forces shall be added to his previous service and shall be construed for purposes of eligibility for pensions or benefits, either for himself or his beneficiaries, as a part and continuation of his consecutive years of service with that police or fire department. This section shall apply only to those members who served in World War II, who apply for reinstatement within ninety (90) days after the date on which the member first received or could have received an honorable discharge, and shall not apply to those members reenlisting in the Armed Forces of the United States.

➔Section 127. KRS 95.570 is amended to read as follows:

When an active or retired member of the police or fire department~~[, in cities of the third class,]~~ dies under the conditions set out in paragraph (c) of subsection (1) of KRS 95.550, the board of trustees of the pension fund may pay from the fund to the widow, widower or family a sum of not more than two hundred dollars ($200) for funeral expenses.

➔Section 128. KRS 95.580 is amended to read as follows:

(1) The policemen's and firefighters' pension fund ***established under Section 121 of this Act***~~[in cities of the third class]~~ shall consist of:

(a) Revenues of the city authorized to be paid by the city legislative body, which shall be not less than the amount contributed by the members of the police and fire departments.

(b) All rewards, fees, gifts and emoluments paid or given on account of extraordinary service of any member of the police or fire department.

(c) Assessments, which the board of trustees of the pension fund may make, upon each member of the police and fire departments, of not less than one percent (1%) nor more than four percent (4%) of his salary, to be withheld from the monthly salary and paid by the city treasurer into the pension fund.

(2) Both the principal and interest of the pension fund shall be applicable to the payment of pensions in cities ***with a pension fund established under Section 121 of this Act***~~[of the third class]~~.

➔Section 129. KRS 95.590 is amended to read as follows:

(1) The city treasurer, in cities ***with a pension fund established under Section 121 of this Act***~~[of the third class]~~, is ex officio treasurer of the board of trustees of the pension fund, and custodian of the pension funds.

(2) The treasurer, as custodian, shall securely keep the fund, subject to the control of the board, and shall keep his books and accounts concerning the fund in the manner prescribed by the board. The books and accounts are always subject to the inspection of the board or any board member.

(3) The treasurer shall, within ten (10) days after his election, execute a bond to the city with good surety, in the penal sum the board of trustees directs, to be approved by the board, conditioned for the faithful performance of the duties of his office, and that he will safely keep and well and truthfully account for all money and properties that come into his hands as treasurer of the pension fund, and that upon the expiration of his term of office he will deliver to his successor all securities, unexpended moneys and other properties that come into his hands as treasurer of the fund. The bond shall be filed in the office of the treasurer, and suit may be filed thereon in the name of the city for the use of the board or any person injured by its breach.

➔Section 130. KRS 95.600 is amended to read as follows:

The board of trustees ***established under Section 121 of this Act***~~[in cities of the third class]~~ may draw the pension fund from the treasury and shall invest it, in whole or in part, in the name of the board or nominee name as provided by KRS 286.3-225, as the board deems most advantageous for the objects of the fund, in interest-bearing bonds of any county, or any city~~[of the first, second or third class]~~ in this state, or in any securities in which trustees are

permitted to invest trust funds under the laws of this state, including a local government pension investment fund created pursuant to KRS 95.895. The securities shall be subject to the order of the board.

➔Section 131. KRS 95.610 is amended to read as follows:

(1) The officers of cities ***with pension funds established under Section 121 of this Act that are***~~[of the third class]~~ designated by law to draw warrants on the city treasurer shall, on request in writing by the board of trustees of the pension fund, draw warrants on the city treasurer payable to the treasurer of the board of trustees of the pension fund for all funds belonging to the pension fund.

(2) Moneys ordered paid from the pension fund to any person shall be paid by the treasurer of the board of trustees only upon warrant signed by the president of the board and countersigned by the secretary. No warrant shall be drawn except by order of the board of trustees duly entered on the records of the proceedings of the board.

(3) If at any time there is not sufficient money in the pension fund to pay each beneficiary the full amount per month to which he is entitled, an equal percentage of the monthly payments due shall be paid to each until the fund is so replenished as to warrant payment in full to all beneficiaries.

➔Section 132. KRS 95.620 is amended to read as follows:

(1) Except for court or administratively ordered current child support, or owed child support, or to-be-owed child support, and except as provided in KRS 65.156 and subsections (2), (3) and (4) of this section, the policemen's and firefighters' pension fund ***established under Section 121 of this Act***~~[in cities of the third or fourth class]~~ shall be held and distributed for the purpose of paying pensions and benefits, and for no other purpose.

(2) From July 15, 1982, and thereafter, the board of trustees of the pension fund shall, upon the request of a member, refund a member's contributions, including contributions picked up by the employer pursuant to KRS 65.155, upon that member's withdrawal from service prior to qualifying for pension. The member shall be entitled to receive a refund of the amount of contributions made by the member, including contributions picked up by the employer pursuant to KRS 65.155, after the date of establishment, without interest.

(3) Any member receiving a refund of contributions shall thereby ipso facto forfeit, waive, and relinquish all accrued rights and benefits in the system, including all credited and creditable service. The board may, in its discretion, regardless of cause, withhold payment of a refund for a period not to exceed six (6) months after receipt of an application from a member.

(4) Any member who has received a refund shall be considered a new member upon subsequent reemployment if such person qualifies for membership under the provisions hereof. After the completion of at least five (5) years of continuous membership service following his latest reemployment, such member shall have the right to make a repayment to the system of the amount or amounts previously received as refund, including six percent (6%) interest from the dates of refund to the date of repayment. Such repayments shall not be picked up by the employer pursuant to KRS 65.155. Upon the restoration of such refunds, as herein provided, such member shall have reinstated to his account all credited service represented by the refunds of which repayment has been made. Repayment of refunds by any member shall include all refunds received by a member prior to the date of his last withdrawal from service and shall be made in a single sum.

➔Section 133. KRS 95.621 is amended to read as follows:

(1) ***If a city described in Section 120 of this Act adopted the alternative pension fund provisions under KRS 95.621 to 95.629 prior to August 1, 1988, to govern the pension fund for its policemen and firefighters,***~~[A city of the third class may adopt an ordinance creating a pension fund for firefighters and policemen pursuant to KRS 95.621 to 95.629 as an alternative to the fund established in KRS 95.520 to 95.620. In the event a third class city does elect to adopt KRS 95.621 to 95.629]~~ all the provisions ***in this section***~~[herein]~~ are mandatory. The provisions of KRS 95.620 shall apply to any city~~[of the third class]~~ which has adopted KRS 95.621 to 95.629.

(2) Any member of the police or fire department serving at the time of passage of the ordinance and not desiring to participate in the fund and its benefits may be excluded by notifying the board of trustees of the pension fund in writing of his desire not to participate within ten (10) days after the effective date of this ordinance.

(3) (a) After August 1, 1988, no new pension fund shall be created pursuant to this section, and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988;

(b) Cities which were covered by this section on or prior to August 1, 1988, shall provide for the retirement of police or firefighters rehired after August 1, 1988, by placing such employees in the County Employees Retirement System;

(c) Cities which were covered by this section on or prior to August 1, 1988, shall place police or firefighters newly hired after August 1, 1988, in the County Employees Retirement System;

(d) Cities which were covered by this section on or prior to August 1, 1988, shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section;

(e) The city shall certify that all police and firefighters placed in the County Employees Retirement System, and not covered by Social Security for their employment with the city, are employed in hazardous positions. If the police and firefighters are covered by Social Security for their employment with the city, the city may certify that they are employed in hazardous positions; and

(f) If the city's participation in the County Employees Retirement System is terminated pursuant to KRS 78.535, the city shall provide retirement benefits pursuant to KRS 95.621 to 95.629 to any of its police and firefighters who have not retained membership in the County Employees Retirement System pursuant to KRS 78.535(4).

➔Section 134. KRS 95.622 is amended to read as follows:

(1) There shall be created in cities ***that elected to adopt the provisions of KRS 95.621 to 95.629*** ~~[of the third class]~~ a policemen's and firefighter's pension fund, and a board of trustees for that fund.

(2) In ***these*** cities~~[of the third class]~~ where there are fewer than six (6) active members of the pension fund, the board of trustees of the policemen's and firefighter's pension fund shall be composed of the mayor, city treasurer, and one (1) retired member each from the police and fire departments shall be elected by the respective retired members of those departments annually by ballot, one (1) from each department, and shall serve for one (1) year and until their successors are elected and qualified. If there are six (6) or more active members of the fund, there shall be two (2) additional board members who shall be one (1) active member of the fund from each department elected by the active members of the fund from the respective departments and who shall serve for one (1) year and until their successors are elected and qualified. If all of the six (6) or more active members or all of the retired members are from one (1) department, then both of the active member board members or both of the retired board members, as the case may be, shall be elected from that department. The board shall select from their number a president and a secretary. The board of trustees shall be the trustees of the pension fund and of all moneys donated or paid for the relief or pensioning of members of the police and fire departments. It may do all things necessary to protect the fund.

(3) The board of trustees may draw the pension fund from the treasury and invest it, in whole or in part, in the name of the board or nominee name as provided by KRS 286.3-225, as the board deems most advantageous for the objects of the fund, in a local government pension investment fund created pursuant to KRS 95.895 or in any other securities in which trustees are permitted to invest trust funds under the laws of this state. The securities shall be subject to the order of the board.

(4) The board of trustees membership shall be restructured according to the provisions of this section at the time of the next scheduled election of board members after July 15, 1990.

➔Section 135. KRS 95.624 is amended to read as follows:

(1) In cities ***that have adopted the alternative pension fund provisions authorized by Section 133 of this Act*** ~~[of the third class]~~, any member of the police or fire department having served twenty (20) years or longer in the police or fire department may petition the board of trustees for retirement; and if his petition is granted, the board may order paid to him monthly fifty percent (50%) of his monthly salary at the time of retirement. If this petition for retirement is denied, any policeman or firefighter has the right of appeal in accordance with the Rules of Civil Procedure.

(2) The pension payable for periods of service between twenty (20) and twenty-five (25) years shall be fifty percent (50%) of salary plus two percent (2%) of salary for each year in excess of twenty (20). The pension payable for twenty-five (25) years of service shall be sixty percent (60%) of salary. The pension payable for periods of service between twenty-five (25) and thirty (30) years shall be sixty percent (60%) of salary plus

three percent (3%) of salary for each year in excess of twenty-five (25). The pension payable for thirty (30) years of service shall be seventy-five percent (75%) of salary.

(3) The pensions or benefits paid for disability or death from the policemen's and ***firefighters'*** ~~[firefighter's]~~ pension fund ***created under Section 134 of this Act*** ~~[in cities of the third class]~~ shall be as follows:

(a) If any member of the police and fire department becomes temporarily totally disabled, physically or mentally, the board of trustees of the pension fund shall order paid to him monthly, during his disability, until he has recovered and returned to active duty, a sum of not more than one-half (1/2) his salary per month, the amount to be determined by the board. This provision shall not apply if a salary is paid during the same period.

(b) If any member of the police or fire department becomes permanently disabled, physically or mentally, so as to render necessary his retirement from service in the department, the board of trustees shall retire him from service and order paid to him monthly fifty percent (50%) of his monthly salary at the time of his retirement.

(c) If any member of the police or fire department is killed or dies as the result of an injury received in the performance of duty, or dies of any disease contracted by reason of his occupation, or dies while in the service from any cause as a result of his service in the department, or dies in service or while on the retired list from any cause after one (1) year of service in the department and leaves a widow or a child under eighteen (18) years of age, the board of trustees shall order a pension paid to the widow, while unmarried, of one-half (1/2) of salary per month and for each child until it reaches the age of eighteen (18) years, twenty-four dollars ($24) per month. The board may provide a minimum benefit of no more than four hundred dollars ($400) per month, initially, to the surviving spouse if the benefit can be supported on an actuarially-sound basis by the fund. The board may increase the minimum benefit pursuant to the terms of subsection (4) of this section. If the deceased member was unmarried and childless, a pension shall be paid to his dependent father and mother of one-fourth (1/4) of salary per month. If one (1) parent is dead, the other shall receive the entire one-fourth (1/4) salary.

(4) In order to adjust retirement benefits to the purchasing power of the dollar, the board shall if it is actuarially feasible annually order an increase in benefits paid pursuant to this section. The board shall if it is actuarially feasible order an increase in benefits by an amount equal to the increase in the cost-of-living increase for a recipient of Social Security, but the annual increase shall not exceed five percent (5%).

(5) The board may provide a group hospital and medical insurance plan for retirees and their spouses who have not reached the age to qualify for federal Medicare, if providing insurance will not jeopardize the capacity of the board to pay retirement and survivor benefits. No insurance shall be provided for persons who are entitled to Medicare benefits or are receiving Medicare benefits, except that supplemental health insurance may be provided to those retirees and their spouses who are entitled to Medicare benefits or are receiving Medicare benefits if providing the supplemental health insurance will not jeopardize the capacity of the board to pay other existing retirement and survivor benefits.

➔Section 136. KRS 95.625 is amended to read as follows:

Any member of the police or fire department of a city ***that has adopted the alternative pension fund provisions authorized by Section 133 of this Act*** ~~[of the third class]~~, who, while a member of the police or fire department entered the armed forces of the United States, and who was honorably discharged therefrom shall upon his return to that police or fire department be entitled to the same pension or benefits provided by KRS 95.621 to 95.629 as if the member had remained on active duty with that police or fire department, and his time served in the armed forces shall be added to his previous service and shall be construed for purposes of eligibility for pensions or benefits, either for himself or his beneficiaries, as a part and continuation of his consecutive years of service with that police or fire department; except this section shall apply only to those members who served in World War II or any emergency conflict called by the President of the United States, who apply for reinstatement within ninety (90) days after the date on which the member first received or could have received an honorable discharge and shall not apply to those members reenlisting in the armed forces of the United States.

➔Section 137. KRS 95.627 is amended to read as follows:

(1) The policemen's and firefighters' pension fund ***created pursuant to Section 134 of this Act*** ~~[in cities of the third class]~~ shall consist of:

(a) Revenues of the city authorized by the city legislative body, which shall be not less than the amount contributed by the members of the police and fire departments. Policemen and firefighters shall contribute the same rate as Social Security from their salary.

(b) All rewards, fees, gifts and emoluments paid or given on account of extraordinary service of any member of the police or fire department.

(2) Both the principal and interest of the pension fund shall be applicable to the payment of pensions ***governed by the provisions of KRS 95.621 to 95.629***~~[in cities of the third class]~~.

➔Section 138. KRS 95.629 is amended to read as follows:

(1) In case of insufficient funds the city will be held responsible for the payment of the monthly payments of the pension fund after the entire proceeds of said pension fund have been transferred to the general fund of the city ***that has adopted the alternative pension fund provisions authorized by Section 133 of this Act***~~[of the third class]~~.

(2) Revenues of the city authorized by the city legislative body to support the pension fund shall be computed by determining the amount needed to meet the monthly requirements of KRS 95.621 to 95.629.

➔Section 139. KRS 95.630 is amended to read as follows:

(1) The legislative bodies of cities of the ***home rule class***~~[second and third classes]~~ or urban-county governments may, by ordinance, form the members of the police and fire departments into groups to obtain the advantages of the group plan of life insurance.

(2) The legislative bodies may aid the members of the police and fire departments by paying from city funds not to exceed fifty percent (50%) of the annual premiums on the policies, and may contract with the insurer on such other terms as may be provided for in the ordinance.

➔Section 140. KRS 95.761 is amended to read as follows:

(1) Any city ***with a population equal to or greater than one thousand (1,000) but less than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the fourth or fifth class]~~ which has now, or in which there may be hereafter established a regular police or fire department in the future, may by ordinance create a civil service commission, whose duties shall be to hold examinations as to the qualifications of applicants for employment within the police or fire departments. ***If a city elects to establish a civil service system for its police and fire employees under this section, then it may adopt either the provisions of this section, or KRS 95.762, 95.763, 95.764, 95.765, and 95.766, or it may adopt the provisions of KRS 90.300 to 90.420. A city meeting the population criteria of this subsection may adopt the provisions of KRS 90.300 to 90.420 for municipal employees who are not police or fire personnel.***

(2) ***Any city*** ~~[A city of the fourth or fifth class is authorized to adopt the provisions of KRS 95.520 to 95.620 governing policemen's and firefighters' pension fund, the same as a city of the third class.~~

~~(3) A city of the fourth or fifth class is authorized to adopt the provisions of KRS 90.300 to 90.420 governing civil service, the same as a city of the third class, and]~~may provide a retirement system for any of its employees, including police and firefighters, pursuant to KRS 90.400 or 90.410. If a city creates a retirement system for its police and firefighters pursuant to KRS 90.400 or 90.410, it shall establish a board of trustees for that system. The provisions of KRS 90.400 and 90.410 notwithstanding, a majority of the board shall be members of the retirement system elected by the members of the retirement system. The board of trustees shall control and manage the retirement fund, for the exclusive purposes of providing benefits to members and their beneficiaries and defraying reasonable expenses of administering the plan. The board may contract with investment advisors or managers to perform investment services as deemed necessary and prudent by the board.

(3)~~[(4)]~~ A city ***meeting the criteria of subsection (6) of this section***~~[of the fourth or fifth class]~~ may adopt the provisions of KRS 79.080 or 78.510 to 78.852 for any of its employees, or ***either KRS 95.520 to 95.620 or*** KRS 95.767 to 95.784 for its police and firefighters.~~[~~

~~(5) The legislative body of the city of the fourth or fifth class may not establish or continue a retirement system for any of its employees unless such action is taken pursuant to statutes listed in subsection (2), (3) or (4) of this section, or unless the city adopts a deferred compensation program pursuant to KRS 18A.270 or a defined contribution or money purchase plan qualified under Section 401(a) of the Internal Revenue Code of 1954 as amended. If a city has adopted a retirement system but has not done so pursuant to the options listed in this~~

~~subsection or in subsection (2), (3), or (4) of this section, it shall amend its action to comply with the provisions of this subsection. This subsection shall not be construed to limit the application of KRS 82.082(2) with respect to the comprehensive nature of Kentucky law governing city retirement systems.~~] After adoption of the provisions of any of the statutes listed in this section, the city may not revoke, rescind or repeal these adoptions for any employee covered thereby.

(4)[~~(6)~~] (a) Any of the following offices, positions, and places of employment, in the police and fire departments, may be excluded from the classified service: The chief of police, assistant chief of police, chief of firefighters and assistant chief of firefighters.

(b) Any classified employee in either department who shall accept an appointment and qualify as chief of police, assistant chief of police, chief of firefighters, or assistant chief of firefighters, shall be deemed to have received a leave of absence from the classified service for, and during the incumbency of, any of said respective positions. Should any such chief or assistant chief, cease to serve as such, the same classification and rank which he had prior to said appointment shall be restored to him.

(5)[~~(7)~~] After August 1, 1988, no city shall create a new pension fund pursuant to this section other than by adopting KRS 78.510 to 78.852, or by adopting a deferred compensation program pursuant to KRS 18A.270 or a defined contribution or money purchase plan qualified under Section 401(a) of the Internal Revenue Code of 1954 as amended. Any city which adopted a pension system pursuant to this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988.

(6) As used in subsections (2) and (3) of this section, "city" means only those cities that were previously classified as cities of the fourth and fifth class under the classification system that was in effect before August 1, 1988.

➔SECTION 141. A NEW SECTION OF KRS CHAPTER 95 IS CREATED TO READ AS FOLLOWS:

The provisions of KRS 95.767 to 95.784 shall only apply to those cities that were previously classified as cities of the fourth or fifth class prior to August 1, 1988, under the city classification system that was in effect prior to August 1, 1988, or to any other city that established a policemen's and firefighters' pension program specifically under the provisions of KRS 95.767 to 95.784 prior to August 1, 1988.

➔Section 142. KRS 95.768 is amended to read as follows:

(1) The police and firefighters' pension fund in cities ***that have established a fund pursuant to KRS 95.767 to 95.784***[~~of the fourth class~~] shall consist of:

(a) Revenues of the city authorized by the city legislative body, which shall not be less than the amount contributed by the members of the police and fire departments;

(b) All rewards, fees, gifts or emoluments paid or given on account of extraordinary service of any member of the police or fire department;

(c) Assessments, which the board of trustees of the pension fund shall make, upon each member of the police and fire departments, of not more than three and one-half percent (3.5%) of his salary, to be held from the monthly salary and paid by the city treasurer into the pension fund. Beginning July 15, 1982, and thereafter, upon a member's withdrawal from service prior to qualifying for a pension, the board of trustees shall be governed by the provisions of KRS 95.620(2), (3) and (4).

(2) Said fund shall be for the pensioning of any policeman or firefighter who has served in the police or fire departments for at least a period of twenty (20) years or more, providing that applicant has reached his fifty-first birthday, and all members of the police and fire departments shall be entitled to be credited with the services rendered continuously prior to the adoption ordinance under the provisions of KRS 95.761, by said city, to the eligibility of the twenty (20) year or more, period for pension, not less than three (3), nor to exceed fifteen (15) years of previous service, and for the further purpose of pensioning any member of the police or fire department who may become permanently crippled while in the service and on duty, and for the further purpose of pensioning the widow or dependent children under fourteen (14) years of age, or either of them, of any member of said departments who may lose his life while in the service and on active duty. The payments made under the provisions of this section shall constitute and be kept as a fund to be called the "Policemen's and Firefighters' Pension Fund," and the board of trustees of the policemen's pension fund, are declared to be the trustees of said fund, and they shall have power, and it shall be their duty, from time to time, to invest the same, in whole or in part, as they shall deem most advantageous for the objects of said fund; and they are empowered to make all the necessary contracts and to pursue all the necessary remedies in the premises.

(3) (a) After August 1, 1988, no new pension fund shall be created pursuant to this section, and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988.

(b) Cities which were covered by this section on or prior to August 1, 1988, shall provide for the retirement of police or firefighters rehired after August 1, 1988, by placing such employees in the County Employees Retirement System.

(c) Cities which were covered by this section on or prior to August 1, 1988, shall place police or firefighters newly hired after August 1, 1988, in the County Employees Retirement System.

(d) Cities which were covered by this section on or prior to August 1, 1988, shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section.

(e) The city shall certify that all police and firefighters placed in the County Employees Retirement System are employed in hazardous positions.

➔Section 143. KRS 95.772 is amended to read as follows:

The said board of trustees of the policemen's and firefighters' pension fund shall have the power to draw such pension fund from the treasury and may invest the same, or any part thereof, in the name of the board of trustees of the policemen's and firefighters' pension fund or nominee name as provided by KRS 286.3-225, in interest-bearing bonds of the United States or the State of Kentucky, or any county or city~~[of the first, second, third or fourth class]~~ in the State of Kentucky, or in any securities in which trustees or guardians are permitted to invest trust or guardianship funds under the laws of this state including a local government pension investment fund created pursuant to KRS 95.895, and all such securities shall be subject to the order of said board. Both the principal and interest of said pension fund shall be applicable to the payment of pensions under KRS 95.761 to 95.785.

➔Section 144. KRS 95.783 is amended to read as follows:

In the event that the provisions of KRS ***95.767 to 95.784***~~[95.761 to 95.785]~~ are accepted and adopted by the legislative body of a city***, as authorized in Section 141 of this Act***~~[of the fourth class]~~ by ordinance, as herein provided, the repeal of such ordinance shall not become effective unless adopted by the unanimous vote of the duly elected members of such legislative body. In the event a repeal ordinance is adopted by such legislative body, all moneys or property belonging to the policemen's and firefighters' pension fund at the time of the repeal of the said adoption ordinance shall be dissolved or liquidated by the board of trustees of said policemen's and firefighters' pension fund and distributed by said board in the following manner: Within sixty (60) days of adoption by said legislative body of said repeal ordinance, the said board of trustees shall proceed with the liquidation of said pension fund as follows: All unexpended moneys appropriated to said pension fund out of the said city's general fund to the policemen's and firefighters' pension fund by the said legislative body of such city and at the time of adoption of a repeal ordinance shall revert back to the city's general fund. All other unexpended moneys or property which has come into the said pension fund's hands shall be liquidated by said board of trustees in the following manner: All unexpended moneys in the said pension fund which accumulated thereto by pick up of employee contributions by the employer pursuant to KRS 65.155 or assessments from policemen's and firefighters' salaries and gifts, or accumulated thereto in any manner except appropriations from the said city's general fund, shall revert back to the active or retired policemen and firefighters and dependents who have qualified under KRS 95.761 to 95.785 in such city. In the division to the beneficiaries, the board of said trustees shall use in the division of said fund the per centum of the present salaries of such members. After all disbursements have been made of said fund by the board of trustees, the said board of trustees shall file, as their last act, a complete report of same with said legislative body within thirty (30) days, and such report shall be kept in the office of the city clerk as other city records.

➔Section 145. KRS 95.785 is amended to read as follows:

When the provisions of KRS 95.761 to 95.784 have been accepted and adopted by the legislative body of any city~~[of the fourth class]~~, KRS 95.710 and 95.760 shall not apply to that city.

➔Section 146. KRS 95.851 is amended to read as follows:

Words and phrases, used in KRS 95.851 to 95.884 and KRS 95.991, unless a different meaning is clearly indicated by the context, shall have the following meanings:

(1) "Fund" shall mean the "Policemen's and Firefighters' Retirement Fund of the City of _____."

(2) "City" shall mean any city ***that was previously classified as a city of the second class prior to August 1, 1988, under the city classification system that was in effect prior to August 1, 1988, or to any other city that established a policemen's and firefighters' retirement fund specifically under the provisions of KRS 95.851 to 95.884 prior to August 1, 1988*** ~~[of the second class in the State of Kentucky, or city of the second class which may subsequently attain first class status]~~.

(3) "Department" shall mean the police department or the fire department of a city.

(4) "Board" shall mean the board of trustees provided for herein as the agency responsible for the direction and operation of the affairs and business of the fund. The board shall hold title to all assets of the fund.

(5) "Member" shall mean any member of the police or fire department who is included in the membership of the fund.

(6) "Service" shall mean actual employment in a department of a city for salary or compensation, or service otherwise creditable as herein provided.

(7) "Prior service" shall mean service rendered prior to the date of establishment.

(8) "Membership service" shall mean service rendered on or after the date of establishment.

(9) "Total service" shall mean prior service, membership service, and military service.

(10) "Regular interest" shall mean such rate of interest as shall be fixed by the board, provided that for the first five (5) years of operation of the fund the rate shall be three percent (3%) per annum, compounded annually.

(11) "Occupational disability" shall mean disability due to occupational causes, including but not limited to injury or disease. The presumption of contracting disease "while on active duty as a result of strain or the inhalation of noxious fumes, poisons or gases" created by KRS 79.080 shall be a presumption of "occupational disability" hereunder.

(12) "Occupational death" shall mean death due to occupational causes, including but not limited to injury or disease.

(13) "Average salary" shall mean the highest average annual salary of the member for any three (3) consecutive years of service within the total service of the member, and includes employee contributions picked up by the employer pursuant to KRS 65.155.

(14) The masculine pronoun, wherever used, shall include the feminine pronoun; also, widow shall include widower.

(15) The fiscal year of the fund shall date from July 1 of any year to June 30 of the next year following.

(16) "Total disability" shall mean a disability which substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation in the service of the department that he would be competent to perform were it not for the fact that the impairment is founded upon conditions which render it reasonably certain that it will continue indefinitely.

➔Section 147. KRS 95.852 is amended to read as follows:

(1) There is hereby established in cities~~[of the second class]~~, a retirement and benefit fund for members of the police and fire departments, their dependents and beneficiaries, unless the policemen and firefighters are included in the membership of the County Employees Retirement System and certified to be working in hazardous positions. The fund shall be established as of July 1, 1956, and shall be known as the "Policemen's and Firefighters' Retirement Fund of the City of _____." In such name all of its business shall be transacted, and in such name or nominee name as provided by KRS 286.3-225 all of its moneys invested and all of its accumulated reserves consisting of cash, securities, and other property shall be held.

(2) (a) After August 1, 1988, no new pension fund shall be created pursuant to this section and cities which were covered by this section on or prior to August 1, 1988, shall participate in the County Employees Retirement System effective August 1, 1988;

(b) Cities which were covered by this section on or prior to August 1, 1988, shall provide for the retirement of police or firefighters rehired after August 1, 1988, by placing such employees in the County Employees Retirement System;

(c) Cities which were covered by this section on or prior to August 1, 1988, shall place police or firefighters newly hired after August 1, 1988, in the County Employees Retirement System;

(d) Cities which were covered by this section on or prior to August 1, 1988, shall offer employees hired on or prior to August 1, 1988, membership in the County Employees Retirement System under the alternate participation plan as described in KRS 78.530(3), but such employees may elect to retain coverage under this section;

(e) The city shall certify that all police and firefighters placed in the County Employees Retirement System are employed in hazardous positions; and

(f) If the city's participation in the County Employees Retirement System is terminated pursuant to KRS 78.535, the city shall provide retirement benefits pursuant to KRS 95.851 to 95.884 and KRS 95.991 to any of its police and firefighters who have not retained membership in the County Employees Retirement System pursuant to KRS 78.535(4).

➔Section 148. KRS 95.873 is amended to read as follows:

The board may invest the moneys accruing to the fund, in interest-bearing bonds of any county, urban-county government or city~~[of the first, second, or third class]~~ in this state, or in any securities in which trustees are permitted to invest trust funds under the laws of this state including participation in a local government pension investment fund created pursuant to KRS 95.895. Such bonds shall be registered in the name of the board to the extent possible. The securities acquired by the board shall be subject to the order of the board. The board may, at its own cost, employ or engage consultants to provide investment advice to aid the board in its determinations.

➔Section 149. KRS 95.883 is amended to read as follows:

(1) The order or determination of the board upon the rehearing shall be conclusive and binding, but any interested party may, within twenty (20) days after the rendition of the order of the board, by petition appeal to the Circuit Court of the county in which the city~~[of the second class]~~ is located for a review of the order of the board.

(2) The petition shall state fully the grounds upon which a review is sought, assign all errors relied on and be verified by the petitioner who shall furnish a copy to the board at the time of the filing of the same. Summons shall be issued directing the board to answer within twenty (20) days and directing the board to send the original record to the circuit clerk certifying that such record is the entire original record of the rehearing which shall be filed by the clerk of the Circuit Court and such record shall then become and be considered by the Circuit Court on the review. The appeal provided for herein shall not be considered effective unless the person making the appeal has paid to the board one-half (1/2) of the cost of the transcript of the record of the rehearing within the period provided for making the appeal.

(3) No new nor additional evidence may be introduced in the Circuit Court except as to fraud or misconduct of some person engaged in the administration of KRS 95.851 to 95.884 and KRS 95.991, and affecting the order, decision, or determination appealed from, but the court shall otherwise hear the cause upon the record as certified by the board and shall dispose of the cause in summary manner, its review being limited to determining whether or not:

(a) The board acted without or in excess of its powers;

(b) The order, decision, or determination was procured by fraud;

(c) The order, decision, or determination of the board is not in conformity with the provisions of KRS 95.851 to 95.884 and KRS 95.991;

(d) If findings of fact are in issue the party seeking to set aside any order, decision, or determination of the board shall have the burden of proof to show by clear and satisfactory evidence that the order, decision, or determination is unreasonable or unlawful. If upon appeal as herein provided the order, decision, or determination of the board is reversed the party perfecting the appeal shall be refunded by the board his portion of the costs paid for the transcript of the record made on the rehearing.

(4) The board and each interested party may appear before the Circuit Court. The court shall enter judgment affirming, modifying, or setting aside the order, decision, or determination appealed from, or in its discretion remand the cause to the board for further proceedings in conformity with the direction of the court. The court may, before judgment and upon a sufficient showing of fact, remand the cause to the board.

➔Section 150. KRS 96.050 is amended to read as follows:

The legislative body of any ***authorized*** city~~[of the second class]~~ may, by ordinance:

(1) Direct and control the laying and construction of railroad or street railway tracks, bridges, turnouts and switches, poles, wires, apparatus and appliances in the streets and alleys of the city, and the location of depot grounds within the city.

(2) Require that bridges, turnouts and switches be so constructed and laid as to interfere as little as possible with ordinary travel and the use of the streets and alleys, and that sufficient space be kept on either side of the tracks for safe and convenient passage.

(3) Prohibit the making of running switches.

(4) Require all railroad companies to construct and keep in repair suitable crossings at the intersections of streets, alleys, ditches, sewers and culverts, and to light and guard the same.

(5) Require railroad companies to erect gates at street crossings.

(6) Direct the use and regulate the speed of locomotive engines, steam, electric, street or other kind of cars within the limits of the city.

(7) Prohibit and restrain railroad companies from doing any storage and warehouse business, or collecting money for storage, except in cases where the consignor or consignee of goods or wares fails to remove them within a reasonable time from the depots of such companies.

(8) Compel telephone and telegraph companies and all persons using, controlling or managing telegraph or telephone wires to put and keep their wires underground.

(9) Compel gas and electric light companies and all persons using, controlling or managing electric light wires for any purpose to change and relocate poles, electric wires, conduits for electric wires, gas mains and pipes, place those above the surface of the ground below it, change the method of conveying light, and generally to do things conducive to the safety and comfort of the inhabitants of the city in the premises.

(10) Regulate the manner in which electric light, telephone and telegraph wires are placed underground, and the use of all such wires and connections therewith.

(11) As used in this section, "authorized city" means a city included on the registry maintained by the Department for Local Government under subsection (12) of this section.

(12) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the second class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 151. KRS 96.060 is amended to read as follows:

(1) The legislative body of any city ***with a population equal to or greater than eight thousand (8,000) but less than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the third class]~~ may, by ordinance, grant the right of way in streets, alleys and public grounds of the city to any railway, street railway, gas, water, steam heating, telephone or electric light or power company for a term not exceeding twenty (20) years. Before granting such privilege, the city shall, after advertising by publication pursuant to KRS Chapter 424, receive bids publicly, and award the privilege to the highest and best bidder, having the right to reject any and all bids.

(2) The city shall reserve the right to regulate and control the tracks, pipes and wires of such companies, and the public ways in which they are laid or constructed, and shall reserve the right to require any such company to conform to any changed grades of the streets and public grounds, to pay the cost of improving between its rails and for a reasonable distance on either side of its rails, to make culverts beneath them for the free flow of water, to change its rails, or mode of construction or operation, to suit public convenience, to raise or lower its pipes, or to take down its wires and lay them underground, as the public good requires.

(3) The city shall not be liable for the cost or damage occasioned by such changes, or for any damage for delay in the operation of the business of any such company occasioned by any street improvement or repairs, or the constructing, bursting or repairing of any sewer or pipe in or across any street, alley or public ground, or for injury by any mob or other violence.

(4) All such grants shall expire and become voidable, at the option of the city, although a consideration has been paid, unless a bona fide organization has taken place and business has been commenced and prosecuted under the grant in good faith within one (1) year from the date of the grant. The legislative body may impose other conditions and terms in addition to and not inconsistent with those enumerated in this section. The provisions

in this section as to advertisements and bids, and limitation of the grant to twenty (20) years, shall not apply to the grant of the right of way to a trunk railway.

➔Section 152. KRS 96.070 is amended to read as follows:

The legislative body of any city~~[of the fourth class]~~ may grant rights-of-way over the public streets or public grounds of the city to any utility company, on such conditions as seem proper, shall have a supervising control over the use of same, and shall regulate the speed of cars and signals and fare on street cars. The legislative body may compel any railroad company to erect and maintain gates at street crossings and prevent railroads from obstructing public ways of the city, and fix penalties for the violation of these provisions. Nothing in this section shall prevent any property owner whose property abuts on a street on which a railroad is granted a right-of-way from recovering from the railroad any damage done to his property by the occupation or use of the street by the railroad.

➔Section 153. KRS 96.110 is amended to read as follows:

Any city~~[of the fourth, fifth or sixth class]~~ may, with funds provided from the general levy or from the sale of bonds, purchase stock in any corporation owning or operating or organized for the purpose of owning or operating a waterworks within the corporate limits of the city.

➔Section 154. KRS 96.160 is amended to read as follows:

The legislative body of any city~~[of the second class]~~ may, by ordinance:

(1) Provide the city with water; establish and regulate public cisterns, hydrants and reservoirs, within or beyond the limits of the city, for the extinguishment of fires and the convenience of the inhabitants; prevent the unnecessary waste of water; and compel any water company to change or relocate any water main or pipe.

(2) Provide, by itself or through others, for lighting the streets, public places and buildings of the city and furnishing light to its inhabitants; and regulate the quality and quantity of the light and the method, time and appliances for furnishing light.

➔Section 155. KRS 96.170 is amended to read as follows:

The legislative body of any city~~[of the third class]~~ may, by ordinance, provide the city and its inhabitants with water, light, power, and heat, by contract or by works of its own, located either within or beyond the boundaries of the city, make regulations for the management thereof, and fix and regulate the prices to private consumers and customers.~~[Telecommunication service may be provided by any legislative body of any city of the third class by contract or by works of its own, except that any city of the third class that establishes municipal telephone service shall, for purposes of that service solely, be deemed a utility under KRS 278.010 and shall be regulated, as to telephone service, by the Public Service Commission.]~~

➔Section 156. KRS 96.171 is amended to read as follows:

The~~[provisions of KRS 96.172 to 96.188 shall not apply in the case of any municipality of the third class now operating an electric or water system or plant under any existing law; but the]~~ governing body of any municipality~~[of the third class]~~ now or hereafter owning an electric and water system and operating them as one (1) combined system or plant may elect to operate under the provisions of KRS 96.172 to 96.188, in which case, from the time of the exercise of such election and the appointment of a board under said sections, the electric and water system of such municipality shall be operated under the provisions of KRS 96.172 to 96.188 as an electric and water plant.

➔Section 157. KRS 96.172 is amended to read as follows:

(1) Any municipality~~[of the third class]~~ now or hereafter owning and operating an electric system and a water system and operating them as one (1) combined system or plant may elect to operate such systems as an electric and water plant under the provisions of KRS 96.171 to 96.188 by enacting an ordinance declaring therein the desire and intention of the municipality to accept and operate its electric and water system or plant under the provisions of KRS 96.171 to 96.188 and by providing in said ordinance that the municipality accepts and agrees to all of the provisions of KRS 96.171 to 96.188. The ordinance shall further authorize the mayor or chief executive to appoint a board, subject to the approval of the appointments by the governing body of the municipality. Upon the passage of such ordinance the mayor or chief executive of any such municipality shall, with the approval of the governing body of the municipality, appoint a board of public utilities, consisting of five (5) citizens, taxpayers, voters, and users of electric energy or water. Said board shall be appointed and qualified before the municipality shall have any authority to proceed further under the provisions of KRS 96.171 to 96.188. Said board, when so appointed and qualified, shall be and hereby is declared to be a body-politic and corporate, with perpetual succession; and said board may contract and be contracted with, sue and

be sued, in and by its corporate name, and have and use a corporate seal. The name of the board shall be "Electric and Water Plant Board of the City of _____, Kentucky."

(2) No person shall be appointed a member of the board who has, within two (2) years next before his appointment, held any public office, or who is related within the third degree to the mayor or any member of the governing body of the municipality.

(3) Neither the board, nor the superintendent appointed by the board as provided in KRS 96.176, shall appoint to any subordinate office which it may create, nor employ in any capacity any person who is related within the third degree to any member of the board or to the superintendent or to the mayor of said municipality or to any member of the governing body of the municipality. No officer or employee of a municipality shall be eligible for such appointment until at least one (1) year after the expiration of the term of his office or employment.

(4) The members of the board shall be citizens, taxpayers, voters, and users of electric energy or water, and shall not at the time of their appointment be indebted to the municipality either directly or indirectly or be surety on the official bond of any officer of said municipality.

(5) If at any time during his term of office a member of the board becomes a candidate for or is elected or appointed to any public office, he shall automatically vacate his membership from the board, and another person shall be appointed to his place.

(6) Each member of said board shall execute bond, in an amount required by the governing body of the municipality by resolution or ordinance, conditioned upon the faithful performance of their official duties. The surety on said bonds shall be a surety company qualified to do business in Kentucky. The cost of said bonds shall be charged as an operating expense and paid by the board.

(7) Each member of the board shall qualify by taking the oath required by Section 228 of the Constitution.

(8) The original appointees shall serve two (2) for one (1) year, one (1) for two (2) years, one (1) for three (3) years and one (1) for four (4) years, respectively, from the date of their appointment, as the said mayor or chief executive officer of the municipality shall designate. Successors to retiring members so appointed shall be appointed for a term of four (4) years in the same manner, prior to the expiration of the term of office of the retiring members. Appointments to complete unexpired terms shall be made in the same manner as original appointments.

(9) Any member of the board may be removed from office upon a vote of a majority of the members of the governing body of the municipality for inefficiency, neglect of duty, misfeasance, nonfeasance, or malfeasance in office.

➔Section 158. KRS 96.189 is amended to read as follows:

(1) Any city ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the second or third class]~~ may, pursuant to an ordinance so providing, acquire any streetcar system existing in the city, with all its appliances, or may establish and install a streetcar system, and may operate within and not more than ten (10) air miles beyond the corporate limits of the city, improve and extend a system so acquired or installed upon the terms and conditions as may be provided by ordinance and by the terms of the contract by which the system is acquired or installed. Any city ***meeting the population requirements of this section***~~[of the second or third class]~~ may acquire, establish, and install a street omnibus or taxicab system, and operate it upon the terms and conditions as are prescribed by ordinance.

(2) To provide for the financing of the streetcar system or street omnibus or taxicab line, the city may issue bonds at not less than par and accrued interest, to bear interest at a rate or rates or method of determining rates as the city determines, payable at least annually, and to mature at any time not exceeding twenty (20) years after their date, and may provide for a sinking fund to meet the bonds at their maturity. No bonds shall be issued except in compliance with the general law in reference to the amount of indebtedness that may be incurred by ***the city***~~[cities of the second or third class]~~, nor until after a vote is taken as required by law to authorize the incurring of indebtedness.

➔Section 159. KRS 96.190 is amended to read as follows:

(1) The legislative body of any city~~[of the fourth class]~~ may provide the city and all persons in the city with water, gas, electric power, light, and heat, by contract with any person or by works and facilities owned or leased by the city and located within or beyond the city boundaries.~~[Telecommunication service may be provided by any legislative body of any city of the fourth class by contract or by works of its own, except that any city of the fourth class that establishes municipal telephone service shall, for that service solely, be~~

~~deemed a utility under KRS 278.010 and shall be regulated as to the telephone service, by the Public Service Commission.]~~

(2) In all cases where the person furnishing the services is operating under a charter or franchise granted by the General Assembly prior to the adoption of the present Constitution of Kentucky the city legislative body may make and enforce rules and regulations for the furnishing and sale of such services, fix and regulate the quality, character and standards of such services, and fix and regulate the rates charged consumers for such services.

➔Section 160. KRS 96.195 is amended to read as follows:

Municipal corporations~~[of the fourth class]~~ in the Commonwealth of Kentucky which own and operate municipal electric power plants or waterworks are authorized to issue interest-bearing warrants in payment for extensions and improvements to electric power plants or waterworks. The warrants shall bear interest at the rate or rates or method of determining rates as the legislative body of the municipal corporation determines and be due not more than five (5) years from date. They shall be payable only out of the income from the operation of the electric power plants or waterworks.

➔Section 161. KRS 96.200 is amended to read as follows:

Except as otherwise provided in KRS 96.550 to 96.900***, or Section 163 of this Act,*** the legislative body of any city~~[of the third through sixth classes inclusive]~~ may, by ordinance, provide in what manner and for what purpose any profits, earnings or surplus funds arising from the operation of any public utility owned or operated by the city may be used and expended. The ordinance may be amended or repealed from time to time. Until such an ordinance is enacted any surplus earnings shall be paid into the city treasury, to be expended for the general purposes of government in the city.

➔Section 162. KRS 96.320 is amended to read as follows:

Cities~~[of the second class]~~ that own a waterworks may operate such waterworks as a department of the city, or may appoint a commission to operate such waterworks. If such a commission is appointed, it ***may***~~[shall]~~ be styled "Commissioners of Waterworks," and shall be composed of from three (3) to six (6) members to be appointed by the mayor, subject to the approval of the city legislative body. If a commission is composed of six (6) members, the mayor shall appoint, in addition to the six (6) members, a member of the legislative body of the city who shall be an ex officio member of the commission. All commissioners shall reside in the area served by the waterworks and be registered voters in the county. A majority of the commissioners shall be residents of the city. The terms of the members shall be fixed by the city legislative body, or they may be appointed for indefinite terms, subject to removal by the city legislative body for cause. The commissioners shall give bond for the faithful performance of their duties in the sum of five thousand dollars ($5,000). The commissioners shall manage the water system of the city. They may appoint a superintendent, secretary, treasurer and other necessary employees and fix their salaries. They shall make full monthly reports to the city legislative body of the operation and condition of the water system, including all receipts and expenditures. A majority of the members of the board shall constitute a quorum for the transaction of business.

➔Section 163. KRS 96.330 is amended to read as follows:

The net revenue derived by any city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census created pursuant to Section 162 of this Act***~~[of the second class]~~ from its waterworks shall be applied to the improvement or reconstruction of the streets and other public ways of the city, to the extension of the waterworks system or to the payment of interest or principal on the waterworks bonds.

➔Section 164. KRS 96.340 is amended to read as follows:

The legislative body of any city~~[of the fourth class]~~ may, by ordinance, prescribe punishment by fine not exceeding one hundred dollars ($100) or imprisonment not exceeding sixty (60) days, of any person who molests, damages or interferes with any system of waterworks in the city, or may, by ordinance, impose the same penalty as for damaging or molesting any other public property. It may, subject to the rules of any water company that may establish a system, select persons who shall have the right to open, tap or make connection with pipes or mains in public ways of the city.

➔SECTION 165. A NEW SECTION OF KRS 96.350 TO 96.510 IS CREATED TO READ AS FOLLOWS:

Having the powers of the city of the highest class at the time of the creation of an urban-county government, the provisions of KRS 96.350 to 96.510 are hereby affirmed to be possessed by urban-county governments. Any

reference to a city, mayor, city legislative body, or agency of a city in KRS 96.350 to 96.510 shall also mean an urban-county government, mayor of an urban-county government, legislative body of an urban-county government, or agency of an urban-county government, respectively.

➔Section 166. KRS 96.350 is amended to read as follows:

(1) Any city of the ***home rule***~~[second, third, fourth, fifth or sixth]~~ class may, under the provisions of KRS 96.350 to 96.510, purchase, establish, erect, maintain and operate waterworks, together with extensions and necessary appurtenances thereto, within or without the corporate limits of the city, for the purpose of supplying the city and its inhabitants with water.

(2) A sewerage system may be acquired with a water system and joined in one (1) project with the water system for the purpose of original financing.

(3) KRS 96.350 to 96.510 constitute a method for the acquisition of waterworks by any city of the ***home rule***~~[second, third, fourth, fifth or sixth]~~ class in addition or as an alternate to any other method authorized by statute. No proceedings shall be required for the acquisition of any waterworks or the issuance of bonds under KRS 96.350 to 96.510 except the proceedings required by KRS 96.350 to 96.510.

➔Section 167. KRS 96.351 is amended to read as follows:

(1) The city council of cities~~[of the third class]~~ in a county containing a population of more than fifty thousand (50,000) other than a county containing a ***consolidated local government***~~[city of the first class]~~ or urban-county government which have acquired a waterworks or a waterworks and sewerage system pursuant to KRS 96.350, and which are operating under the council form of government, may, by ordinance, establish either a waterworks commission or a waterworks and sewerage commission. The ordinance shall require the appointment of the commission in one (1) month from the passage of the ordinance. No two (2) members of the commission shall be selected from the same ward. The commission shall be appointed by the mayor, and shall consist of the mayor, who shall be a non-voting ex-officio member and either three (3) or five (5) freehold electors of the city who have been bona fide residents of the city for two (2) years next before their appointment. One (1) member shall be a member of the city legislative body. No appointed member shall be related to the mayor or a member of the city council within the third degree of consanguinity or affinity under the civil law.

(2) The members of the commission shall enter upon the discharge of their duties as soon as appointed, and shall hold office four (4) years and until their successors are appointed and qualified, except that the member of the commission who is a member of the city legislative body shall hold office for one (1) year and until his successor is appointed and qualified. Any vacancy shall be filled in the same way the original appointments were made. The compensation of members shall be fixed by the city council prior to their appointment. The commission shall hold at least one (1) meeting each month, or more if required. Meetings shall be held at stated times, except special meetings.

(3) The commission may designate a member to act as chairman in the absence of the mayor, with the same powers the mayor would have if presiding. If the commission consists of five (5) members, three (3) members shall constitute a quorum. If the commission consists of three (3) members, two (2) members shall constitute a quorum. The mayor or any two (2) members may call a special meeting. The city auditor shall be ex-officio clerk of the commission and custodian of its records. Copies of its records attested by him as clerk shall be competent evidence in all courts.

➔Section 168. KRS 96.355 is amended to read as follows:

(1) The legislative body of any city of the ***home rule***~~[second, third, fourth, fifth or sixth]~~class may by ordinance:

(a) Provide the city with water; establish, regulate and control public cisterns, hydrants and reservoirs, together with extensions and appurtenances thereto, within or without the limits of the city, for fire protection and the use and convenience of its inhabitants;

(b) Provide for the enforcement of said regulations for the health, welfare and well-being of its inhabitants.

(2) Whenever cisterns, hydrants, reservoirs or any other portion of a waterworks system owned by any city set forth in subsection (1) of this section is located in whole or in part outside the city limits of any such city, the city may provide police protection as is necessary to prevent damage to or destruction of such property and to safeguard the water supply of the city from possible contamination.

➔Section 169. KRS 96.390 is amended to read as follows:

Bonds issued pursuant to KRS 96.370 shall be negotiable and shall not be subject to taxation. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be an officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in a manner and upon the terms as the city ***or urban-county government*** legislative body deems for the best interest of the city ***or urban-county government***, or any contract for the purchase or acquisition of any waterworks may provide that payment shall be made in bonds. The bonds shall be payable solely from the revenue funds derived from the waterworks as provided in KRS 96.430 and shall not constitute an indebtedness of the city ***or urban-county government*** within the meaning of the Constitution. It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 96.350 to 96.510 and that it does not constitute an indebtedness of the city ***or urban-county government*** within the meaning of the Constitution.

➔Section 170. KRS 96.520 is amended to read as follows:

(1) Any city of the ***home rule***~~[second, third, fourth, fifth, or sixth]~~ class ***or urban-county government*** may purchase, establish, erect, maintain, and operate electric light, heat, and power plants, with extensions and necessary appurtenances, within or without the corporate limits of the city ***or the urban-county government***, for the purpose of supplying the city ***or urban-county government*** and its inhabitants with electric light, heat, power, and telecommunications. Any city ***or urban-county government***-owned utility created under this section that provides telecommunications services shall be regulated as to that service by KRS Chapter 278. Any city ***or urban-county government***-owned utility created under this section that provides municipal telephone service shall be regulated as to that service by KRS Chapter 278. For the purpose of providing electric light, heat, power, and telephone services, a city of the ***home rule***~~[second, third, fourth, fifth, or sixth]~~ class ***or urban-county government*** may enter into and fulfill the terms of an interconnection agreement with any electric or combination electric or gas utility whose rates and service are regulated by the Public Service Commission of Kentucky (or, if not so regulated, operating and having customers only outside of Kentucky), or an affiliate entirely owned by or under complete common ownership with an electric or combination electric and gas utility whose rates and service are regulated by the Public Service Commission of Kentucky. Any city of the ***home rule***~~[second, third, fourth, fifth, or sixth]~~ class ***or urban-county government*** may establish, erect, maintain, and operate plants, individually or jointly with any of these utilities or utility affiliate. In the case of any joint action, a city ***or urban-county government*** and utility or utility affiliate may provide by contract for their respective responsibilities, for operation and maintenance and for the allocation of expenses, revenues, and power. If in the accomplishment of this purpose a city ***or urban-county government*** at any time has capacity or energy surplus to the immediate needs of the city ***or urban-county government*** and its inhabitants, the surplus, if not disposed of for consumption outside this state, may be disposed of to an electric or combination electric and gas utility whose rates and service are regulated by the Public Service Commission of Kentucky, to an affiliate entirely owned by or under complete common ownership with such a utility, or to a city ***or urban-county government***-owned utility established pursuant to KRS Chapter 96.

(2) The city ***or urban-county government*** shall proceed in the same manner and be governed by the same conditions as are set forth in KRS 96.360 to 96.510 for the acquisition and operation of a water system, with the following exceptions:

(a) A petition calling for an election on the proposition of purchasing an existing plant shall be signed by at least two hundred (200) qualified voters of the city ***or urban-county government***, rather than by twenty-five percent (25%) of the qualified voters of the city ***or urban-county government*** who voted at the last preceding regular election.

(b) Notwithstanding any other laws, bonds may be issued bearing interest at a rate or rates and may be sold on a basis to yield interest at a rate or rates as may be determined upon the sale of the bonds.

(c) Bonds of an issue, or bonds of two (2) or more issues consolidated for the purposes of sale, which equal or exceed $10,000,000 in the aggregate principal amount may be sold at public or private sale without compliance with KRS 424.360.

(3) This section constitutes a method for the acquisition of an electric light, heat, and power plant by any city of the ***home rule***~~[second, third, fourth, fifth, or sixth]~~ class ***or urban-county government*** in addition or as an alternate to any other method authorized by statute, provided that the city ***or urban-county government*** was operating an electric plant on June 1, 1942, and has not elected to operate under KRS 96.550 to 96.900. No proceedings shall be required for the acquisition of any electric light, heat, or power plant or the issuance of bonds under this section except the proceedings required by KRS 96.360 to 96.510.

➔Section 171. KRS 96.530 is amended to read as follows:

(1) Any city acquiring or constructing an electric light, heat, and power plant under the provisions of KRS 96.520 shall, by ordinance, appoint a city utility commission consisting of three (3) commissioners to operate, manage, and control the plant, except that a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the second class]~~ shall appoint five (5) commissioners. The utility commission shall have absolute control of the plant in every respect, including its operation and fiscal management and the regulation of rates, except that in fixing rates the commission shall be governed by the provisions of KRS 96.430, as it is made applicable to those plants by KRS 96.520, and by any ordinance enacted under that section, except that in fixing rates the commission in a city ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the second or third class]~~ shall be governed by the provisions of KRS 96.535 and any ordinance enacted according to this section. The utility commission, when so appointed, shall be a public body politic and corporate, with perpetual succession; and the body may contract and be contracted with, sue and be sued, in and by its corporate name, and have and use a corporate seal. The utility commission shall provide rules for the management of the plant, and it shall fix the number, qualifications, pay, and terms of employment of all employees needed to operate the plant. In cities ***with populations equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the second or third class]~~ providing civil service coverage for city employees, the utility commission appointed under this section may provide civil service coverage for all of its employees, and it shall exercise the powers and functions with respect to their employees which are vested in the city legislative body with respect to the city employees by KRS 90.380. Employees who have been in the employment of the utility commission for one (1) year immediately preceding the adoption of an order by the utility commission placing all of its employees under civil service coverage shall not be required to stand a civil service examination, and they shall be eligible for all the benefits provided by civil service coverage. Out of the revenue of the plant, it shall pay operating expenses, repairs, and necessary additions and provide sufficient reserve fund against any emergency that may arise. The commission shall from time to time pay to the city the surplus revenue derived from the operation of the plant as is provided in KRS 96.430 and 96.440, as they are made applicable to the plants by KRS 96.520, except that the commission in a city ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the second or third class]~~ shall pay to the city the surplus revenue derived from the operation of the plant as is provided in KRS 96.535 and any ordinance adopted according to this section. Notwithstanding the foregoing provisions, the utility commission, for the purpose stated in KRS 96.520(1), may enter into an agreement for the operation of any of its plants or other facilities.

(2) Except as provided in KRS 61.070, no person shall be appointed a member of the commission who has, within the last two (2) years before his appointment, held any city, county, state, or federal office, or been a member of any committee of any political party, or who is related within the third degree to the mayor, or a member of a city legislative body. The commission shall not appoint to any subordinate office that it may create any person who is related to any commissioner, to the mayor or to any member of the city legislative body. No officer or employee of the city, whether holding a paid or unpaid office, shall be eligible to be appointed as a member of the commission or to be employed by the commission in any capacity. The members of the commission shall be citizens, taxpayers, and legal voters of the city and shall not at the time of appointment be indebted to the city or be surety on the official bond of any officer of the city. If at any time during his term of office any member of the commission becomes a candidate for or is elected or appointed to any public office, he shall automatically vacate his membership on the commission, and another person shall be appointed in his place.

(3) The city shall pay the cost of securing bonds for the commissioners from a surety company, and each commissioner shall execute bond to be approved by the city legislative body.

(4) The city legislative body shall fix the salary to be paid each member of the commission at a sum not to exceed two thousand four hundred dollars ($2,400) per annum. The Department for Local Government shall compute by the second Friday in February of every year the annual increase or decrease in the Consumer Price Index of the preceding year by using 1998 as the base year, and the salary of the commissioners may be adjusted at a rate no greater than that stipulated by the Department for Local Government.

(5) The first commissioners appointed under this section shall be appointed one (1) for the term of one (1) year, one (1) for the term of two (2) years, and one (1) for the term of three (3) years. Upon the expiration of the first terms, successors shall be appointed for a term of three (3) years. On a commission with five (5) members, not more than two (2) members shall hold concurrent terms of office.

(6) All commission members appointed subsequent to the initial members shall be appointed by the mayor or chief executive of the municipality, with the approval of the governing body of the municipality.

➔Section 172. KRS 96.531 is amended to read as follows:

Any legislative body of any city~~[of the first through the fifth class]~~ may provide telecommunications service. Any city that owns, operates, or controls, either directly or indirectly, a municipal utility that provides telecommunications services as defined in KRS 278.010(3)(e) shall, as to telephone service solely, be subject to the provisions of KRS Chapter 278 in the same manner as other nonmunicipal providers of telephone services.

➔Section 173. KRS 96.535 is amended to read as follows:

(1) At the time or before or after the issuance of revenue bonds for the acquisition, extension or maintenance of a system of waterworks or electric light, heat and power plants in cities ***with populations equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the second and third classes]~~, which bonds do not represent the general obligation of the city, the city legislative body shall, by ordinance, set aside and pledge the income and revenue of any such municipally owned utility into a separate and special fund to be used and applied in the payment of the cost thereof, and in the maintenance, operation and depreciation thereof, and for the purposes hereinafter set out. The ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of the principal and interest of the bonds, and the portion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the portion to be set aside for the reasonable and proper operation and maintenance of the utility, and may provide that the surplus not needed for the purposes aforesaid shall be paid over to and become a part of the general funds of such city. The rates to be charged for services from the utility shall be fixed and revised from time to time by the board appointed to operate the utility by and with the approval of the legislative body of the city so as to be sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due; to provide for the operation and maintenance of the utility and an adequate depreciation account; and such rates may be fixed as will furnish a fair and reasonable return to the municipality on the fair value of the used and useful property of the utility.

(2) Nothing in this section shall apply to electrical plants acquired or operated under provisions of KRS 96.550 to 96.900.

➔Section 174. KRS 96.540 is amended to read as follows:

(1) Except as provided in KRS 96.171 to 96.188, inclusive, and in KRS 96.5405, no city of the ***home rule***~~[second, third, fourth, fifth, or sixth]~~ class that owns a lighting system by gas or electricity, shall sell, convey, lease, or encumber the system or the income therefrom without the assent of a majority of the total number of legal voters of the city voting at an election held for that purpose, after notice of the election has been published pursuant to KRS Chapter 424.

(2) In the case of a city ***with a population of less than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the fourth, fifth, or sixth class]~~, the election shall be ordered and the election officers shall be selected by the city legislative body, the city clerk shall prepare the question for presentation to the voters, and a tabulation of the vote shall be done by the city legislative body in the presence of the mayor; in all other respects the election shall be conducted under the regular election laws.

(3) Except as provided in KRS 96.171 to 96.188, inclusive, and in KRS 96.5405, no city of the ***home rule***~~[second, third, fourth, fifth, or sixth]~~ class that owns a waterworks system, shall sell, convey, lease, or encumber the system or the income therefrom without the assent of a majority of the legislative body for the city or of a majority of the total number of legal voters of the city voting at an election held for that purpose, after notice of the election has been published pursuant to KRS Chapter 424.

(4) This section shall not apply to the issuance of revenue bonds under the provisions of KRS 96.350 to 96.520.

➔Section 175. KRS 96.5405 is amended to read as follows:

(1) A city ***with a population of less than one thousand (1,000) based upon the most recent federal decennial census***~~[of the sixth class]~~ may, in an emergency situation, sell, lease, or otherwise transfer a utility system which it owns after obtaining the approval of two-thirds (2/3) of the utility's customers by petition, as specified in this section, without holding an election under KRS 96.540.

(2) The city legislative body shall enact an ordinance pursuant to 83A.060 which shall describe the terms of the proposed sale, lease, or other transfer of the city-owned utility system, declare an emergency, and set out the

reasons why the proposed transaction is deemed to be an emergency. The ordinance also shall set a deadline for obtaining the necessary signatures, and specify who will certify the petition.

(3) At least two (2) public hearings shall be held to inform the public of the proposed sale, lease, or other transfer of the utility system, and to obtain public comment on the proposal. The hearings shall be publicized at a minimum, in accordance with KRS 424.130(1)(d).

(4) The petition may consist of several separate units, and shall include a full address and the date with each signature. Unless the ordinance provides otherwise, only a person named on an account shall be a valid signer of the petition. The utility shall make available a list of the names and addresses of all current customers.

➔Section 176. KRS 97.120 is amended to read as follows:

(1) In cities of the first ***class and in cities with populations equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census,*** ~~[and second class]~~ the city recreational committee shall consist of not less than three (3) nor more than seven (7) members, the exact number to be at the discretion of the city legislative body. In cities ***with populations of less than twenty thousand (20,000) based upon the most recent federal decennial census,*** ~~[of the third, fourth, fifth and sixth class]~~ the city recreational committee shall consist of three (3) members.

(a) In cities of any class the city recreational committee shall be appointed by the mayor, with the approval of a majority of the members of the legislative body of the city, for terms of four (4) years, except that the members first appointed shall be so appointed that the terms of the members will expire in different years.

(b) The members shall serve without compensation.

(c) The members shall be legal voters of the city.

(d) If any member during the term of his or her office becomes a candidate for, or is elected or appointed to any public office, he or she shall automatically vacate his membership on the commission and another person shall be appointed in his or her place; but this provision shall not prevent a member of the commission from serving as a member of any other appointive commission of the city, county, state or federal government.

(2) Any member of the commission may be removed by the vote of three-fourths (3/4) of the elected members of the city legislative body. Vacancies shall be filled in the same manner as in the original appointment. The city may require each commissioner to execute a bond in the penal sum of one thousand dollars ($1,000). If the commissioners are required to execute bonds, the bonds shall be approved by the legislative body of the city, and the cost thereof may either be paid by the city or by the commission out of its revenue.

(3) The commission shall provide rules and regulations for the management of the recreational project or projects, and out of the revenue derived from the project or projects it shall pay all operating expenses, provide for necessary repairs and additions, provide a sufficient reserve fund to insure the buildings and improvements against fire and tornado, provide a fund for payment of any incidental or emergency expenses that may arise, and set up a fund to provide for the payment of any debts created in connection with the establishment and maintenance of the project or projects.

(4) The commission may levy and collect fees for the use of or admission to the project or projects and expend or invest the income from the fees for the purposes set forth in this section.

(5) The commission shall comply with the provisions of KRS 65A.010 to 65A.090.

➔Section 177. KRS 97.441 is amended to read as follows:

(1) Any city ***that*** ~~[of the second class]~~ has the care, management and custody of the parks and grounds used for park purposes, the boulevards and parkways belonging to the city or in the control of the city, and all property acquired for park purposes or public squares by the city~~[.~~

~~(2) Each city of the second class]~~ may:

(a) Acquire and hold property for public parks and public squares and for parkways connecting the parks, by condemnation, contract, purchase or gift;

(b) Lay out and improve the parks, parkways, squares and other property held or managed by it with walks, drives, roads, trees and other proper improvements, and contract for such improvements;

(c) Protect all park property and improvements belonging to the city or under its management or control from injury or decay;

(d) Adopt rules and regulations for the reasonable and proper use and for preventing injuries to or misuse of all parks, parkways, public squares, boulevards, driveways, walks and park property generally;

(e) Prevent disorder and improper conduct within the precincts of any park or inclosure, or upon any drive, walk or avenue under the control of the city;

(f) Control and manage the planting and care of all shade trees along the sidewalks and thoroughfares of the city, and adopt and enforce rules and regulations necessary for the protection and care of the trees.

(2) ~~[(3)]~~ In locating parks the city shall regard the needs of the different sections of the city and the suitability of the ground for park purposes, as well as the cost thereof. The city shall have discretion as to the location and improvement of parks.

(3) ~~[(4)]~~ The police power of the city extends over the park property of every kind, as it is acquired. All violations of the park rules and regulations and all other offenses committed within any park property or precinct shall be punished as provided by law in cases of misdemeanors and violations of city ordinances.

➔Section 178. KRS 97.455 is amended to read as follows:

There shall be established in each city~~[of the second class]~~ electing to operate under KRS 97.425 to 97.485 a board to be known as the "Board of Park Commissioners." The board shall consist of not less than five (5) nor more than seven (7) members as determined by the legislative body of the city and shall be appointed by the mayor with the approval of a majority of the legislative body for terms of four (4) years, except that the members first appointed shall be so appointed that the terms of not more than two (2) members shall expire in the same year. Any member of the board may be removed by a majority vote of the members of the city legislative body.

➔Section 179. KRS 97.530 is amended to read as follows:

The legislative body of any city~~[of the third class]~~ may, by ordinance, acquire, establish and maintain public cemeteries, parks, squares, avenues, promenades and fountains, either within or without the city; repeal ordinances heretofore or hereafter enacted creating such public cemeteries, parks, squares, avenues, promenades and fountains where the same were not acquired or given to the city for such specific purposes, and provide, by appropriate ordinances, for the use of said lands, easements, buildings and appurtenances thereon or appertaining thereto for other purposes; make all necessary appropriations for the cost and maintenance of same; and make regulations for the use, management and direction thereof.

➔Section 180. KRS 97.540 is amended to read as follows:

Whenever, in the opinion of the legislative body of any city~~[of the third or fourth class]~~, land or other property located either within or without the boundaries of the city and within the county in which the city is located is needed for cemetery or park purposes and the legislative body is not able to contract with the owner of the property for its purchase, the legislative body may, by resolution reciting such need, order the condemnation of such property. The proceedings shall be conducted in the manner provided in the Eminent Domain Act of Kentucky.

➔Section 181. KRS 97.610 is amended to read as follows:

(1) Cities of the ***home rule*** ~~[second, third, fourth, fifth, and sixth]~~ classes may levy an annual tax of not more than ten (10) mills on the assessed valuation of the city, for the purpose of providing a fund for the maintenance or employment of a band or orchestra.

(2) Before such tax may be levied a petition signed by five percent (5%) of the legal voters of the city, as shown by the last regular municipal election, must be filed with the city legislative body, requesting that the following question be submitted to the voters: "Shall a tax of not exceeding ten (10) mills be levied each year for the purpose of furnishing a fund for the maintenance or employment of a municipal band or orchestra?"

(3) The petition shall be filed with the county clerk and the county clerk shall certify whether the petition is sufficient not later than the second Tuesday in August preceding a general election, and the legislative body shall cause the question to be submitted to the voters at the first following general municipal election.

(4) The levy shall be authorized if a majority of the electors voting at the election cast votes in favor of the proposition, and the legislative body may then enact an ordinance carrying the plan into effect.

➔Section 182. KRS 97.630 is amended to read as follows:

(1) Any city of the first class that has constructed a war memorial under the provisions of Chapter 23 of the Acts of 1922 shall have a memorial commission consisting of seven (7) members. Members shall be not less than twenty-five (25) years of age and shall be bona fide residents of the county in which the city is situated. Upon the expiration of the terms of the members of the commission appointed or elected under the provisions of Chapter 23 of the Acts of 1922, the remaining members of the commission shall elect members to succeed those whose terms have expired, to serve for terms of seven (7) years each, and annually thereafter members to succeed those whose terms have expired shall be elected for terms of seven (7) years each by the remaining members of the commission. Vacancies in the terms of members shall be filled by the remaining members of the commission. Members selected to fill vacancies shall serve for the unexpired term. The members of the commission shall serve without compensation, but shall be allowed their necessary expenses for travel when engaged on the business of the commission.

(2) A city of the ***home rule*** ~~[second, third, fourth, fifth or sixth]~~ class that has constructed a war memorial under the provisions of Chapter 128 of the Acts of 1946, may, by ordinance, have a memorial commission consisting of fifteen (15) members. Members of the commission shall be nominated and appointed by the mayor and approved by the city legislative body. Five (5) of said members shall be appointed to serve five (5) years; five (5) members shall be appointed to serve six (6) years; and five (5) members shall be appointed to serve seven (7) years. Thereafter, members to succeed those whose terms have expired shall be elected by the remaining members of the commission for terms of three (3) years. Vacancies in the terms of members shall be filled by the remaining members of the commission. Members selected to fill vacancies shall serve for the unexpired term. The members of the commission shall serve without compensation, but shall be allowed their necessary expenses for travel when engaged in the business of the commission.

➔Section 183. KRS 97.640 is amended to read as follows:

(1) A commission in a city of the first class shall annually elect a chairman from its members, to serve for the term of one (1) year. The commission may elect a secretary and treasurer, not a member of the commission, who shall hold the combined office at the pleasure of the commission, and may receive a salary to be fixed and paid by the commission, not exceeding $2,500 per annum. The commission may select and fix the compensation of such officers or employees as it deems necessary to properly carry on the work of the commission, to serve at the pleasure of the commission. The compensation of all officers and employees of the commission employed in the operation or maintenance of the memorial shall constitute maintenance expenses and shall be paid as such.

(2) A commission in a city of the ***home rule class*** ~~[second, third, fourth, fifth and sixth classes]~~ shall annually elect a chairman from its members, to serve for the term of one (1) year. The commission may elect a secretary and treasurer, not a member of the commission, who shall hold the combined office at the pleasure of the commission, and may receive a salary to be determined by the commission. The commission may select and fix the compensation of such officers or employees as it deems necessary to properly carry on the work of the commission, to serve at the pleasure of the commission. The compensation of all officers and employees of the commission employed in the operation or maintenance of the memorial shall constitute maintenance expenses and shall be paid as such.

➔Section 184. KRS 97.700 is amended to read as follows:

(1) In order to provide sufficient funds for maintaining the memorial and for carrying on the work of the commission the city legislative body in cities of the first class shall annually appropriate from the general fund of the city such sums as in the judgment of the legislative body shall, when supplemented by any funds received by the commission from gifts or earnings of the memorial, be reasonably necessary for such purposes. All moneys so appropriated may be paid over to the commission by the director of finance of such city in regular monthly installments. If it appears from the report or statement of the commission that funds received by gift or from earnings of the memorial, available for maintenance of the memorial for any fiscal year, are fully adequate for the purpose, the appropriation for such year may be withheld by the legislative body.

(2) For the purpose of providing necessary funds for maintaining such memorial and for carrying on the work of the commission a city legislative body of cities of the ***home rule class*** ~~[second, third, fourth, fifth and sixth classes]~~ may annually appropriate from the general fund of the city or annually levy and collect a tax not exceeding five cents ($0.05) on each one hundred dollars ($100) worth of taxable property in such city as determined by the last regular assessment of such city, and the taxes so levied shall be collected in the customary way and shall be paid over to said commission for the purpose named in this section; provided, however, that if it shall appear from the report or statement of the commission that funds received by gift or from earnings of the memorial, available for maintenance of the memorial for any fiscal year, are fully

adequate therefor after deductions therefrom are made as herein provided, the said tax levy for such year may be withheld by the city legislative body.

➔Section 185. KRS 99.010 is amended to read as follows:

(1) The following terms, whenever used or referred to in KRS 99.010 to 99.310 shall, unless a different intent clearly appears from the context, be construed as follows:

(a) "Area" means a portion of a city which a planning commission has found or shall find to be substandard or insanitary, so that the clearance, replanning, rehabilitation or reconstruction thereof is necessary or advisable to effectuate the public purposes declared in KRS 99.020. An area may include any buildings or improvements not in themselves substandard or insanitary, and any real property, whether improved or unimproved, the inclusion of which is deemed necessary for the effective clearance, replanning, reconstruction or rehabilitation of the area of which such buildings, improvements or real property form a part***;***~~[.]~~

(b) "City" means and is deemed to relate to any city of the first ***class, a city with a population of fifteen thousand (15,000) or more based upon the most recent federal decennial census, or urban-county government***~~[or second class]~~ in the Commonwealth of Kentucky***;***~~[.]~~

(c) "Development" means a specific work, repair or improvement to put into effect a development plan. The term includes the real property, buildings, and improvements owned, constructed, managed, or operated by a redevelopment corporation***;***~~[.]~~

(d) "Development area" means that portion of an area to which a development plan is applicable***;***~~[.]~~

(e) "Development cost" means the amount determined by the supervising agency to be the actual cost of the development, or of the part thereof for which such determination is made, and includes, among other costs, the reasonable costs of planning the development, including preliminary studies and surveys, neighborhood planning, and architectural and engineering services, the reasonable value of the services performed by or for the incorporators of a redevelopment corporation in connection with the development plan prior to the time when the redevelopment corporation was incorporated or became a redevelopment corporation, fees for acquisition costs, the costs of financing the development, including carrying charges during construction, working capital in an amount not exceeding five percent (5%) of development cost, the actual cost of real property or any part thereof where acquired partly or wholly in exchange for securities, then, an amount which shall be approved by the supervising agency as being equal to the reasonable value of the real property acquired therefor, the actual cost of demolition of existing structures, the actual cost of utilities, landscaping and roadways, the actual cost of construction, equipment and furnishing of buildings and improvements, including architectural, engineering and builder's fees, the actual cost of reconstruction, rehabilitation, remodeling or initial repair of existing buildings and improvements, reasonable management and operation costs until the development is ready for use, and the actual cost of improving that portion of the development area which is to remain as open space, together with such additions to development cost as shall equal the actual cost of additions to or changes in the development in accordance with the original development plan or after approved changes in or amendments thereto***;***~~[.]~~

(f) "Development plan" means a plan for the redevelopment of all or any part of an area, and includes any amendments thereto approved in accordance with the requirements of KRS 99.070***;***~~[.]~~

(g) "Local legislative body" means the board of aldermen or other board or body vested by the charter of the city or other law with jurisdiction to adopt or enact ordinances or local laws***;***~~[.]~~

(h) "Mortgage" means a mortgage, trust indenture, deed of trust, building and loan contract or other instrument creating a lien on real property, and the indebtedness secured by each of them***;***~~[.]~~

(i) "Neighborhood unit" means a primarily residential district having the facilities necessary for well-rounded family living, such as schools, parks, playgrounds, parking areas and local shopping districts***;***~~[.]~~

(j) "Planning commission" means the official bureau, board, planning and zoning or other commission or agency of the city or city and county authorized to prepare, adopt and amend or modify plans for the development and improvement of the city generally***:***~~[.]~~

(k) "Supervising agency" means the director of finance or such other person or city agency as may be authorized by the local legislative body under KRS 99.090***;*** ~~[.]~~

(l) "Real property" includes lands, buildings, improvements, land under water, waterfront property, and any and all easements, franchises and hereditaments, corporeal or incorporeal, and every estate, interest, privilege, easement, franchise and right therein, or appurtenant thereto, legal or equitable, including rights of way, terms for years and liens, charges, or encumbrances by mortgage, judgment or otherwise***;*** ~~[.]~~

(m) "Redevelopment" means the clearance, replanning, reconstruction, or rehabilitation of a substandard or insanitary area, and the provision of such industrial, commercial, residential or public structures and spaces as may be appropriate, including recreational and other facilities incidental or appurtenant thereto***;*** ~~[.]~~

(n) "Redevelopment corporation" means a corporation organized pursuant to the corporation laws of the Commonwealth of Kentucky whose articles of incorporation shall comply with the requirements of KRS 99.100 to 99.130.

(o) "State" means the Commonwealth of Kentucky***; and*** ~~[.]~~

(2) "Owner" as used in KRS 99.220 to 99.240, includes a person having an estate, interest or easement in the real property to be acquired or a lien, charge or encumbrance thereon.

➔Section 186. KRS 99.020 is amended to read as follows:

It is hereby declared that in cities***, as defined in Section 185 of this Act, that*** ~~[of the first and second class]~~ substandard and insanitary areas exist which have resulted from inadequate planning, excessive land coverage, lack of proper light, air, and open space, defective design and arrangement of buildings, lack of proper sanitary facilities, and the existence of buildings which, by reason of age, obsolescence, inadequate or outmoded design, or physical deterioration, have become economic or social liabilities, or both; that such conditions are prevalent in areas where substandard, insanitary, outworn or outmoded industrial, commercial or residential buildings prevail, and are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, crime and poverty; that such conditions impair the economic value of large areas, infecting them with economic blight and that such areas are characterized by depreciated values, impaired investments, and reduced capacity to pay taxes; that such conditions are chiefly in areas which are so subdivided into small parcels in divided ownerships and frequently with defective titles, that their assembly for purposes of clearance, replanning, rehabilitation and reconstruction is difficult and costly; that the existence of such conditions and the failure to clear, replan, rehabilitate or reconstruct these areas result in a loss of population by the areas and further deterioration, accompanied by added costs to the communities for creation of new public facilities and services elsewhere; that it is difficult and uneconomic for individual owners independently to undertake to remedy such conditions; that it is desirable to encourage owners of property or holders of claims thereon in such areas to join together, with or without other persons, or other persons to join together, in corporate groups, for the purpose of the clearance, replanning, rehabilitation and reconstruction of such areas by joint action; that it is necessary to create, with proper safeguards, inducements and opportunities for the employment of private investment and equity capital in the clearance, replanning, rehabilitation and reconstruction of such areas; that such conditions require the employment of such capital on an investment rather than a speculative basis, allowing, however, the widest latitude in the amortization of any indebtedness created thereby; that such conditions further require the acquisition at fair prices of adequate areas, the gradual clearance of such areas through demolition of existing obsolete, inadequate, unsafe and insanitary buildings and the redevelopment of such areas under proper supervision with appropriate planning, land use and construction policies; that the clearance, replanning, rehabilitation and reconstruction of such areas on a large scale basis are necessary for the public welfare; that the clearance, replanning, reconstruction and rehabilitation of such areas are public uses and purposes for which private property may be acquired; that such substandard and insanitary areas constitute a menace to the health, safety, morals, welfare and reasonable comfort of the citizens of such cities and the state; that such conditions require the creation of the agencies, instrumentalities and corporations hereinafter described, for the purpose of attaining the ends herein recited; that the protection and promotion of the health, safety, morals, welfare and reasonable comfort of the citizens of such cities and the state are matters of public concern; and the necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination.

➔Section 187. KRS 99.610 is amended to read as follows:

It is hereby declared to be the policy of the Commonwealth to assist in the preservation and revitalization of historically or economically significant local areas, including open spaces, of cities of the first ***class, cities with populations equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial***

census, consolidated local governments, and~~[second class and counties governed under]~~ urban-county ***governments***~~[government statutes]~~, for the purpose of planning and financing the preservation and revitalization of areas of said cities which are of economic or historical significance, while at the same time accommodating necessary and desirable central city and suburban growth, to the extent funds are available for the accomplishment of such purposes.

➔Section 188. KRS 99.615 is amended to read as follows:

The following words or terms shall have the following meanings wherever used in KRS 99.610 to 99.680 unless a different meaning is clearly indicated by the context:

(1) "Act" means KRS 99.610 to 99.680 which may be called the "Local Development Authority Act";

(2) "Technical advisory council" means that committee appointed under the terms of KRS 99.655;

(3) "Price advisory council" means that committee appointed under the terms of KRS 99.680;

(4) "Agency" means a development authority established by this statute in and for cities of the first ***class, cities with populations equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census***~~[and second class]~~, a consolidated local government, and~~[each county governed under the statutes permitting the establishment of]~~ urban-county governments;

(5) "Bonds" means any bonds, notes, interim certificates, debentures, or other obligations issued by an agency pursuant to the provisions and purposes of KRS 99.610 to 99.680;

(6) "Project area" means any area or specific property designated by an agency or any area or specific property actually acquired or formally proposed for acquisition by an agency, for historical or open space preservation purposes, or for the development permitted by KRS 99.610 to 99.680;

(7) "City" means any city of the first ***class, cities with populations equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census***~~[or second class]~~, a consolidated local government, or ***an***~~[a county governed under the]~~ urban-county government~~[statutes]~~, in which an agency has been established;

(8) "Development" means the acquisition, planning, designing, clearance, renovation, or rehabilitation of existing improvements, development, and disposal, or any combination thereof, of a project area, including the preparation of such project area for the development of residential, commercial, industrial, public, recreational, open space, or other uses, including the preservation of existing residential, commercial, industrial, public, recreational, open spaces, or other uses valued locally for their economic or historical importance as may be appropriate or necessary, in the opinion of the board of commissioners of an agency;

(9) "Subdevelopment" means the actual construction, renovation, or rehabilitation of improvements to real property including the installation of or improvement to existing utilities, curbs, gutters, sidewalks, storm sewers, and other necessary works and improvements, consistent with the established development plan for each specific project area in order to market, through private enterprise, said improvements to individuals, commercial business, and industry;

(10) "Development plan" means the plan for the development as defined, of all or any part of a project area;

(11) "Mayor" means the mayor of a~~[first or second class]~~ city ***as defined in this section***~~[, of a consolidated local government, or of an urban-county government as established by law]~~;

(12) "Governing board" means a board of aldermen or commissioners, a legislative council in a consolidated local government, ***an***~~[or a common or]~~ urban-county council ***, or any legislative body of a city as defined in this section***~~[of a city as herein defined, as the case may be]~~;

(13) "Project" means any undertaking within a project area and any such undertaking which may be included in, and financed by, a single or separate financing agreement or bond issue;

(14) "Persons and families of lower income" means persons and families who lack the amount of income which is necessary (as determined by standards established by the agency) to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding; and

(15) "Residential housing project" means a specific work or improvement undertaken primarily to provide or to rehabilitate dwelling accommodations for persons and families of lower income, including the acquisition,

construction, and rehabilitation of land, buildings, and improvements and such other facilities as may be incidental or appurtenant thereto.

➔Section 189. KRS 99.620 is amended to read as follows:

There is hereby authorized, created, and established in cities ***as defined in Section 188 of this Act*** ~~[of the first and second class, consolidated local governments, and counties governed under the urban-county government statutes]~~, upon adoption of a resolution so declaring by a majority of the governing board of said cities, ~~[consolidated local governments, or counties,]~~ an agency to be known by the name of the city, ~~[the consolidated local government, or in the case of an urban-county government, the largest city in such county and the name of the county itself, separated by the word "and,"]~~ and the words "Development Authority." Said agency shall exist for each such city ~~[, consolidated local government, or county]~~ with the powers, duties, and functions hereinafter provided.

➔Section 190. KRS 100.111 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Administrative official" means any department, employee, or advisory, elected, or appointed body which is authorized to administer any provision of the zoning regulation, subdivision regulations, and, if delegated, any provision of any housing or building regulation or any other land use control regulation;

(2) "Agricultural use" means the use of:

(a) A tract of at least five (5) contiguous acres for the production of agricultural or horticultural crops, including but not limited to livestock, livestock products, poultry, poultry products, grain, hay, pastures, soybeans, tobacco, timber, orchard fruits, vegetables, flowers, or ornamental plants, including provision for dwellings for persons and their families who are engaged in the agricultural use on the tract, but not including residential building development for sale or lease to the public;

(b) Regardless of the size of the tract of land used, small farm wineries licensed under KRS 243.155;

(c) A tract of at least five (5) contiguous acres used for the following activities involving horses:

1. Riding lessons;

2. Rides;

3. Training;

4. Projects for educational purposes;

5. Boarding and related care; or

6. Shows, competitions, sporting events, and similar activities that are associated with youth and amateur programs, none of which are regulated by KRS Chapter 230, involving seventy (70) or less participants. Shows, competitions, sporting events, and similar activities that are associated with youth and amateur programs, none of which are regulated by KRS Chapter 230, involving more than seventy (70) participants shall be subject to local applicable zoning regulations; or

(d) A tract of land used for the following activities involving horses:

1. Riding lessons;

2. Rides;

3. Training;

4. Projects for educational purposes;

5. Boarding and related care; or

6. Shows, competitions, sporting events, and similar activities that are associated with youth and amateur programs, none of which are regulated by KRS Chapter 230, involving seventy (70) or less participants. Shows, competitions, sporting events, and similar activities that are associated with youth and amateur programs, none of which are regulated by KRS Chapter 230, involving more than seventy (70) participants shall be subject to local applicable zoning regulations.

This paragraph shall only apply to acreage that was being used for these activities before July 13, 2004;

(3) "Board" means the board of adjustment unless the context indicates otherwise;

(4) "Citizen member" means any member of the planning commission or board of adjustment who is not an elected or appointed official or employee of the city, county, or consolidated local government;

(5) "Commission" means planning commission;

(6) "Conditional use" means a use which is essential to or would promote the public health, safety, or welfare in one (1) or more zones, but which would impair the integrity and character of the zone in which it is located, or in adjoining zones, unless restrictions on location, size, extent, and character of performance are imposed in addition to those imposed in the zoning regulation;

(7) "Conditional use permit" means legal authorization to undertake a conditional use, issued by the administrative official pursuant to authorization by the board of adjustment, consisting of two (2) parts:

(a) A statement of the factual determination by the board of adjustment which justifies the issuance of the permit; and

(b) A statement of the specific conditions which must be met in order for the use to be permitted;

(8) "Development plan" means written and graphic material for the provision of a development, including any or all of the following: location and bulk of buildings and other structures, intensity of use, density of development, streets, ways, parking facilities, signs, drainage of surface water, access points, a plan for screening or buffering, utilities, existing manmade and natural conditions, and all other conditions agreed to by the applicant;

(9) "Fiscal court" means the chief body of the county with legislative power, whether it is the fiscal court, county commissioners, or otherwise;

(10) "Housing or building regulation" means the Kentucky Building Code, the Kentucky Plumbing Code, and any other building or structural code promulgated by the Commonwealth or by its political subdivisions;

(11) "Legislative body" means the chief body of the city**,**~~[or]~~ consolidated local government**,** ***urban-county government, charter county government, or unified local government*** with legislative power, whether it is the board of aldermen, the general council, the common council, the city council, the board of commissioners, or otherwise; at times it also implies the county's fiscal court;

(12) "Mayor" means the chief elected official of the city**,**~~[or]~~ consolidated local government**,** ***urban-county government, charter county government, or unified local government,*** whether the official designation of his office is mayor or otherwise;

(13) "Nonconforming use or structure" means an activity or a building, sign, structure, or a portion thereof which lawfully existed before the adoption or amendment of the zoning regulation, but which does not conform to all of the regulations contained in the zoning regulation which pertain to the zone in which it is located;

(14) "Planning operations" means the formulating of plans for the physical development and social and economic well-being of a planning unit, and the formulating of proposals for means of implementing the plans;

(15) "Planning unit" means any city, county,~~[or]~~ consolidated local government, ***urban-county government, charter county government, or unified local government,*** or any combination of cities, counties, or parts of counties, or parts of consolidated local governments engaged in planning operations;

(16) "Plat" means the map of a subdivision;

(17) "Political subdivision" means any city, county,~~[or]~~ consolidated local government**,** ***urban-county government, charter county government, or unified local government***;

(18) "Several" means two (2) or more;

(19) "Public facility" means any use of land whether publicly or privately owned for transportation, utilities, or communications, or for the benefit of the general public, including but not limited to libraries, streets, schools, fire or police stations, county buildings, municipal buildings, recreational centers including parks, and cemeteries;

(20) "Street" means any vehicular way;

(21) "Structure" means anything constructed or made, the use of which requires permanent location in or on the ground or attachment to something having a permanent location in or on the ground, including buildings and signs;

(22) "Subdivision" means the division of a parcel of land into three (3) or more lots or parcels except in a county containing a city ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the first, second, or third class]~~ or in an urban-county government or consolidated local government where a subdivision means the division of a parcel of land into two (2) or more lots or parcels; for the purpose, whether immediate or future, of sale, lease, or building development, or if a new street is involved, any division of a parcel of land; provided that a division of land for agricultural use and not involving a new street shall not be deemed a subdivision. The term includes resubdivision and when appropriate to the context, shall relate to the process of subdivision or to the land subdivided; any division or redivision of land into parcels of less than one (1) acre occurring within twelve (12) months following a division of the same land shall be deemed a subdivision within the meaning of this section;

(23) "Unit" means planning unit; and

(24) "Variance" means a departure from dimensional terms of the zoning regulation pertaining to the height, width, length, or location of structures, and the size of yards and open spaces where such departure meets the requirements of KRS 100.241 to 100.247.

➔Section 191. KRS 100.137 is amended to read as follows:

(1) Except in a consolidated local government, counties with a population of 300,000 or more inhabitants shall be a planning unit and shall have a planning commission which commission shall be composed of three (3) members, who are nonresidents of the largest city of the county, appointed by the county judge/executive of such county; three (3) members who are residents of the largest city of the county appointed by the mayor of that city; and the mayor of the largest city, or his designee; the county judge/executive, or his designee; the director of works of the largest city in the county; and the county road engineer. The county judge/executive and the mayor together shall ensure that three (3) of the six (6) appointees are citizens who have no direct financial interest in the land development and construction industry. If the commission appoints a citizen member to fill a vacancy, the commission shall ensure that the balance is maintained. All ten (10) members of the planning commission shall be required to disclose any personal or family commercial interest relevant to land use, new development supply, or new development construction. The disclosure shall be a written, signed statement of the general nature of the member's interest. The disclosure shall be filed with the commission's records under KRS 100.167 and shall be available for public inspection during regular business hours. A member shall not vote on an issue in which the member or member's family has an interest. The willful failure of a member to disclose an interest, or a member's voting on an issue in which the member or member's family has a known interest, shall subject the member to removal proceedings under KRS 100.157.

(2) A county with a consolidated local government created pursuant to KRS Chapter 67C shall be a planning unit and shall have a planning commission which shall include eight (8) members who are residents of the planning unit, approved by the mayor of the consolidated local government pursuant to the provisions of KRS 67C.139. The membership of the planning commission shall also include the mayor of the consolidated local government, or his or her designee, and the director of public works of the consolidated local government, or his or her designee, or the county engineer as determined by the mayor. If the director of public works designates a designee, the designee shall be either a civil or highway engineer licensed under KRS Chapter 322, and shall have at least three (3) years' practical road building, road design, or transportation planning experience. The mayor shall ensure that four (4) of the eight (8) appointees are citizens who have no direct financial interest in the land development and construction industry. If the commission appoints a citizen member to fill a vacancy, the commission shall ensure that the balance is maintained. All ten (10) members of the planning commission shall be required to disclose any personal or family commercial interest relevant to land use, new development supply, or new development construction. The disclosure shall be a written, signed statement of the general nature of the member's interest. The disclosure shall be filed with the commission's records pursuant to KRS 100.167 and shall be available for public inspection during regular business hours. A member shall not vote on an issue in which the member or member's family has an interest. The willful failure of a member to disclose an interest, or a member's voting on an issue in which the member or member's family has a known interest, shall subject the member to removal proceedings pursuant to KRS 100.157.

(3) In counties containing a~~[city of the first class or a]~~ consolidated local government, all legislation implementing or amending the plan or amended plan which affects cities ***with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census or any city with a population of less than three thousand (3,000) based upon the most recent federal decennial census that regulated land use under the provisions of this chapter prior to January 1, 2014,***~~[of the first through fourth classes]~~ shall be enacted by such cities and all other legislation implementing the plan or amended plan shall

be enacted by the fiscal court or, in the case of a consolidated local government, by the consolidated local government.

(4) In all other counties the establishment of a planning unit is optional, but any planning unit established in other counties shall comply with the remaining provisions of this chapter.

➔Section 192. KRS 100.209 is amended to read as follows:

(1) When a city which has adopted zoning or other land use regulations pursuant to this chapter proposes to annex unincorporated or accept the transfer of incorporated territory, it may amend its comprehensive plan and official zoning map to incorporate and establish zoning or other land use regulations for the property proposed for annexation or transfer prior to adoption of the ordinance of annexation or transfer. If the city elects to follow this procedure, the planning commission shall hold a public hearing, after the adoption of the ordinance stating the city's intention to annex or transfer property and prior to final action upon the ordinance of annexation or transfer, for the purpose of adopting the comprehensive plan amendment and making its recommendations as to the zoning or other land use regulations which will be effective for the property upon its annexation or transfer. Notice setting forth the time, date, location, and purpose of the public hearing shall be published as required by KRS Chapter 424 and shall be given to the owners of all properties within the area proposed for annexation or transfer and to adjoining property owners in accordance with KRS 100.212(2). The city legislative body shall take final action upon the planning commission's recommendations prior to adoption of the ordinance of annexation or transfer and shall include in the ordinance of annexation or transfer a map showing the zoning or other land use regulations which will be effective for the annexed or transferred property. If the city elects not to follow the procedure provided for in this section prior to the adoption of the ordinance of annexation or transfer, the newly annexed or transferred territory shall remain subject to the same land use restrictions, if any, as applied to it prior to annexation or transfer until those restrictions are changed by zoning map amendments or other regulations in accordance with this chapter.

(2) When a city is created or when a city ***that does not regulate land use within the confines of the city equals or exceeds a population of three thousand (3,000) based upon the most recent federal decennial census***~~[of the fifth or sixth class is reclassified to a city of the fourth class or higher]~~ in a county containing~~[a city of the first class or]~~ a consolidated local government, and ***that city intends***~~[the intent is]~~ to regulate land use within the confines of the city, the process for adopting or amending the comprehensive plan and adopting zoning or other land use regulations shall be as provided for in this chapter. Until such actions have been taken, the properties within the city shall remain subject to the land use restrictions, if any, as applied prior to the ***city's*** creation or ***the city's exceeding of the population threshold set out in this subsection***~~[reclassification of the city]~~.

➔Section 193. KRS 100.214 is amended to read as follows:

When in any planning unit containing any portion of a county containing a city of the first class or a consolidated local government a hearing is scheduled on a proposal by a property owner to amend any zoning map, the following notice shall be given in addition to any other notice required by statute, local regulation, or ordinance to be given:

(1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed at least fourteen (14) days immediately prior to the hearing. Posting shall be as follows:

(a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place, and date of hearing shall be in letters at least one (1) inch in height; and

(b) The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission;

(2) Notice of the hearing shall be given at least fourteen (14) days in advance of the hearing by first-class mail, with certification by the commission secretary or other officer of the planning commission that the notice was mailed, to the mayor and city clerk of any city ***with a population of less than three thousand (3,000) based upon the most recent federal decennial census***~~[of the fifth or sixth class]~~ so affected, to an owner of every parcel of property adjoining at any point the property the classification of which is proposed to be changed, to an owner of every parcel of property directly across the street from said property, and to an owner of every parcel of property which adjoins at any point the adjoining property or the property directly across the street from said property; provided, however, that no first-class mail notice, required by this subsection, shall be required to be given to any property owner whose property is more than five hundred (500) feet from the property which is proposed to be changed. It shall be the duty of the person or persons proposing the map amendment to furnish to the planning commission the names and addresses of the owners of all property as

described in this subsection. Records maintained by the property valuation administrator may be relied upon conclusively to determine the identity and address of said owner. In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairman of the owner group which administers property commonly owned by the condominium or cooperative owners. A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address;

(3) If the hearing has been scheduled for a time during normal working hours, and if, within ten (10) days of the scheduled date of the hearing the planning commission shall receive a petition from two hundred (200) property owners living within the planning unit requesting that the hearing be rescheduled for a time after normal working hours, then the planning commission shall reschedule the hearing for a time after normal working hours on a date no earlier than the date of the original hearing. The planning commission shall then publish notice of the new hearing time and date according to the provisions of KRS 100.211, except that notice shall occur at least seven (7) days prior to the public hearing. The sign required by subsection (1) of this section shall be changed to reflect the new hearing time and date at least seven (7) days prior to the public hearing. The persons who receive mail notice according to the provisions of subsection (2) of this section shall again be notified in the same manner of the new hearing time and date at least seven (7) days prior to the hearing. The hearing time shall not be changed more than once by the procedures of this section except in the event of intervening emergency which requires the cancellation of a hearing; and

(4) Notice by mail shall include a list of the names and addresses of each person so notified, and a description of the procedure by which those notified can petition for a change in the hearing time.

➔Section 194. KRS 100.217 is amended to read as follows:

(1) (a) Before any zoning regulation may have legal effect within the planning unit, a board or boards of adjustment shall be appointed for the planning unit as stated in the agreement under which the unit operates. The agreement may provide for additional boards of adjustment with jurisdiction of a particular city or area within the planning unit. Provided, that the jurisdiction of the boards of adjustment so established shall be clearly defined as to territorial limits, that all territory within the planning unit is within the jurisdiction of some board of adjustment so established and, that no territory is subject to the jurisdiction of more than one (1) board of adjustment, except as provided in KRS 100.203(5).

(b) ***Except as provided by paragraph (c) of this subsection,*** in a county containing a consolidated local government where a planning agreement is not required, there shall be one (1) board of adjustment which shall be established by ordinance of the consolidated local government. Until such time as the consolidated local government establishes and appoints a board of adjustment pursuant to this subsection, the existing board of adjustment for the county shall serve as the board of adjustment for the entire planning unit.

(c) A city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the second class]~~ within a county containing a consolidated local government where a planning agreement is not required may establish, by ordinance, a board of zoning adjustment under the provisions of this section. If ***such*** a city ~~[of the second class]~~ creates a board of zoning adjustment, then that board of zoning adjustment shall have exclusive jurisdiction within that city's territorial boundaries.

(2) A board of adjustment shall consist of either three (3), five (5), or seven (7) members, all of whom must be citizen members, and not more than two (2) of whom may be citizen members of the planning commission.

(3) The mayor shall be the appointing authority for cities, and the county judge/executive shall be the appointing authority for counties, subject to the approval of their respective legislative bodies. The mayor shall be the appointing authority for a consolidated local government pursuant to the provisions of KRS 67C.139.

(4) The term of office for the board of adjustment shall be four (4) years, but the term of office of members first appointed shall be staggered so that a proportionate number serve one (1), two (2), three (3), and four (4) years respectively.

(5) Vacancies on the board of adjustment shall be filled within sixty (60) days by the appropriate appointing authority. If the authority fails to act within that time, the planning commission shall fill the vacancy. When a vacancy occurs other than through expiration of the term of office, it shall be filled for the remainder of that term.

(6) All members of boards of adjustment shall, before entering upon their duties, qualify by taking the oath of office prescribed by Section 228 of the Constitution of the Commonwealth of Kentucky before any judge, county judge/executive, notary public, clerk of a court, or justice of the peace within the district or county in which he resides.

(7) Reimbursement for expenses or compensation or both may be authorized for members on a board of adjustment.

(8) Any member of a board of adjustment may be removed by the appropriate appointing authority for inefficiency, neglect of duty, malfeasance, or conflict of interest. Any appointing authority who exercises the power to remove a member of the board of adjustment shall submit a written statement to the commission setting forth the reasons for removal, and the statement shall be read at the next meeting of the board of adjustment, which shall be open to the general public. The member so removed shall have the right of appeal from the removal to the Circuit Court of the county in which he resides.

(9) Notwithstanding subsection (4) of this section, when a city of the first class and a county containing such city have in effect a compact pursuant to KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. Upon the effective date of the compact, if the board is not reorganized pursuant to subsection (1) of this section, the mayor, and county judge/executive with approval of the fiscal court, shall adjust the terms of the sitting members to provide that the terms of one-third (1/3) plus one (1) of the members expire in one (1) year, the terms of one-third (1/3) of the members in two (2) years, and the terms of one-third (1/3) of the members expire in three (3) years. Upon expiration of these staggered terms, successors shall be appointed for a term of three (3) years. Notwithstanding subsection (4) of this section, upon the establishment of a consolidated local government in a county where a city of the first class and a county containing such city have had in effect a cooperative compact pursuant to KRS 79.310 to 79.330, the terms of the members on the board shall be for three (3) years and until their successors are appointed and qualified. Upon expiration of the terms of incumbent members, their successors shall be appointed to three (3) year terms which are staggered.

(10) Each board of adjustment annually shall elect a chairman, vice chairman, and secretary and any other officers it deems necessary, and any officer shall be eligible for reelection at the expiration of his term.

➔Section 195. KRS 100.237 is amended to read as follows:

The board shall have the power to hear and decide applications for conditional use permits to allow the proper integration into the community of uses which are specifically named in the zoning regulations which may be suitable only in specific locations in the zone only if certain conditions are met:

(1) The board may approve, modify, or deny any application for a conditional use permit. If it approves such permit it may attach necessary conditions such as time limitations, requirements that one (1) or more things be done before the request can be initiated, or conditions of a continuing nature. Any such conditions shall be recorded in the board's minutes and on the conditional use permit, along with a reference to the specific section in the zoning regulation listing the conditional use under consideration. The board shall have power to revoke conditional use permits, or variances for noncompliance with the condition thereof. Furthermore, the board shall have a right of action to compel offending structures or uses removed at the cost of the violator and may have judgment in personam for such cost.

(2) Granting of a conditional use permit does not exempt the applicant from complying with all of the requirements of building, housing, and other regulations.

(3) In any case where a conditional use permit has not been exercised within the time limit set by the board, or within one (1) year if no specific time limit has been set, such conditional use permit shall not revert to its original designation unless there has been a public hearing. "Exercised," as set forth in this section, shall mean that binding contracts for the construction of the main building or other improvement have been let; or in the absence of contracts that the main building or other improvement is under construction to a substantial degree, or that prerequisite conditions involving substantial investment under contract, in development, are completed. When construction is not a part of the use, "exercised" shall mean that the use is in operation in compliance with the conditions as set forth in the permit.

(4) The administrative official shall review all conditional use permits, except those for which all conditions have been permanently satisfied, at least once annually and shall have the power to inspect the land or structure where the conditional use is located in order to ascertain that the landowner is complying with all of the conditions which are listed on the conditional use permit. If the landowner is not complying with all of the

conditions listed on the conditional use permit, the administrative official shall report the fact in writing to the chairman of the board of adjustment. The report shall state specifically the manner in which the landowner is not complying with the conditions on the conditional use permit, and a copy of the report shall be furnished to the landowner at the same time that it is furnished to the chairman of the board of adjustment. The board shall hold a hearing on the report within a reasonable time, and notice of the time and place of the hearing shall be furnished to the landowner at least one (1) week prior to the hearing. If the board of adjustment finds that the facts alleged in the report of the administrative official are true and that the landowner has taken no steps to comply with them between the date of the report and the date of the hearing, the board of adjustment may authorize the administrative official to revoke the conditional use permit and take the necessary legal action to cause the termination of the activity on the land which the conditional use permit authorizes.

(5) Once the board of adjustment has completed a conditional use permit and all the conditions required are of such type that they can be completely and permanently satisfied, the administrative official, upon request of the applicant, may, if the facts warrant, make a determination that the conditions have been satisfied, and enter the facts which indicate that the conditions have been satisfied and the conclusion in the margin of the copy of the conditional use permit which is on file. Thereafter said use, if it continues to meet the other requirements of the regulations, will be treated as a permitted use.

(6) When an application is made for a conditional use permit for land located within or abutting any residential zoning district, written notice shall be given at least fourteen (14) days in advance of the public hearing on the application to the applicant, administrative official, the mayor and city clerk of any city ***with a population of less than three thousand (3,000) based upon the most recent federal decennial census***~~[of the fifth or sixth class]~~ so affected within any county containing~~[a city of the first class or]~~ a consolidated local government, an owner of every parcel of property adjoining the property to which the application applies, and such other persons as the local zoning ordinance, regulations, or board of adjustment bylaws shall direct. Written notice shall be by first-class mail with certification by the board's secretary or other officer that the notice was mailed. It shall be the duty of the applicant to furnish to the board the name and address of an owner of each parcel of property as described in this subsection. Records maintained by the property valuation administrator may be relied upon conclusively to determine the identity and address of said owner. In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairperson of the owner group which administers property commonly owned by the condominium or cooperative owners. A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address.

(7) When any property within the required notification area for a public hearing upon a conditional use permit application is located within an adjoining city, county, or planning unit, notice of the hearing shall be given at least fourteen (14) days in advance of the hearing, by first-class mail to certain public officials, as follows:

(a) If the adjoining property is part of a planning unit, notice shall be given to that unit's planning commission; or

(b) If the adjoining property is not part of a planning unit, notice shall be given to the mayor of the city in which the property is located or, if the property is in an unincorporated area, notice shall be given to the judge/executive of the county in which the property is located.

➔Section 196. KRS 100.253 is amended to read as follows:

(1) The lawful use of a building or premises, existing at the time of the adoption of any zoning regulations affecting it, may be continued, although such use does not conform to the provisions of such regulations, except as otherwise provided herein.

(2) The board of adjustment shall not allow the enlargement or extension of a nonconforming use beyond the scope and area of its operation at the time the regulation which makes its use nonconforming was adopted, nor shall the board permit a change from one (1) nonconforming use to another unless the new nonconforming use is in the same or a more restrictive classification, provided, however, the board of adjustment may grant approval, effective to maintain nonconforming-use status, for enlargements or extensions, made or to be made, of the facilities of a nonconforming use, where the use consists of the presenting of a major public attraction or attractions, such as a sports event or events, which has been presented at the same site over such period of years and has such attributes and public acceptance as to have attained international prestige and to have achieved the status of a public tradition, contributing substantially to the economy of the community and state, of which prestige and status the site is an essential element, and where the enlargement or extension was or is designed to maintain the prestige and status by meeting the increasing demands of participants and patrons.

(3) Any use which has existed illegally and does not conform to the provisions of the zoning regulations, and has been in continuous existence for a period of ten (10) years, and which has not been the subject of any adverse order or other adverse action by the administrative official during said period, shall be deemed a nonconforming use. Thereafter, such use shall be governed by the provisions of subsection (2) of this section.

(4) The provisions of subsection (3) of this section shall not apply to counties containing a city of the first class,~~[a city of the second class,]~~ a consolidated local government,~~[or]~~ an urban-county government***, or a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***.

➔Section 197. KRS 100.401 is amended to read as follows:

It is the intent of KRS 100.401 to 100.419 to strengthen the enforcement of binding elements which have been approved as part of a land use development plan in a county containing a~~[city of the first class or]~~ consolidated local government. This is intended to be done by extending to a planning commission in counties containing a~~[city of the first class or]~~ consolidated local government the authority to issue remedial orders and impose civil fines in order to provide an equitable, expeditious, effective, and inexpensive method of ensuring compliance with approved land use plans as they apply to binding element agreements. KRS 100.401 to 100.419 is intended and shall be construed to provide an additional or supplemental means of obtaining compliance with local zoning ordinances and nothing contained in KRS 100.401 to 100.419 shall prohibit the enforcement of local zoning ordinances by any other means authorized by law.

➔Section 198. KRS 100.403 is amended to read as follows:

As used in KRS 100.401 to 100.419, unless the context otherwise requires:

(1) "Land use enforcement officer" in a county containing a~~[city of the first class or]~~ consolidated local government means an officer authorized by a planning commission to enforce binding elements.

(2) "Land use ordinance" in a county containing a~~[city of the first class or]~~ consolidated local government means an official action of a local government body which is a regulation of a general and permanent nature relating to the use and development of land within the jurisdictional boundary of the planning commission. It is enforceable as a local law and shall include any provision of a code of ordinances adopted by a local government which embodies all or part of an ordinance.

(3) "Local government" means a county containing a~~[city of the first class or]~~ consolidated local government and all cities ***with a population equal to or greater than three thousand (3,000) or any city with a population of less than three thousand (3,000) based upon the most recent federal decennial census that regulated land use under the provisions of this chapter prior to January 1, 2014,***~~[of the first through fourth classes]~~ within the county.

(4) "Binding element" in a county containing a~~[city of the first class or]~~ consolidated local government means a binding requirement, provision, restriction, or condition imposed by a planning commission or its designee, or a promise or agreement made by an applicant in writing in connection with the approval of a land use development plan or subdivision plan.

➔Section 199. KRS 100.405 is amended to read as follows:

(1) The planning commission in counties containing a~~[city of the first class or a]~~ consolidated local government may issue remedial orders and impose civil fines as a method of enforcing a binding element when a violation of that binding element has been classified as a civil offense in accordance with this section.

(2) Subject to the limitations set forth in subsections (1) and (3) of this section, if a local government elects to enforce a binding element as a civil offense, it shall do so by ordinance, which shall provide:

(a) That a violation of the binding element is a civil offense; and

(b) A maximum civil fine that may be imposed for each violation of a binding element.

(3) No local government shall classify the violation of a binding element as a civil offense if the violation would also constitute an offense under any provision of the Kentucky Revised Statutes, including specifically and without limitation any provision of the Kentucky Penal Code and any moving motor vehicle offense.

➔Section 200. KRS 102.010 is amended to read as follows:

For the purpose of advertising and developing their natural resources, and promoting the general welfare, better business methods and civic conditions, a corporate body, to be known as the chamber of commerce, is authorized in cities of the ***home rule*** ~~[second, third and fourth]~~ class.

➔Section 201. KRS 104.520 is amended to read as follows:

(1) When the petition is filed with the secretary, he shall investigate at once the boundary of the district proposed to be organized, and may, at the cost of the petitioners, cause to be made surveys necessary to establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by the creation of the district in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the secretary need not follow the boundary proposed by the petitioners, but if the boundary established by the secretary results in a material change from that proposed in the original petition the petitioners shall secure, in case of a larger or smaller area, the signatures of seventy percent (70%) of the freeholders or owners in the area as established by the secretary.

(2) Should it be found desirable to include in a flood control district all or a portion of a city ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census*** ~~[of the first, second or third class]~~, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the taxes levied for the benefits of the district in such area.

➔Section 202. KRS 104.580 is amended to read as follows:

(1) Within thirty (30) days after the secretary certifies to the county clerk of each county in which the district is located that the district is incorporated, there shall be appointed a board of directors for the district, consisting of five (5) members, which shall control and manage the affairs of the district. If all or part of a ***city with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census*** ~~[first, second, or third class city]~~ lies within the district, the mayor of such city shall appoint three (3) members of the board of directors, and the county judge/executive shall appoint two (2) members, or if the district lies within two (2) counties, each county judge/executive shall appoint one (1) member, or if the district lies within more than two (2) counties, the county judge/executive of each of two (2) of the counties, in rotation as determined by lot, shall appoint one (1) member. If all or part of two (2) cities ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census*** ~~[of the first, second, or third class]~~ lies within the district the mayor of each city shall each appoint two (2) members of the board of directors, and the fifth member shall be appointed by the county judge/executive of the county in which the major portion of the district lies. If all or part of more than two (2) cities ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census*** ~~[of the first, second, or third class]~~ lies within the district the mayor of each city shall appoint one (1) member of the board and one (1) additional member shall be appointed by each mayor of the city or cities containing most of the district to make the full number of five (5) directors. If no ***city with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census*** ~~[first, second, or third class city]~~, or part thereof, lies within the district, the county judge/executive shall appoint all five (5) members, or if the district lies in two (2) counties, the county judge/executive of the county in which the major portion of the district is located shall appoint three (3) members and the county judge/executive of the other county shall appoint two (2) members, or if the district lies in more than two (2) counties, the county judge/executive of each county shall appoint one (1) member and one (1) additional member shall be appointed by each county judge/executive of the county or counties containing most of the district to make the full number of five (5) directors. No director shall in any way be associated or connected with the ownership, operation or control of any privately-owned public utility operating within the district. Two (2) of the members of the first board of directors shall hold their offices for one (1) year, and the others shall hold their offices for two (2), three (3) and four (4) years, respectively, from the dates of their appointments, the length of the term of office of each member to be determined by lot at their first meeting. After the expiration of the respective terms of office of the members of the first board of directors, each director shall be appointed and shall serve for a period of four (4) years and until his successor has been appointed and has qualified. Vacancies resulting from any cause other than expiration of a term of office shall be filled only for the unexpired term and until a successor has been appointed and has qualified. The directors shall at all times be residents and real estate owners within the district, and the office of any director who moves his residence outside the district or who ceases to be a real estate owner within the district shall automatically be vacated.

(2) (a) All appointments by a county judge/executive pursuant to this section shall be with the approval of the fiscal court.

(b) A member of the board of directors may be removed from office as provided by KRS 65.007.

➔Section 203. KRS 106.010 is amended to read as follows:

Any water district created pursuant to KRS Chapter 74 or any city of the ***home rule*** ~~[second, third, fourth, fifth or sixth]~~ class may, by purchase or by condemnation, acquire, establish, erect, maintain and operate waterworks, together with extensions and necessary appurtenances thereto, and including both real or personal property within or without the corporate limits of the said water district or city, for the purpose of supplying the water district or the city and its inhabitants thereof with water.

➔Section 204. KRS 106.200 is amended to read as follows:

No city of the ***home rule*** ~~[second, third, fourth, fifth or sixth]~~ class which owns a waterworks system shall sell, convey, rent, or lease the system without the assent of a majority of the legislative body for the city or of those voting at an election held for that purpose after notice of the election has been published pursuant to KRS Chapter 424. This section shall not apply to the issuance of revenue bonds provided for under the provisions of this chapter.

➔Section 205. KRS 107.020 is amended to read as follows:

(1) The term "governing body," as used in this chapter, means and includes the legislative body of any city, whether the same be designated by applicable statutes as a general council, a common council, a city council, a board of commissioners, or otherwise. The term "governing body," as used in KRS 107.010 to 107.220 shall include the legislative body of any county unless the context requires otherwise. The terms "municipality" and "city" as used in KRS 107.010 to 107.220 shall include county within their meaning unless the context requires otherwise.

(2) The term "ordinance" means and includes any ordinance enacted in accordance with the general laws applicable to ordinances of the class of city in question, and the form of government thereof, and in accordance with the provisions of this chapter.

(3) The term "public way" means and includes streets, boulevards, avenues, roads, lanes, alleys, parkways, courts, terraces, and other courses of travel open to the general public by whatsoever name designated.

(4) The terms "improvement" and "project" mean and include:

(a) The construction of public ways or the substantial reconstruction or widening thereof;

(b) The construction, installation, or substantial reconstruction of sanitary, storm, or combined sewers and appurtenances;

(c) The construction, enlargement or substantial reconstruction of sewage treatment plants for rendering sewage less hazardous to public health, safety, and general welfare;

(d) The construction, installation, or substantial replacement of fire hydrants in cities ***with populations of less than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the third through sixth classes]~~, necessary water mains and appurtenances in a city in a county containing a city of the first ***class or a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[or second class]~~; or

(e) Any combination of the same. Bonds for improvements defined in paragraphs (b), (c) and (d) of this subsection may be caused to mature as to principal in term or serial maturities not to exceed thirty (30) years from date of issue.

(5) The term "costs" as applied to any project undertaken under this chapter includes the cost of labor, materials, and equipment necessary to complete the project in a satisfactory manner, cost of land acquired, and every expense connected with the project, including preliminary and other surveys, inspections of the work, engineers' fees and costs, attorneys' fees, preparation of plans and specifications, publication of ordinances and notices, interest which will accrue on the bonds until the due date of the first annual improvement assessment levied in connection therewith, a sum equal to any discount in the sale of the bonds (if discount bids are authorized and permitted by the governing body), a reasonable allowance for unforeseen contingencies, the printing of bonds, and other costs of financing which may include the payment of a fee to a fiscal agent for advice and assistance in the preparation and marketing of the bonds. As applied to wastewater collection projects undertaken by metropolitan sewer districts "costs" also include:

(a) The cost of inspections of work as construction progresses;

(b) Interest which will accrue on the bonds until the due date of the first annual improvement assessment if a lump sum is not paid;

(c) Capitalized interest on the bonds for a period not to exceed three (3) years;

(d) All or any portion of the debt service reserve requirement, if determination is made to finance same from bond proceeds;

(e) Payment of attorneys' fees, underwriting and fiscal agency fees, trustees' fees, rating service fees if approved by the fiscal court; and

(f) Other costs of issuance of bonds.

(6) The term "assessed value basis" means the plan for the levying of annual improvement benefit assessments on the basis of the assessed values of the benefited properties, as authorized by this chapter. As applied to wastewater collection projects undertaken by metropolitan sewer districts, "assessed value basis" means the plan for the levying of annual improvement benefit assessments upon benefited property for the benefits conferred by the construction of projects on the basis of the ad valorem assessed values (land only) of the benefited property, whether the owners pay such levies in full or on an annual basis to amortize bonds. Identical annual improvement benefit assessments upon classified zones of benefited property may also be included in this plan where determination is made by order of a metropolitan sewer district, as provided in KRS 107.030, that benefits conferred by construction of a project are substantially equal and that the assessed value (land only) of all benefited property or designated zones thereof shall therefore be deemed equal in respect of a given wastewater collection project.

(7) The term "front-foot basis" refers to the plan for financing improvements by apportioning the cost among benefited properties upon the basis of the number of linear feet thereof abutting upon the improvement project, as otherwise provided by law.

(8) The terms "property to be benefited," "properties to be benefited," "benefited property" and "benefited properties" all mean and refer to the property or properties defined in KRS 107.140. As applied to wastewater collection projects undertaken by metropolitan sewer districts, "benefited property" and "property to be benefited" mean the property (land only) proposed to be benefited by construction of a wastewater collection project instituted by a metropolitan sewer district and against which lump-sum or annual improvement benefit assessments are to be levied.

(9) "Construction" means the following services and facilities provided by a metropolitan sewer district:

(a) Preliminary planning to determine the economic and engineering feasibility of construction of wastewater collection projects, and any engineering, architectural, legal, fiscal, and economic investigations and studies necessary. Also included are all necessary surveys, designs, plans, working drawings, specifications, procedures, and other required actions incident to the construction of wastewater collection projects;

(b) The building, acquisition, installation, erection, alteration, remodeling, improvement, expansion, or extension of wastewater collection projects and any other physical devices reasonably associated with such projects;

(c) The provision of sewer collection services and facilities to benefited property although not directly financed by the issuance of bonds; and

(d) Inspection and supervision incident to the acquisition, construction, and installation of wastewater collection projects.

(10) "Debt service reserve requirement" means with respect to any particular issue of bonds for a wastewater collection project of a metropolitan sewer district, the maximum annual requirements for payment of principal of and interest on such bond issue funded either in whole or in part by application of bond proceeds or accrued by the levying of improvement benefit assessments as provided in KRS Chapters 76 and 107.

(11) "Metropolitan sewer district" means a joint metropolitan sewer district which has been duly created under KRS 76.005 to 76.210.

(12) "Order" means a formal and binding enactment of the board of a metropolitan sewer district entered in connection with the financing by such district of a wastewater collection project.

(13) "Wastewater" means any water or liquid substance containing sewage, industrial waste, or other pollutants or contaminants.

(14) "Wastewater collection project" means treatment plants and all or part of any facilities and systems of a metropolitan sewer district used in the collection, holding, or transmission of wastewater from a benefited property to wastewater treatment plants or other similar facilities for final disposition. These terms shall include, without being limited to, sanitary sewage collection lines, intercepting sewers, outfall sewers, sewer laterals, power stations and pumping stations, and other equipment and their appurtenances necessary to enable the project to fulfill its function, including land acquisition, if required, whether such project facilities are provided by funds derived from issuance of bonds or otherwise provided by a district in any manner.

(15) "Classified zone" means any portion of any construction phase of a wastewater collection project designated by a metropolitan sewer district after a determination that all property located in such zone is benefited substantially equal by such construction.

➔Section 206. KRS 107.030 is amended to read as follows:

If a municipality desires to authorize, construct, and finance an improvement pursuant to this chapter, its governing body shall initiate the proceedings by adopting an ordinance, herein called the "First Ordinance," in which announcement shall be made of the public way or ways (which need not be contiguous) proposed to be improved and the geographical limits of the proposed improvement in such manner as to identify the benefited properties or the identity of the property or properties to be benefited by the fire hydrant in cities ***with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the third through sixth classes]~~ or by the sewer installations (which may include a sewage treatment plant) which properties may be identified by naming the public way or ways upon which they abut, if any, or by geographical location, or both. In either case the ordinance shall recite the nature and scope of the improvement, a preliminary estimate of the costs thereof, as submitted in writing by an engineer, or firm of engineers, holding a license from the Commonwealth of Kentucky, and the amount, if any, which the city proposes to appropriate from available city funds toward the estimated cost. Any metropolitan sewer district desiring to initiate a wastewater collection project pursuant to this chapter shall, by order of its board cause a written preliminary engineering and financing report to be prepared by one (1) or more engineers, or one (1) or more firms of engineers, licensed to do business in the Commonwealth of Kentucky, or alternatively, by district personnel, for submission to the district. The preliminary engineering and financing report shall designate a geographical area in which a wastewater collection project is recommended for construction. The report shall contain a reasonable description of the project facilities proposed to be constructed, a statement as to benefits to be conferred by the proposed project, the distribution of the benefits and an estimate of the cost of the proposed project. The board of the district shall receive the preliminary engineering and financing report at a regular meeting. The board shall study and evaluate it, and by duly entered order either approve, disapprove the report as submitted, or amend and approve the report. Following approval of the preliminary engineering and financing report by the board of the metropolitan sewer district, the board shall formally initiate proceedings for the construction and financing of the proposed wastewater collection project. This announcement shall identify all benefited properties by naming the public way upon which such benefited properties abut, if any, or by geographical location, or by other appropriate description. The first ordinance shall describe the nature, scope and preliminary cost estimate of the wastewater collection project being proposed. The ordinance shall determine that each parcel of land identified as benefited property shall be afforded benefits by the projects unless specifically excluded. A public hearing shall be held in respect of the proposed wastewater collection project. In all succeeding proceedings, the city shall be bound and limited by the preliminary report of the engineer, or engineers, with regard to the nature, scope, and extent of the proposed improvement project (unless the first ordinance be amended, as hereinafter provided); but shall not be bound by, or limited to, the preliminary estimate of costs. The costs shall be determined upon the basis of construction bids publicly solicited as hereinafter provided, and shall be binding upon the city, and upon the owners of property to be benefited by the proposed improvement project, whether the same turn out to be equal to, below, or above such preliminary estimate. Architects, attorneys, consultants, engineers, and fiscal agents shall be employed after reasonable advertisement of the need for their services and with such competition as is permitted by law. In a first ordinance for a wastewater collection project, the board of a metropolitan sewer district shall make findings of fact regarding the degree and nature of the benefit which will accrue to benefited properties by the installation of the project. If the board determines as a fact that groups of or all of the benefited properties will be affected and benefited in substantially the same manner and to substantially the same degree, the board may classify such benefited properties into one (1) or more assessment zones based upon the similarity of benefits to be derived. In such case, the board may deem all benefited properties within a particular assessment zone to be equally benefited and therefore equally treated for purposes of levying improvement benefit assessments for amortization of bonds issued to provide funds to pay the costs of the project. It is the intent of KRS Chapters 76 and 107 to vest in the board of any metropolitan sewer district undertaking a project authority to make findings of fact in order to classify properties according to benefits conferred from the construction of projects. The board may, by appropriate order, determine that identified groups of benefited properties will be benefited in substantially the same manner by a project and these

properties shall be treated equally for purposes of annual improvement benefit assessment of such benefited properties. The board may rely upon any pertinent data in making such findings of fact, including the size and diameter of sanitary sewer service connections to be made available. If the board of the district determines that all properties situated within a particularly described geographic area will not receive substantially equal benefits from the project, the board shall determine in the first ordinance that such properties shall be annually assessed for benefits conferred based upon the relative assessed land valuation of each benefited property as it relates to the aggregated assessed land valuation of all benefited properties within such particularly described geographic area. Whichever basis of assessment is selected, it shall be used both initially, when land owners may pay improvement benefit assessments in a lump sum, and subsequently during each annual period in which project bonds are outstanding if a lump-sum payment is not paid. The first ordinance shall provide for a public hearing at a time and place specified therein (not less than one (1) week after publication) and shall give notice that at the hearing any owner of property to be benefited may appear and be heard as to:

(1) Whether the proposed project should be undertaken or abandoned;

(2) Whether the nature and scope of the project shall be altered;

(3) Whether the project shall be financed through the issuance of bonds according to the "assessed value basis," authorized by this chapter; or

(4) Whether the project shall be financed through assessments made and apportioned on a front-foot basis, as may otherwise be authorized by law. The first ordinance shall be published pursuant to KRS Chapter 424. The first ordinance may designate a person, who may be the mayor, a member of the governing body, or any city official, to preside at and conduct such public hearing. In the absence of a designation in the ordinance, the mayor or a person designated by the mayor shall preside. Notwithstanding the foregoing, the public hearing shall not be deemed irregular or improper if it is in fact presided over and conducted at the designated time and place by any elected city officer or member of the governing body.

➔Section 207. KRS 107.140 is amended to read as follows:

(1) (a) In the case of improvements of public ways, the benefited property shall consist of all real property abutting upon both sides of the improvement project, and the cost of improving intersections shall be included in the total costs to be assessed and apportioned, unless and to the extent the city shall appropriate, within constitutional limitations, from available funds, a definite and specified sum as a contribution thereto, or a portion of the aggregate cost, or the cost of specified portions of the improvement; provided, however, that if provisions shall be made for sidewalk improvements, as an integral part of the improvement of a "public way," as defined in subsection (3) of KRS 107.020, upon only one side of the project, the costs of the sidewalk improvement shall be ascertained and assessed separately against the property abutting upon that side only, but the governing body may provide that such assessment shall include a fair share of the over-all costs as herein defined, other than the amounts of the actual construction contracts.

(b) In the case of improvements for draining sewage, storm water, or a combination thereof, the benefited properties shall consist of all properties which are thereby afforded a means of drainage, including not only the properties which may be contiguous to the improvements, but also adjacent properties within a reasonable distance therefrom as the governing body may in the proceedings set forth.

(c) In the case of an improvement project consisting in whole or in part of a sewage treatment plant, or enlargement or substantial reconstruction of an existing sewage treatment plant, the benefited properties shall be all those properties the sewage from which is treated in such plant, including properties already provided with sewer drainage facilities as well as those properties which the improvement project will provide with such drainage facilities, but the governing body may classify properties according to the extent of benefits to be afforded to them, and may establish one (1) rate of assessment applicable to all properties participating in the benefits of the sewage treatment installations, and an additional rate of assessment applicable to properties for which the improvement project will also provide sewer drainage facilities. In relation to wastewater collection projects constructed by metropolitan sewer districts, benefited property shall consist of all property whether improved or unimproved to which the project affords a means of discharging wastewater.

(d) The governing body may, either in the proceedings initiating an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare, that properties other than the properties originally benefited by an improvement under paragraphs (b) or (c) of this subsection, be permitted to connect to such sewer drainage and/or treatment

facilities, and may make equitable provisions which may be adjustable from year to year as bonds are retired, whereby the owners of such later-connecting properties, may, by paying charges for the privilege of connecting, and/or by assuming a share of improvement assessments, or otherwise, be placed as nearly as practicable on a basis of financial equity with the owners of properties initially provided to be assessed.

(e) The governing body may, either in the proceedings initiating an improvement project, or in subsequent proceedings, recognize the necessity or desirability in the interest of the public health, safety and general welfare that residential properties within one thousand feet (1000'), measured along paved roads, of a fire hydrant in cities ***with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the third through sixth classes]~~ may be assessed on the same basis as property abutting upon a street where a fire hydrant is to be installed.

(2) (a) Benefited property owned by the city or county, or owned by the United States government or any of its agencies, if such property is subject to assessment by Act of Congress, shall be assessed annually the same as private property, and the amount of the annual assessment shall be paid by the city, county, or United States government, as the case may be. The same right of action shall lie against the county as against a private owner.

(b) Benefited property owned by the state, except property the title to which is vested in the Commonwealth for the benefit of a district board of education pursuant to KRS 162.010, shall be assessed as follows: Before assessing the state, the governing body shall serve written notice on the secretary of the Finance and Administration Cabinet setting forth specific details including the estimated total amount of any improvement assessment proposed to be levied against any state property relative to any proposed improvement project. Said written notice shall be served prior to the next even-numbered-year regular session of the General Assembly so that the amount of any specific improvement assessment may be included in the biennial executive branch budget recommendation to be submitted to the General Assembly. Payment of any assessment shall be made only from funds specifically appropriated for that assessment. If an amount sufficient to pay the total amount of any assessment has been appropriated, then the total amount shall be paid; if an amount sufficient only to pay annual assessments has been appropriated, then only the amount of the annual assessment shall be paid. The amount of the assessment shall be certified by the city treasurer to the Finance and Administration Cabinet, which shall thereupon draw a warrant upon the State Treasurer, payable to the city treasurer, and the State Treasurer shall pay the same.

(c) In the case of property the title to which is vested in the Commonwealth for the benefit of a district board of education, the amount of the annual assessment shall be paid by the city or other local governmental agency or authority which undertook the improvement project.

(3) No benefited property shall be exempt from assessment.

➔Section 208. KRS 107.190 is amended to read as follows:

If the ordinances and proceedings authorized by this chapter shall encompass and include less than all of the undertakings authorized and contemplated by the definitions set forth in KRS 107.020, (i.e., a street improvement project with or without sidewalk, curb, gutter, and/or storm or surface water sewers or drains or sanitary sewers, or sewage treatment facilities or fire hydrant in cities ***with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the third through sixth classes]~~), the city shall not be precluded from ordaining and requiring the omitted matters and structures to be constructed at the expense of the benefited properties at any time in the future, in accordance with the provisions of this chapter, or in accordance with any other applicable laws. If the improvement project shall encompass all of the elements included in the definition of "improvement" or "project" as set forth in this chapter, the city shall not thereafter undertake any project for any part of the improvements as herein defined except (a) at the exclusive cost of the city, or (b) at the cost of the benefited properties from and after fifteen (15) years after completion and acceptance of the project, or (c) from the proceeds of revenue bonds payable from service charges.

➔Section 209. KRS 107.320 is amended to read as follows:

In counties containing a city ***with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census*** ~~[of the first, second, third, or fourth class]~~, a community improvement district may be created as provided in KRS 65.182 for the purpose of erecting buildings and related facilities for any governmental unit, or combination of governmental units, in the county. Any community improvement district so created shall

include all of the territory in the county, including the area of incorporated cities, and shall be designated the "County Community Improvement District" (hereinafter called the "district"). The district shall constitute a public body corporate, with perpetual succession and power in its name to contract and be contracted with, sue and be sued, adopt bylaws, have and use a corporate seal, and exercise all of the powers granted to public nonprofit corporations generally by KRS Chapter 273, except such powers as may be inconsistent with specific provisions of KRS 107.310 to 107.500.

➔Section 210. KRS 108.110 is amended to read as follows:

(1) The affairs of the district shall be controlled and managed by a board of directors appointed by the county judge/executive with the approval of the fiscal court and city legislative bodies in the following manner:

(a) If the district consists of one (1) city, three (3) members shall be appointed to the board by the city legislative body;

(b) If the district consists of two (2) cities, the legislative body of the city having the greater portion of the population of the district shall appoint two (2) directors and the legislative body of the other city shall appoint the third director;

(c) If the district consists of more than two (2) cities, the legislative body of the city having the greatest portion of the population of the district shall appoint two (2) directors and the legislative body of the remaining cities comprising the district shall appoint one (1) director;

(d) If the district consists of one (1) county, three (3) or five (5) members shall be appointed to the board by the county judge/executive of the county;

(e) If the district consists of two (2) counties, the county judge/executive of the county having the greater portion of the population of the district shall appoint two (2) directors and the county judge/executive of the other county shall appoint the third director;

(f) If the district consists of more than two (2) counties, the county judge/executive of the county having the greatest portion of the population of the district shall appoint two (2) directors and the county judge/executive of the remaining counties comprising the district shall each appoint one (1) director;

(g) The legislative body of each city ***with a population equal to or greater than eight thousand (8,000)*** ~~[of the first three (3) classes]~~, or if there is no such ~~[class of]~~ city, the city ***with*** ~~[of]~~ the highest ***population*** ~~[class]~~ located within each county in the district shall appoint one (1) additional director;

(h) If part of an ambulance district within a county consists of an unincorporated area, the county judge/executive, with the approval of the fiscal court, shall appoint no more than two (2) persons residing within the affected unincorporated area to the board of directors for a term of two (2) years.

(2) Each board member shall reside within the district and within the county or city of which he was appointed to represent.

(3) The board of directors shall be appointed within thirty (30) days after the establishment of the district. Directors shall be appointed for terms of two (2) years each, except that initially the appointing authority shall appoint a minority of the board members for one (1) year terms. Subsequent terms shall all be for two (2) years. Any vacancies shall be filled by the appointing authority for the unexpired term.

(4) A majority of the membership of the board shall constitute a quorum.

(5) A member of the board of directors may be removed from office as provided by KRS 65.007.

➔Section 211. KRS 117.035 is amended to read as follows:

(1) There shall be a county board of elections, which shall, at the direction and under the supervision of the State Board of Elections, administer the election laws and the registration and purgation of voters within the county.

(2) (a) The board shall consist of the county clerk, the sheriff, and two (2) members appointed by the State Board of Elections not later than July 1 following the election of persons to statewide office, for a term of four (4) years and until their successors are appointed.

(b) The sheriff shall not serve on the board during any year in which he is a candidate, but shall recommend to the board a temporary replacement to serve in his place. If the sheriff cannot serve because he is sick, injured, or otherwise incapacitated, he may recommend a temporary replacement to serve in his place until the sheriff may resume his duties or a vacancy in office is declared.

(c) The county clerk may, at his option, continue to serve on the board during a year in which he is a candidate. If the clerk elects not to serve, he shall recommend a temporary replacement to serve in his place. If the county clerk cannot serve because he is sick, injured, or otherwise incapacitated, he may recommend a temporary replacement to serve in his place until the county clerk may resume his duties or a vacancy in office is declared.

(d) 1. Notwithstanding the provisions of KRS 61.080, service on the board of elections shall be compatible with the holding of any other county or city office.

2. The members shall be at least twenty-one (21) years of age, qualified voters in the county from which they are appointed, and shall not have been convicted of any election law offense.

3. One (1) member shall be appointed from a list of five (5) names submitted by the county executive committee of each political party as defined in KRS 118.015. If there are two (2) or more contending executive committees of the same political party in any county, the one recognized by the written certificate of the chairman of the state central committee of the political party shall be the one authorized to submit the lists.

4. If the State Board of Elections does not receive the list as required by subparagraph 3. of this paragraph for each political party for each county by the deadline established in paragraph (a) of this subsection or within one (1) month of a vacancy, then the chair of the state central committees for the political parties may submit lists of five (5) names of qualified residents from the remaining counties by August 1 following the election of persons to statewide office or within two (2) months of a vacancy.

5. If the State Board of Elections does not receive a list from either the county executive committee under subparagraph 3. of this paragraph or the chair of the state executive committee under subparagraph 4. of this paragraph, then the State Board of Elections shall appoint a qualified resident from the county at its next regularly scheduled meeting in September following the election of persons to statewide office or within three (3) months of a vacancy.

6. A member appointed by the State Board of Elections may be removed by the State Board of Elections for cause.

7. A member appointed by the State Board of Elections may be removed by the State Board of Elections upon a request approved by a two-thirds (2/3) vote of the full membership of the county executive committee that submitted the member's name. The county executive shall provide conclusive evidence of the committee's membership and evidence of the committee's two-thirds (2/3) vote before the State Board of Elections removes any member appointed by the State Board of Elections.

8. If an appointee is temporarily unable to act, a temporary appointee shall be named by the State Board of Elections. A temporary appointee shall serve until the original appointee notifies the State Board of Elections that he is able to resume his term.

9. A member appointed by the State Board of Elections shall not serve on the board if he or she is a candidate for public office, and the member shall resign upon filing papers to become a candidate for public office or shall be removed from office by the State Board of Elections. A member who resigns or is removed because of his or her candidacy shall not resume his or her term following the completion of the candidacy.

10. Vacancies and temporary vacancies shall be filled in the same manner as provided for original appointments, and the person appointed to fill the vacancy or temporary vacancy shall be of the same political party as his predecessor.

(e) Compensation and payment of actual expenses of members shall be set by the fiscal court either as an amount payable on an annual basis, or as an amount payable on a per diem basis of not less than fifteen dollars ($15) nor more than one hundred dollars ($100) for each day the board meets.

(3) A majority of the board shall constitute a quorum. The county clerk shall serve as chairman of the meetings and may vote. In case of a tie, the chairman may cast an additional vote. Records shall be kept of all proceedings, and the records shall be public and kept at the office of the county clerk.

(4) The board shall meet at least once a month and may meet more frequently if necessary. The board shall stay in session on election days to correct clerical errors and rule on questions regarding voter registration and may make to the election officers such certifications as may be necessary. On election days, appeals may be made to a Circuit Judge, but a ruling of the board shall be reversed only upon a finding that it was arbitrary and capricious.

(5) ~~[In counties containing cities of the first and second class,]~~The board may employ, on a bipartisan basis, a staff sufficient to carry out the duties assigned to the board.

➔Section 212. KRS 118.255 is amended to read as follows:

(1) The Secretary of State shall receive a fee of five hundred dollars ($500) for a candidate for statewide elected state office or the Congress, two hundred dollars ($200) for a candidate for Commonwealth's attorney, the General Assembly, or the District Court, Circuit Court, Court of Appeals, or Supreme Court, twenty dollars ($20) for candidates for ***a city*** office~~[in cities of the fifth or sixth class]~~, fifty dollars ($50) for other candidates who file with the Secretary of State for each notification and declaration and petition filed with him, and fifty dollars ($50) for a write-in candidate for office~~[other than municipal office in cities of the fifth or sixth class]~~, to be paid by the candidate, or the candidate's representative, when the notification and declaration and petition or declaration of intent is filed.

(2) The county clerk shall receive a fee pursuant to KRS 64.012 for each notification and declaration and petition filed with him to be paid by the candidate at the time of the filing.

➔Section 213. KRS 118.315 is amended to read as follows:

(1) A candidate for any office to be voted for at any regular election may be nominated by a petition of electors qualified to vote for him or her, complying with the provisions of subsection (2) of this section. No person whose registration status is as a registered member of a political party shall be eligible to election as an independent, or political organization, or political group candidate, nor shall any person be eligible to election as an independent, or political organization, or political group candidate whose registration status was as a registered member of a political party on January 1 immediately preceding the regular election for which the person seeks to be a candidate. This restriction shall not apply to candidates to those offices specified in KRS 118.105(7), for supervisor of a soil and water conservation district, for candidates for mayor or legislative body in cities of the ***home rule***~~[second to sixth]~~ class, or to candidates participating in nonpartisan elections.

(2) The form of the petition shall be prescribed by the State Board of Elections. It shall be signed by the candidate and by registered voters from the district or jurisdiction from which the candidate seeks nomination. The petition shall include a declaration, sworn to by the candidate, that he or she possesses all the constitutional and statutory requirements of the office for which the candidate has filed. Signatures for a petition of nomination for a candidate seeking any office, excluding President of the United States in accordance with KRS 118.591(1), shall not be affixed on the document to be filed prior to the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot. Signatures for nomination papers shall not be affixed on the document to be filed prior to the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot. A petition of nomination for a state officer, or any officer for whom all the electors of the state are entitled to vote, shall contain five thousand (5,000) petitioners; for a representative in Congress from any congressional district, or for any officer from any other district except as herein provided, four hundred (400) petitioners; for a county officer, member of the General Assembly, or Commonwealth's attorney, one hundred (100) petitioners; for a soil and water conservation district supervisor, twenty-five (25) petitioners; for a city officer or board of education member, two (2) petitioners; and for an officer of a division less than a county, except as herein provided, twenty (20) petitioners. It shall not be necessary that the signatures of the petition be appended to one (1) paper. Each petitioner shall include the date he or she affixes the signature, address of residence, and date of birth. Failure of a voter to include the signature affixation date, date of birth, and address of residence shall result in the signature not being counted. If any person joins in nominating, by petition, more than one (1) nominee for any office to be filled, he or she shall be counted as a petitioner for the candidate whose petition is filed first, except a petitioner for the nomination of candidates for soil and water conservation district supervisors may be counted for every petition to which his or her signature is affixed.

(3) Titles, ranks, or spurious phrases shall not be accepted on the filing papers and shall not be printed on the ballots as part of the candidate's name; however, nicknames, initials, and contractions of given names may be accepted as the candidate's name.

(4) The Secretary of State and county clerks shall examine the petitions of all candidates who file with them to determine whether each petition is regular on its face. If there is an error, the Secretary of State or the county clerk shall notify the candidate by certified mail within twenty-four (24) hours of filing.

(5) A judge who elected to retire as a Senior Status Special Judge in accordance with KRS 21.580 shall not become a candidate or a nominee for any elected office during the five (5) year term prescribed in KRS 21.580(1)(a)1., regardless of the number of days served by the judge acting as a Senior Status Special Judge.

➔Section 214. KRS 118.367 is amended to read as follows:

(1) An independent, or political organization, or political group candidate required to file nomination papers pursuant to KRS 118.365(5) shall be required to file a statement-of-candidacy form with the same office at which nomination papers are filed. Candidates for federal office and candidates for mayor or legislative body in cities of the ***home rule*** ~~[second to sixth]~~ class participating in partisan elections shall not be required to file a statement-of-candidacy form. The statement-of-candidacy form shall be filed not earlier than the first Wednesday after the first Monday in November of the year preceding the year in which the office will appear on the ballot and not later than April 1 preceding the day fixed by law for holding of regular elections for the offices sought. If the office in which the statement-of-candidacy form is to be filed is closed on April 1, the form may be filed on the next business day. The statement-of-candidacy form shall be filed no later than 4 p.m. local time when filed on the last day on which papers are permitted to be filed. No person shall file a statement-of-candidacy form for more than one (1) public office during an election cycle.

(2) The statement-of-candidacy form shall be prescribed by the State Board of Elections. The statement-of-candidacy form shall be signed by the candidate upon filing. No charge shall be assessed for the filing of a statement-of-candidacy form. The Secretary of State and county clerks shall examine the statement-of-candidacy form of each candidate who files the form to determine if there is an error. If an error has occurred, the candidate shall be notified by certified mail within twenty-four (24) hours.

➔Section 215. KRS 132.400 is amended to read as follows:

Before entering upon the duties of office, the property valuation administrator shall execute a bond conditioned upon the faithful performance of the duties of the office with a surety to be approved by the Department of Revenue. In counties containing a city of the first class or consolidated local government, the bond shall be in the sum of one hundred thousand dollars ($100,000); in counties containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the second class]~~, fifty thousand dollars ($50,000); in all other counties, twenty thousand dollars ($20,000).

➔Section 216. KRS 133.020 is amended to read as follows:

(1) The county board of assessment appeals shall be composed of reputable real property owners residing in the county at least five (5) years. The appointing authorities may appoint qualified property owners residing in adjacent counties when qualified members cannot be secured within the county. The board shall consist of three (3) members, one (1) to be appointed by the county judge/executive, one (1) to be appointed by the fiscal court, and one (1) to be appointed by the mayor of the city with the largest assessment using the county tax roll or appointed as otherwise provided by the comprehensive plan of an urban-county government. Beginning with the 1995 appeals, the mayor's appointment shall serve for four (4) years, the county judge/executive's appointment shall serve for three (3) years, and the fiscal court's appointment shall serve for two (2) years. Each person appointed thereafter shall serve for three (3) years. If no city in the county uses the county assessment, the county judge/executive shall appoint two (2) members.~~[Board members appointed prior to July 14, 1994, shall be eligible for reappointment by the appointing authority if they meet the requirements of subsection (2) of this section.]~~ A board member who has served for a full term shall not be eligible for reappointment. However, he shall be eligible for appointment after a hiatus of three (3) years. If the number of appeals to the board of assessment appeals filed with the county clerk exceeds one hundred (100), temporary panels of the board may be appointed with approval of the Department of Revenue. Each temporary panel shall consist of three (3) members having the same qualifications and appointed in the same manner as the board members. The number of additional panels shall not exceed one (1) for each one hundred (100) appeals in excess of the first one hundred (100). The county judge/executive shall designate one (1) of the members of the board of assessment appeals to serve as chairman of the board. If additional panels are appointed, as provided in this subsection, the chairman of the board of assessment appeals shall designate one (1) member of each additional panel as chairman of the panel. A majority of the board or of any panel may determine the action of the board or panel respectively and make decisions. Each panel of the board shall have the same

powers and duties given the board by KRS 133.120, except the action of any panel shall be subject to review and final approval by the board.

(2) Each member of the board shall have extensive knowledge of real estate values, preferably in real estate appraisal, sales, management, financing, or construction.~~[In counties with cities of the first, second, or third class, the member appointed by the mayor shall be a certified real estate appraiser unless the mayor provides sufficient proof to the department of his inability to secure a certified real estate appraiser.]~~

(3) The board shall be subject to call by the county judge/executive at any time prescribed by law.

(4) The members of the county board of assessment appeals, and any panel of the board, before undertaking their duties, shall take the following oath, to be administered by the county judge/executive: "You swear (affirm) that you will, to the best of your ability, discharge the duties required of you as a member of the county board of assessment appeals, and that you will fix at fair cash value all property assessments brought before you for review as prescribed by law."

(5) The department shall prepare and furnish to each property valuation administrator guidelines and materials for an orientation and training program to be presented to the board by the property valuation administrator or his deputy each year.

(6) A board member shall produce evidence of his qualifications upon request of the department. A board member shall be replaced by the appointing authority upon proof of the member's failure to meet the qualifications of the position. Any vacancy on the board shall be filled by the appointing authority that appointed the member to be replaced. The appointee shall have the qualifications required by statute for the board member appointed by the particular appointing authority and shall hold office only to the end of the unexpired term of the member replaced.

(7) Members of the county board of assessment appeals, and any temporary panel, shall abstain from hearing or ruling on an appeal for any property in which they have any personal or private interests.

➔Section 217. KRS 134.420 is amended to read as follows:

(1) The state and each county, city, or other taxing district shall have a lien on the property assessed for taxes due them respectively for eleven (11) years following the date when the taxes become delinquent.

(2) This lien shall not be defeated by gift, devise, sale, alienation, or any means except by sale to a bona fide purchaser, but no purchase of property made before final settlement for taxes for a particular assessment date has been made by the sheriff shall preclude the lien covering the taxes.

(3) The lien shall include all interest, penalties, fees, commissions, charges, costs, attorney fees, and other expenses as provided by this chapter that have been incurred by reason of delinquency in payment of the tax claim certificate of delinquency, personal property certificate of delinquency, or in the process of collecting any of them, and shall have priority over any other obligation or liability for which the property is liable.

(4) The lien of any city, county, or other taxing district shall be of equal rank with that of the state.

(5) When any proceeding is instituted to enforce the lien provided in this subsection, it shall continue in force until the matter is judicially terminated.

(6) Every city ***with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the third, fourth, fifth, and sixth class]~~ shall file notice of the delinquent tax liens with the county clerk of any county or counties in which the taxpayer's business or residence is located, or in any county in which the taxpayer has an interest in property. The notice shall be recorded in the same manner as notices of lis pendens are filed, and the file shall be designated miscellaneous state and city delinquent and unpaid tax liens.

➔Section 218. KRS 136.190 is amended to read as follows:

(1) The superintendent of schools in each district in which any individual, group of individuals or corporation, operates public utility or other franchise taxpaying property assessed under KRS 136.120 shall, on or before the first day of January, 1957, furnish to the county clerk of the county in which the district is situated, to each franchise taxpayer within the district, and to the Department of Revenue, the boundary of his school district. The superintendent of schools in each district in which any franchise-paying corporation, individual, or group of individuals operates shall, on or before the first day of January, 1958, and each year thereafter, furnish to the county clerk, to each franchise taxpayer within the district, and to the Department of Revenue, any changes made in the boundary of his school district during the immediately preceding twelve (12) months.

(2) The engineer of cities of the first class and the city clerk of cities of the ***home rule class***~~[second, third, fourth, fifth, and sixth classes]~~ shall notify the county clerk, each franchise taxpayer within the city, and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in subsection (1).

(3) The responsible governing official or the chairman of the governing body of any taxing district other than the county, school district, or city shall notify the county clerk, each franchise taxpayer within the district, and the Department of Revenue of their boundaries in the same manner as required of the superintendent of schools in subsection (1).

➔Section 219. KRS 136.616 is amended to read as follows:

(1) A tax is hereby imposed on the gross revenues received by all providers.

(2) The tax rate shall be:

(a) Two and four-tenths percent (2.4%) of the gross revenues received for the provision of multichannel video programming service provided to a person whose place of primary use is in this state, billed on or after January 1, 2006; and

(b) One and three-tenths percent (1.3%) of the gross revenues received for the provision of communications services, as sourced under the provisions of KRS 136.605, billed on or after January 1, 2006.

(3) The provider shall not collect the tax directly from the purchaser or separately state the tax on the bill to the purchaser.

(4) (a) The tax imposed by this section shall apply to all providers except a municipal utility. "Municipal utility" as used in this section means a utility owned, operated, and controlled directly or indirectly by a city~~[of the first, second, third, fourth, fifth, or sixth class]~~.

(b) To the extent that the provisions of KRS Chapter 279 are inconsistent with KRS 136.600 to 136.660, KRS 136.600 to 136.660 shall control.

➔Section 220. KRS 147.640 is amended to read as follows:

(1) In order to provide more effective representation of the various governmental units participating in the creation of the area planning commission, an area council shall be created.

(2) The area council shall be composed of one (1) representative and one (1) alternate from each municipality and county within the area planning territory. Each such representative and alternate shall be appointed annually in the manner prescribed by law respecting appointments by such city or county.

(3) Only elected officials of each respective jurisdiction shall be eligible for appointment to the area planning council.

(4) At its first regular meeting in each year, the council shall elect from its membership a president and vice president. The vice president shall have the authority to act as president of the council during the absence or disability of the president.

(5) The council may appoint from within or without its own membership a secretary, prescribe his duties and fix his compensation.

(6) The council shall act in a supervisory and advisory capacity with the area planning commission created hereunder. All actions taken by the council must receive the affirmative vote of the following, if in attendance: two (2) counties or two (2) cities ***with a population equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census***~~[of the second class]~~ or one (1) county and one (1) city ***with a population equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census***~~[of the second class]~~ and a majority of the remaining membership in attendance for passage.

(7) The area council may budget in each year for the payment of a per diem for each member of the area planning commission not to exceed in any one (1) year the sum of one thousand dollars ($1,000) for each member.

(8) A quorum of the area council shall consist of a majority of its membership.

➔Section 221. KRS 151.601 is amended to read as follows:

(1) 2020 water management planning councils shall be established for each county with the assistance of the appropriate area development district. Two (2) or more counties may form a multicounty 2020 water management planning council. The planning councils shall, as a minimum, be comprised of the following:

(a) Each county judge-executive or mayor of an urban-county government, or his or her authorized representative;

(b) One (1) representative selected by each community public water system, as defined in 401 KAR 8:010 sec. 1(71)(a), that provides water to persons in the county;

(c) One (1) representative selected by a local health department in the county; and

(d) One (1) representative selected by each ***city with a population equal to or greater than one thousand (1,000) based upon the most recent federal decennial census***~~[first, second, third, or fourth class city]~~ that is not a water supplier or distributor, unless that city chooses to be represented by another member of the planning council.

(2) If, after the 2020 water management planning council appointments have been made, a county judge/executive or mayor of an urban-county government determines that any areas of the county or urban county government remain unrepresented on the planning council, the county judge/executive or mayor of the urban-county government may appoint an individual to represent that area.

(3) The county judge/executive or mayor of an urban-county government or the county judge/executive or the mayor's designated representative shall serve as the chair of the 2020 water management planning council of which either the county judge/executive or the mayor is a member.

(4) Members of the 2020 water management planning councils shall serve without pay but may be reimbursed by counties or appointing agencies for reasonable expenses incurred to carry out the work of the councils.

(5) The area development districts shall develop a forum for the chairpersons of the 2020 water management planning councils or multicounty planning councils to meet on at least a quarterly basis for the purpose of developing regional service strategies consistent with the findings and purpose set out in KRS 224A.300.

➔Section 222. KRS 154.33-520 is amended to read as follows:

~~[(1) Effective August 1, 1990, any member county and city as specified in subsection (2) of this section shall be provided membership on the board of directors of the corporation pursuant to KRS 154.33-525.~~

~~(2)]~~Any county within the region and any city~~[of the largest class]~~ within any county within the region shall become a member of the corporation when the local governing body of the county or of the city approves by resolution the county's or city's participation in the corporation.

➔Section 223. KRS 160.020 is amended to read as follows:

(1) All school districts embracing ***designated*** cities~~[of the first five (5) classes]~~ together with the territory within their limits, including any territory added for school purposes outside of the city limits, and all independent graded common school districts having a school census enumeration of two hundred (200) or more children, constitute independent school districts, except those which have merged with a county school district since June 14, 1934. No independent district other than a ***designated*** city~~[of the first five (5) classes]~~ shall continue to operate when its school census enumeration of children falls below two hundred (200) pupils unless it appears to the Kentucky Board of Education that the district can maintain a more efficient program of school service by operating as an independent district.

(2) As used in this section, "designated city" means a city classified as a city of the first, second, third, fourth, or fifth class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its Web site.

➔Section 224. KRS 160.200 is amended to read as follows:

(1) All elections for members of boards of education shall be in even numbered years, for a term of four (4) years, except as provided in KRS 160.210(5). Except as provided in subsection (3) of this section, the elections shall be held at the regular November election.

(2) In each even numbered year, there shall be held an election in every county and independent district to fill the membership of the boards of education for the terms that will expire on the first Monday in January following,

and the regularly elected members shall hold office for four (4) years and until their successors are elected and have qualified.

(3) Any independent school district embracing a ***designated*** city~~[of the fifth class]~~ may, at the discretion of its board of education, hold its election of board members at its public school building on the first Saturday in May. The election shall be held by three (3) officers appointed by the board of education and the expenses of the election shall be paid from the treasury of the school district. In all other respects the provisions of this chapter relating to holding elections for board members shall apply.

(4) In counties containing a city of the first class, wherein a merger pursuant to KRS 160.041 shall have been accomplished, the terms of the members shall be as provided in KRS 160.210(5). Elected members of such boards, excepting those boards of education representing ten percent (10%) or less of the student population of the county serving at the effective date of such a merger shall continue to serve until their term expires, but no appointments shall be made to fill vacancies. The terms of office of members of boards of education representing ten percent (10%) or less of the student population of the county shall expire on the effective date of the merger.

(5) As used in this section, "designated city" means a city classified as a city of the fifth class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its Web site.

➔Section 225. KRS 160.240 is amended to read as follows:

(1) The general election laws shall apply to all elections of school board members.

(2) In school districts embracing ***designated*** cities~~[of the first five (5) classes]~~, the expense of the election shall be paid by the city from its general funds. In all other districts the expense shall be paid by the fiscal court out of its general funds.

(3) As used in this section, "designated city" has the same meaning as in Section 223 of this Act.

➔Section 226. KRS 160.460 is amended to read as follows:

(1) All school taxes shall be levied by the board of education of each school district. The tax-levying authority shall levy an ad valorem tax within the limits prescribed in KRS 160.470, which will obtain for the school district the amount of money needed as shown in the district's general school budget submitted under the provisions of KRS 160.470.

(2) The tax-levying authority shall make an annual school levy not later than July 1. The school levy shall not be made until the general school budget has been received and approved by the Kentucky Board of Education. The failure of the authority to make the levy by the date prescribed shall not invalidate any levy made thereafter.

(3) All school taxes shall be levied on all property subject to local taxation in the jurisdiction of the tax-levying authority. If the school levy is to be made upon the city assessment, which is hereby authorized for independent school districts embraced by ***designated*** cities~~[of the first four (4) classes]~~, the clerk of the city shall furnish to the school district or districts which the city embraces, the assessed valuation of property subject to local taxation in the school district, as determined by its tax assessor. If the school levy is to be made upon the county assessment the county clerk shall furnish to the proper school district or districts the assessed valuation of property subject to local taxation in the district or districts, as certified by the Kentucky Department of Revenue. No later than July 1, 1994, all real property located in the state and subject to local taxation shall be assessed at one hundred percent (100%) of fair cash value.

(4) As used in this section, "designated city" means a city classified as a city of the first, second, third, or fourth class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its Web site.

➔Section 227. KRS 162.020 is amended to read as follows:

(1) The title to school property in territory transferred from one (1) school district to another shall not be affected by the transfer. In case of the sale of such property the board of education to which the property belongs may allow a credit on the sale price of the property in proportion to the ratio which the school population of the

transferred territory is to the total school population of the district from which the territory was transferred before the transfer was made.

(2) A board of education owning and operating a school plant in another district on June 14, 1934, may continue to own and operate the plant, and a county board of education may establish and maintain a school in an independent school district. Any independent school district may purchase school sites and establish and maintain schools outside the limits of the independent district, but independent districts containing cities of the first ***class or designated cities*** ~~[or second class]~~ shall not purchase school sites or establish or maintain schools outside the county in which the independent district is located.

(3) As used in this section, "designated city" means a city classified as a city of the second class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its Web site.

➔Section 228. KRS 162.440 is amended to read as follows:

(1) The board of education of any ***designated*** city~~[of the second class]~~ or of a county containing a ***designated*** city~~[of the second class]~~ may, by resolution, establish a fund to be known as the "insurance fund" after written approval of the plan to administer the fund has been secured from the chief state school officer. The resolution shall fix the maximum limit of the fund. The fund shall be maintained separate from the other funds and moneys of the board, and shall be used exclusively for replacing or repairing any injury or destruction to any of the buildings owned by the board or to their contents when caused by fire, tornado, windstorm, cyclone, casualty, explosion, riot, or flood, but not when caused by wear and tear or the natural processes of decadence or deterioration.

(2) As used in this section, "designated city" means a city classified as a city of the second class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its Web site.

➔Section 229. KRS 162.450 is amended to read as follows:

The board of education ***authorized to establish an insurance fund pursuant to Section 228 of this Act*** ~~[of a city of the second class, or of a county containing a city of the second class,]~~ may raise the maximum limit of the insurance fund from time to time as it deems best. Until the amount in the fund equals the maximum limit, the board of education shall each year, from the revenues under its control, set apart to the fund a sum equal to from one-twentieth (1/20) to one-tenth (1/10) of the maximum limit of the sum. When any portion of the fund is used, payments to restore the fund shall at once be begun and be continued until the restoration is complete. When the fund is, for any reason, below the maximum limit, the interest derived from the investment thereof shall be accumulated and added to the fund; otherwise the interest may be transferred to the general funds of the board.

➔Section 230. KRS 164.970 is amended to read as follows:

(1) Vehicles used for emergency purposes by the police department of a public institution of postsecondary education shall be considered as emergency vehicles and shall be equipped with blue lights and sirens and shall be operated in conformance with the requirements of KRS Chapter 189.

(2) Police officers directly employed by the governing board of public institutions of postsecondary education pursuant to KRS 164.950 to 164.980 shall have the rights accorded to peace officers~~[in cities of the first four (4) classes]~~ provided under KRS 527.020, provided the governing board of the public institution of postsecondary education so authorizes in writing.

(3) Police departments of public institutions of postsecondary education may install, maintain, and operate radio systems on police or other radio frequencies under licenses issued by the Federal Communications Commission, or its successor, KRS 432.570 to the contrary notwithstanding.

(4) Police departments of public institutions of postsecondary education shall comply with the requirements of the Kentucky Revised Statutes and the Justice and Public Safety Cabinet with regard to reporting of criminal and other statistics.

➔Section 231. KRS 165.160 is amended to read as follows:

(1) ***Except for cities of the first class,*** cities ***with populations equal to or greater than three thousand (3,000) based upon the most recent federal decennial census*** ~~[of the second, third, and fourth classes]~~ may establish or acquire by lawful conveyance municipal colleges for the purpose of promoting public education. A college

in a city ***meeting the requirements set out in this subsection***~~[of the second, third, or fourth class]~~ shall not constitute a municipal college or receive support as provided in KRS 165.170 to 165.190 unless it is controlled by a board of trustees appointed by the mayor and legislative body of the city, and unless its principal work is the maintenance of courses affording instruction in such arts, sciences, and professions and conferring such certificates of attainment as are authorized by other similar institutions of learning above the high school grade. No advisory board shall be appointed for any college established pursuant to the provisions of this section, and the board of trustees of the college shall perform the functions of an advisory board in addition to its other functions.

(2) If the college is supported by a municipal college support district, three (3) members of the board of trustees mentioned in subsection (1) shall be appointed by the governing body of the district.

➔Section 232. KRS 165.165 is amended to read as follows:

The legislative body of a city~~[of the second, third, or fourth class in]~~ which ***has established or acquired*** a municipal college ***pursuant to Section 231 of this Act*** or ***where a*** junior college exists under the provisions of KRS 165.160 to 165.260 may, for educational purposes, use and employ all the authority contained in KRS 165.080 to 165.140 and 162.340 to 162.380 to issue bonds for the benefit of such college.

➔Section 233. KRS 165.170 is amended to read as follows:

The legislative body of any city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the second class]~~ that has a municipal college may, after an election as required by Section 184 of the Constitution, annually levy and collect, for the support of the municipal college, a tax of not less than five cents ($0.05) nor more than fourteen cents ($0.14) on each one hundred dollars' ($100) worth of property subject to taxation for city purposes. The levy of such taxes shall be made at the same time and in the same manner as other levies for city purposes. The amount levied shall be placed to the credit of the municipal college fund upon the completion of the assessment of property for taxation, and paid as collected, subject to the discount allowed on other city taxes, by the treasurer of the city to the treasurer or other financial officer of the college, for the purpose of establishing, acquiring and operating the college. The taxes authorized by this section shall be construed to be school taxes and shall be in addition to all other taxes authorized by law to be used for municipal or school purposes.

➔Section 234. KRS 165.175 is amended to read as follows:

(1) The fiscal court of a county containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census that has***~~[of the second class in which is located]~~ a municipal college, having obtained the authorization of the legislative body of such city for the college to accept tax support from a municipal college support district and for appointment of three (3) members of the college board of trustees by the governing body of the district, may establish a municipal college support district consisting of the territory in the county outside the limits of the city in which is located the college. The members of the fiscal court shall constitute the governing body of the district. Subject to the provisions of subsection (2), the district may levy a tax of not less than five ($0.05) or more than fourteen cents ($0.14) on each one hundred dollars ($100) of the assessed valuation of all property in the district. The funds raised by this tax shall be used solely to support the college.

(2) A certified copy of the order of the fiscal court creating the district shall be filed by the governing body of the district with the county clerk not later than the second Tuesday in August before a regular election, and the clerk shall cause the question whether the tax is to be imposed to be prepared for presentation to voters residing in the district. The question shall be so phrased as to ask the voter whether he favors the imposition of a tax of not less than five ($0.05) or more than fourteen cents ($0.14) on each one hundred dollars ($100) of the assessed valuation of all property in the district for the purpose of supporting the municipal college~~[in the second class city]~~ in the county. If a majority of those voting on the question favor the imposition of the tax, the governing body of the district shall levy the tax.

(3) The sheriff shall collect the taxes due the district at the same time and in the same manner in which he collects the state and county ad valorem tax. He shall be allowed a fee not to exceed four percent (4%) for collection of this tax. The money collected shall be paid to the college board of trustees.

➔Section 235. KRS 165.180 is amended to read as follows:

Any city~~[of the second, third, or fourth class]~~ having a municipal college ***pursuant to Section 231 of this Act*** may devote to college purposes any funds or properties derived from sources other than taxes levied for special purposes.

➔Section 236. KRS 165.190 is amended to read as follows:

The legislative body of any city ***having a municipal college pursuant to Section 231 of this Act*** ~~[of the second, third, or fourth class]~~ may appropriate as a site for the buildings and grounds for ***that*** ~~[a]~~ municipal college any public grounds of the city not especially appropriated or dedicated to any other use.

➔Section 237. KRS 165.195 is amended to read as follows:

The board of trustees of a municipal college ***established pursuant to Section 231 of this Act*** ~~[in a city of the second, third, or fourth class]~~ may acquire, by purchase or gift, lands and improvements for the purpose of expanding the plant and extending the usefulness of the college, and when unable to agree with the owner of land and improvements necessary for the purposes of the college may proceed to condemn the land and improvements. The condemnation proceedings shall be conducted in the manner provided in the Eminent Domain Act of Kentucky.

➔Section 238. KRS 165.210 is amended to read as follows:

(1) Boards of education of ***designated*** cities ~~[of the second class]~~ may establish or acquire by lawful conveyance municipal junior colleges for the purpose of promoting public education. A college in a ***designated*** city ~~[of the second class]~~ shall not constitute a municipal junior college or receive support as provided in KRS 165.220 to 165.240 unless it is controlled by the board of education of the city as a part of the public school system, and unless its principal work is the maintenance of courses affording instruction in such arts, sciences and professions and conferring such certificates of attainment as are authorized by other similar institutions of learning above high school grade.

(2) As used in this section, "designated city" means a city classified as a city of the second class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its Web site.

➔Section 239. KRS 165.220 is amended to read as follows:

The board of education of any city ***having a municipal junior college pursuant to Section 238 of this Act*** ~~[of the second class]~~ may request and the legislative body of the city shall then, after an election as required by Section 184 of the Constitution, annually cause to be levied and collected, for the support of a municipal junior college, a tax of not less than five cents ($0.05) nor more than seven cents ($0.07) on each one hundred dollars ($100) worth of property subject to taxation for city purposes. Any election for the levy of taxes under this section shall be held at the next regular election if the question is filed with the county clerk not later than the second Tuesday in August preceding the regular election. The levy of such taxes shall be made at the same time and in the same manner as other levies for public school purposes. The amount levied shall be placed to the credit of the board of education fund upon completion of the assessment of property for taxation, and paid as collected, subject to the discounts or penalties allowed on other city taxes, by the treasurer of the city to the treasurer of the board of education for the purpose of establishing, acquiring and operating the college. The taxes authorized by this section shall be construed to be school taxes and shall be in addition to all other taxes authorized by law to be used for municipal or school purposes.

➔Section 240. KRS 165.230 is amended to read as follows:

The board of education of any city ~~[of the second class]~~ that establishes or acquires a municipal junior college pursuant to KRS 165.210 may, for the purpose of supplementing the tax provided in KRS 165.220, charge each pupil attending the college an annual tuition fee of not more than two hundred dollars ($200). The tuition fee shall be collected by the treasurer of the board of education and placed to the credit of the board of education college fund, and shall be used for maintaining and operating the college.

➔Section 241. KRS 165.240 is amended to read as follows:

The board of education of any city ***that has established or acquired a municipal junior college pursuant to Section 238 of this Act*** ~~[of the second class]~~ may set apart or appropriate any site or school building, or part of a school building and grounds, not needed for general school purposes, for the use of a municipal junior college.

➔Section 242. KRS 172.170 is amended to read as follows:

(1) The provisions of KRS 172.100 to 172.160 shall not apply to any county ***that*** ~~[containing a city of the second class which county]~~ has a law library ~~[that was]~~ acquired under the provisions of Chapter 2 of the Acts of 1916. The fiscal court of such county may make such rules and regulations regarding the maintenance and operation of the library as the court deems proper and as are approved by the judge or judges of the Circuit Court of the county, and may employ a librarian at a salary not to exceed one hundred dollars ($100) per month, and pay said salary out of the general funds of the county. The library shall be for the use of the court

officers and county officers of the county, and the fiscal court may provide for the use of the library by others than the court and county officers, on such terms as the fiscal court deems advisable and proper.

(2) All books belonging to the state heretofore or hereafter sent to the county officials directed by law to receive such books, all books sent to the library by the state, and all books now owned or hereafter acquired by the county for the library, shall constitute part of the library. The county may acquire books, maps or other articles for the library by purchase, gift or devise.

➔Section 243. KRS 172.180 is amended to read as follows:

Any county may adopt the following method of financing the cost of operation and maintenance of the county law library, in lieu of the method set out in KRS 172.130 or 172.170:

(1) Upon petition of three-fourths (3/4) of the duly licensed and practicing attorneys resident in the county addressed to the Circuit Judge of the county, to the effect that they, as officers of the various courts of the county, recognize the need of a more adequate county law library, there being attached to said petition an attested copy of a resolution of the fiscal court of the county indorsing the adoption of this optional method of financing the cost of operation and maintenance of the county law library, the Circuit Judge shall enter an order noting that said optional plan for the financing of the cost of operation and maintenance of the county law library has been adopted.

(2) The order shall set forth the name of each duly licensed and practicing attorney signing said petition, and the order book and page number containing the resolution of the fiscal court.

(3) The order shall direct the following:

(a) That upon receipt of the order by the clerks of said courts there shall be taxed as costs in all criminal actions, except examining trials and felony trials, thereafter instituted in said court the following fee, which shall be designated as county law library fee, in District Court, a sum not to exceed fifty cents ($0.50); in Circuit and District Courts, on all civil actions a sum not to exceed one dollar ($1) excepting, however, in counties containing cities of the first class and counties containing ***an urban-county government or*** cities ***with populations equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the second class]~~, where the county law library fee, in District Court, shall be a sum not to exceed one dollar and fifty cents ($1.50); in Circuit and District Courts, on all civil actions, a sum not to exceed three dollars ($3); and

(b) That the circuit clerk shall at the end of each month pay all sums collected as county law library fees during the preceding month, to the trustees of the county law library, and the clerk shall make a full report with said payment, and receive a receipt for all payments.

➔Section 244. KRS 173.340 is amended to read as follows:

(1) The management and control of a library shall be vested in a board of trustees. In cities and counties, the board shall consist of five (5) members except that in cities ***with populations equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the second class]~~, it shall consist of seven (7) members. In the event a contract for library service is made pursuant to subsection (4) of KRS 173.310, the board may consist of equal representation from the contracting parties with the total membership not to exceed twelve (12). In a library region, there shall be five (5) members, except if the number of counties exceeds five (5), there shall be one (1) trustee from each county in the region.

(2) Within thirty (30) days after the establishment of a library has been authorized by any of the methods authorized by KRS 173.310, a library board shall be appointed. In cities the trustees shall be appointed by the mayor and in counties they shall be appointed by the county judge/executive. There shall be established a board of trustees in each regional library district for purposes of coordinating library programs and effecting economies and efficiencies of the member county library systems. In each regional library district, the trustees shall be appointed by the joint action of the judges/executive of the respective counties or as may be agreed upon by contract. In any region in which there are four (4) or less counties, provision shall be made in the contract for rotation of members and an equitable adjustment of terms. If a region consists of an even number of counties, the trustees appointed by the judges/executive of the respective counties shall appoint an additional trustee whose term of office shall be four (4) years and whose successor shall be appointed by the trustees in office at the time of expiration of such term. Trustees shall be appointed from the governmental unit at large with special reference to their fitness for such office. Upon initial establishment of the board, members of the board shall be appointed to terms as follows: two (2) members for two (2) years, one (1) member for

three (3) years, and two (2) members for four (4) years respectively, and thereafter trustees shall be appointed to serve terms of four (4) years. Trustees may serve for two (2) consecutive terms after which they shall not succeed themselves. They may be reappointed no earlier than twelve (12) months following the end of their last service. Vacancies shall be filled for the unexpired terms as soon as possible in the same manner as the original appointments. In the event that vacancies have existed for a period of at least six (6) months, the Governor of the Commonwealth of Kentucky, upon the recommendation of the state librarian, may make such necessary appointments. After absence of a trustee from four (4) regular monthly meetings of the board during any one (1) year of the trustee's term, the trustee shall be considered to have automatically resigned from the board. An advisory board may be appointed and serve as specified in bylaws of the public library board of trustees.

(3) Library trustees shall not receive a salary or other compensation for their services, but may be reimbursed for actual expenses necessarily incurred in the performance of their duties, upon approval by the board. Before entering upon the duties of his office, a trustee shall take oath that he will faithfully discharge his duties. No board shall employ as a member of its library staff any member of the board or any person related closer than a second cousin to any member of the board. No person is eligible to this office who is directly or indirectly interested in the sale to the library of books, magazines, supplies, equipment, materials, insurance or services for which library funds are expended.

(4) A library trustee may be removed only by vote of the legislative body of the respective governmental unit from which he was appointed.

➔Section 245. KRS 173.850 is amended to read as follows:

Unless the context otherwise requires:

(1) "State librarian" means the state librarian as defined in KRS 171.130;

(2) "Governmental unit" means any county or city or urban-county government or other agency or instrumentality which is authorized by Kentucky Revised Statutes to levy and collect taxes for public purposes; and

(3) "Qualifying library" means any free public library supported in whole or in part with money derived from taxation, and governed by a board as provided for in KRS 173.040, 173.340, 173.500 or 173.725, which is located in any county containing a city of the first ***class, a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[or second class]~~, an urban-county government, or any county in which there are no incorporated areas.

➔Section 246. KRS 173.860 is amended to read as follows:

There is hereby created the urban libraries fund for distribution to ***qualifying libraries as defined by Section 245 of this Act. The fund shall be administered*** ~~[free public libraries in counties containing cities of the first or second class, urban-county governments, consolidated local governments, or any county in which there are no incorporated areas]~~ pursuant to the provisions of KRS 173.870. The fund shall consist of such sums as are appropriated by the General Assembly, and any grants, gifts, legacies, devises, or other funds or property from any available source, public or private. The receipt, control, and expenditure of funds shall be subject to the general provisions of KRS Chapters 41 to 47, governing financial administration of state agencies.

➔Section 247. KRS 173.870 is amended to read as follows:

The state librarian shall annually on September 1 cause the State Treasurer to pay to each qualifying library out of the urban libraries fund, to the extent that funds are available, the sums computed as follows:

(1) The sum of twenty-five cents ($0.25) for each resident of the county containing a qualifying library based on the then current census of such county supplied by the Bureau of Census, United States Department of Commerce; and

(2) The remainder of available funds shall be divided equally between ***each qualifying library as defined by Section 245 of this Act*** ~~[the free public libraries in counties containing cities of the first or second class, an urban-county government, and any county in which there are no incorporated areas]~~.

➔Section 248. KRS 177.037 is amended to read as follows:

(1) The Department of Highways may install and maintain signs recognizing the boundary of a city, town, or community whether incorporated or unincorporated. These signs shall be installed regardless of whether the community has a post office, if the Department of Highways had previously erected signs recognizing the city, town, or community. The signs shall be placed at the official community boundaries. If the community does

not have official boundaries, the signs shall be installed at the community boundaries as determined by the built-up area.

(2) The department shall install and maintain signs at the boundaries of any city~~[of the first through sixth class]~~ or an unincorporated urban place as defined in KRS 177.366, regardless of whether the city or unincorporated urban place has a post office or zip code, if the city or unincorporated urban place:

(a) Submits a written request for not more than two (2) signs:

1. To honor the birthplace of a person important to the city or unincorporated urban place; or

2. To honor an event or accomplishment important to the city or unincorporated urban place; and

(b) Agrees to pay for the actual cost to make and install the signs.

(3) The department shall work with the city or unincorporated urban place to determine the appropriate place to install the signs required under subsection (2) of this section. If an agreement cannot be reached on the appropriate place to install the signs, the site selected by the city or unincorporated urban place shall take precedence and the department shall not prohibit and shall not delay the installation of the signs.

(4) Each city or unincorporated urban place requesting a sign under subsection (2) of this section shall be limited to two (2) signs. Requests for additional signs authorized under subsection (2) of this section in excess of two (2) by the same city or unincorporated urban place shall be consolidated into a single sign.

(5) All statutes to the contrary notwithstanding, the Transportation Cabinet shall amend its policies and administrative regulations in effect on July 15, 2002, to comply with the provisions of this section, and shall not subsequently adopt new policies or promulgate new administrative regulations to the contrary.

➔Section 249. KRS 177.330 is amended to read as follows:

(1) At least once in each calendar year, the Department of Rural and Municipal Aid, through a duly authorized representative, shall consult with the fiscal courts of the various counties for the purpose of receiving recommendations from the fiscal courts for the selection of rural and secondary roads lying within the counties for construction, reconstruction, or maintenance under the Rural and Secondary Road Program as set forth in KRS 177.320(1). The Department of Rural and Municipal Aid may receive recommendations from any citizen on the selection of rural and secondary roads for construction, reconstruction, or maintenance under the Rural and Secondary Road Program. The Department of Highways shall notify each county fiscal court of the county roads that the department intends to construct, reconstruct, or maintain in accordance with the provisions of KRS Chapters 177 and 179.

(2) Where the construction of a secondary or rural road through an incorporated ***city with a population of less than three thousand (3,000) based upon the most recent federal decennial census***~~[town of the fifth or sixth class]~~ is necessary, as determined by the Department of Rural and Municipal Aid, the road may be constructed, reconstructed, or maintained at the discretion of the Department of Rural and Municipal Aid.

➔Section 250. KRS 177.9771 is amended to read as follows:

(1) The "extended weight coal or coal by-products haul road system" shall consist of all state-maintained toll roads or state-maintained roads which were previously toll roads and the public highways over which quantities of coal or coal by-products in excess of fifty thousand (50,000) tons were transported by motor vehicles during the period from January 1, 1985, through December 31, 1985, and shall be updated annually thereafter.

(2) The secretary of the Transportation Cabinet shall by official order on or before November 1, of each year, certify such public highways or portions thereof, as fulfill the criteria in subsection (1) of this section, as the extended weight coal or coal by-products haul road system.

(3) The total tons of coal or coal by-products transported by motor vehicles over any public highway shall be determined from the official coal or coal by-products road system transportation report required pursuant to KRS 177.977.

(4) Any vehicle, when registered with a declared gross weight of eighty thousand (80,000) pounds and when transporting coal or coal by-products over public highways which are part of the extended weight coal or coal by-products haul road system or portions thereof, may be operated at the weights as set forth below in excess of the maximum gross weight prescribed in KRS 189.221 and 189.222 and any other maximum weight limitations on state or county maintained systems by paying the corresponding decal fee as set forth below:

(a) A single unit truck having one (1) steering axle and two (2) axles in tandem shall be limited to a maximum gross weight of ninety thousand (90,000) pounds with a tolerance of five percent (5%), and pay a decal fee of one hundred sixty dollars ($160) annually;

(b) A single unit truck having one (1) steering axle and three (3) axles in tridem arrangement shall be limited to a maximum gross weight of one hundred thousand (100,000) pounds with a tolerance of five percent (5%), and pay a decal fee of two hundred sixty dollars ($260) annually;

(c) Tractor-semitrailer combinations with five (5) or more axles shall be limited to a maximum gross weight of one hundred twenty thousand (120,000) pounds with a tolerance of five percent (5%), and pay a decal fee of three hundred sixty dollars ($360) annually;

(d) Any motor carrier involved in the transportation of coal or coal by-products which meets gross axle weights of twenty thousand (20,000) pounds per axle and twelve thousand (12,000) pounds for the steering axle may register in excess of eighty thousand (80,000) pounds by payment of eight hundred forty dollars ($840) plus an additional decal fee of ten dollars ($10) per one thousand (1,000) pounds of registered weight above eighty thousand (80,000) pounds;

(e) For purposes of this section, KRS 177.979, and 189.230, and for purposes of the extended weight coal or coal by-products haul system, the dimensional requirements of motor vehicles shall conform to all appropriate federal laws and regulations;

(f) The payment of the decal fee shall be in addition to any state registration fee, user fee, or other decal fee, including the registration fee as specified in KRS 186.050(3);

(g) Motor vehicles used in the transportation of coal or coal by-products under cooperative agreements pursuant to KRS 177.979 shall be exempt from the payment of the decal fee as set forth in this section and the registration fee as set forth in KRS 186.050(3) as long as the truck is driven over cooperative roads only while full. The Transportation Cabinet shall issue identifying license plates for those motor vehicles under cooperative agreements;

(h) All fees under this section shall be scheduled for payment and prorated pursuant to the provisions of KRS 186.051; and

(i) All revenues generated pursuant to this section shall be credited to a special account within the road fund called the "energy recovery road fund."

(5) Sixty percent (60%) of all energy recovery road funds shall be used by the Department of Highways for construction, maintenance, and repair of the state-maintained portion of the extended weight coal or coal by-products haul road system.

(6) Forty percent (40%) of all energy recovery road funds shall be distributed to the fiscal court of those counties in which coal or coal by-products are transported for the sole purpose of construction, maintenance, and repair of the county-maintained portion of the extended weight coal or coal by-products haul system. The distribution of funds to the counties shall be proportioned based on the miles of county roads on the extended weight coal or coal by-products haul system in each county compared to the total mileage of county roads in the total extended weight coal or coal by-products haul road system and the tons of coal or coal by-products transported over county roads on the extended weight coal or coal by-products haul system in each county compared to the total tons of coal or coal by-products transported over county roads in the total extended weight coal or coal by-products haul road system.

(7) Nothing in this section shall be construed or administered to jeopardize the receipt of federal funds for highway purposes and the secretary of transportation shall not act in any manner which shall jeopardize federal highway funds or funds to be received by the Commonwealth. This section shall not be construed to authorize any vehicle to operate on a federal interstate highway in excess of those limits prescribed in KRS 189.222. This section shall not be construed to prohibit the Department of Highways from providing for the public safety and convenience of the traveling public on the highway.

(8) As soon as practical after the report is prepared and published pursuant to KRS 177.977 for any calendar year after 1985, the secretary shall add to or delete from the extended weight coal or coal by-products haul road system public highways or portions thereof based upon the criteria set out in this section. Deletion of a public road or portion of it from the extended weight coal or coal by-products haul road system shall not affect the eligibility of the roads for highway funds or programs applicable to the extended weight coal or coal by-products haul road system.

(9) A fiscal court, a governing body of a city~~[of the first through fourth class]~~, consolidated local government, or urban-county government may by resolution, make recommendation to the secretary of the Transportation Cabinet that certain roads or road segments in the county or corporate city limits pose inherent and definite hazards, special conditions, or greatly impact the economy of the county or city and that the secretary shall meet with said fiscal court or local governing body and take into consideration their concerns before adding to or deleting from the extended weight coal or coal by-products haul system.

(10) The secretary of the Transportation Cabinet may promulgate administrative regulations pursuant to KRS Chapter 13A necessary to administer the provisions of this section, KRS 177.9772, 177.979, and 189.230.

➔Section 251. KRS 178.337 is amended to read as follows:

(1) After an engineering and traffic investigation and the receipt of recommendations by the county road engineer, a county through road or a portion thereof established or maintained as provided in KRS 178.330 may be detached from the county through road system. The fiscal court or the consolidated local government shall cause the proposed deletion to be marked on a map to be deposited with county road engineer and to be open to public inspection. The same procedure set forth in KRS 178.330 for the establishment or maintenance of a county through road system shall be followed in the case of roads or portions of roads detached therefrom. Notice of the proposed deletion from the system shall conform to KRS 424.130(1)(b). The fiscal court or the consolidated local government may in its discretion detach or retain the road as a part of the county through road system. The decisions of the fiscal court or the consolidated local government made in accordance with this section shall be final. Whenever any county through road has been added or detached from the county through road system in accordance with KRS 178.330 to 178.337, the county road engineer shall accordingly amend the map of the county through road system, which map shall at all times be available for public inspection in the office of the county road engineer. Nothing herein shall be construed as automatically deleting from the county through road system any portion of the system in territory which becomes incorporated as a city or which becomes annexed to a city.

(2) Nothing in this chapter shall be construed to take from the jurisdiction or control of the legislative body of any incorporated city or consolidated local government, any road, bridge, landing, or wharf, or any other thing exclusively under the jurisdiction or control of such city or a consolidated local government. Provided, however, that roads within a city~~[of the first through sixth classes]~~ in a county containing a city of the first class or a consolidated local government may be made a part of the county through road system, in accordance with KRS 178.330 or 178.333, or both, with the agreement of the legislative body of said city.

(3) Nothing in this chapter shall prevent any fiscal court or a consolidated local government from acquiring land by gift for public purposes.

➔Section 252. KRS 179.070 is amended to read as follows:

(1) The county engineer shall:

(a) Have general charge of all county roads and bridges within the county;

(b) See that county roads and bridges are improved and maintained as provided by law;

(c) Supervise the construction and maintenance of county roads and bridges and other work of like nature undertaken by the fiscal court or a consolidated local government;

(d) Make reports as the county, consolidated local government, or fiscal court directs;

(e) Advise and direct employees of contractors how best to repair, maintain, and improve county roads and bridges;

(f) Examine the various formations and deposits of gravel and stone in the county to ascertain the materials most available and best suited for the improvement of roads therein, and, when requested by the Department of Highways, submit samples of materials and deposits and make a written report concerning the materials;

(g) Establish or cause to be established necessary grades and recommend means of drainage, repair, and improvement;

(h) Together with the fiscal court or consolidated local government, consider and either reject or approve plans, specifications, and estimates submitted for the erection or repair of bridges and the construction or maintenance of county roads;

(i) Inspect or cause to be inspected each county road or bridge during its construction or improvement, and certify to the fiscal court or the consolidated local government the progress of the work and whether or not the work is being done according to the contract, plans, and specifications prepared therefor. If the work is not being done in accordance with the contract, plans, and specifications, the county engineer may stop any further work thereunder until the fiscal court or consolidated local government has inspected and passed upon it;

(j) Remove trees or other obstacles from the right-of-way of any publicly dedicated road when the tree or other obstacles become a hazard to traffic;

(k) Make recommendation to municipal authorities in a county containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the first or second class]~~, the mayor in a consolidated local government, or the county judge/executive of a county containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the first or second class]~~ for the establishment of speed limits in accordance with the powers granted to municipal authorities, consolidated local governments, and the county judge/executive by KRS 189.390(5)(a), and make recommendations to the county judge/executive or consolidated local government for the establishment of parking restrictions by the county judge/executive or consolidated local government in accordance with KRS 189.390(5)(c); and

(l) Make engineering and traffic investigations and make recommendations based thereupon to the fiscal court of counties containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the first or second class]~~ or ***a*** consolidated local government for the adoption of traffic regulations for any publicly dedicated road in unincorporated portions of the county or for any road made a portion of a county through road system, established in accordance with KRS 178.330 or 178.333, or both, in any manner reasonably calculated to promote the safety and convenience of the traveling public and to protect and preserve the roads and streets. The fiscal court or consolidated local government may adopt regulations which may include but not be limited to the establishment on roads designated in the first sentence of this subsection, of traffic lanes, the installation or removal of electric signals and other signs and markers, the removal of traffic bumps, the limitation or prohibition of parking, and the regulation or prohibition of a size or weight deemed likely to impede traffic or injure the streets; provided, however, that if such regulation of size and weight of vehicles conflicts with state regulations, the latter shall prevail. Nothing herein shall be construed to prevent the fiscal court or consolidated local government from contracting with city authorities for the joint installation of signs, markers, and electric signals and for their maintenance.

(2) In counties containing a city of the first class or consolidated local government, or when authorized by ordinance of the fiscal court of a county containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the second class]~~, having the services of a county engineer, every person, subdivider, builder, contractor, or developer of any construction project shall submit to the county engineer for his written approval a site development plan providing for the proper drainage of surface water from the development or construction site so as to prevent flooding of property in the area. If the proposed site plan does not adequately provide for such drainage, the county engineer shall order such changes as necessary before approving the site plan.

➔Section 253. KRS 179.470 is amended to read as follows:

(1) In counties containing a city ***with a population equal to or greater than eight thousand (8,000) but less than twenty thousand (20,000)*** ~~[of the third class]~~, and not ***containing*** a city of the first class or a consolidated local government, any street or road located outside of the corporate limits of an incorporated city which is a street or road of a subdivision established by a recorded plat that dedicates the street or road to public use, shall be maintained by the fiscal court of the county in the same manner that roads established under KRS 178.115 are maintained, if the street or road is at least one thousand (1,000) feet in length and at least fifty percent (50%) of the lots abutting the street or road contain houses which are occupied, and the street or road has been or shall be so constructed as to meet the approval of the county road engineer or, if there is no county road engineer, the approval of the fiscal court, such approval being based upon the established standards for county road construction within the county.

(2) Notwithstanding the provisions of KRS 178.010(2), in counties containing a city of the first class or a consolidated local government, any street or road located in the area of the county not within a city ***with a population that equals or exceeds three thousand (3,000)*** ~~[of the second, third, or fourth class]~~ or within the area formerly comprising a city of the first class, which is a street or road of a subdivision that dedicated the

street or road to public use, may be maintained by the fiscal court of the county or consolidated local government as the case may be, in the same manner as provided in subsection (1) and subject to the same conditions. In addition, street lights and other improvements already established may be maintained by the fiscal court or consolidated local government. The county or consolidated local government shall be reimbursed for the cost of such maintenance by the abutting property owner whose proportionate share of the cost of maintenance shall be added to the owner's county tax bill and collected in the same manner as other taxes.

(3) Notwithstanding the provisions of KRS 178.010(2), in counties containing a population between eighty thousand (80,000) and one hundred fifteen thousand (115,000) and a city ***with a population equal to or greater than twenty thousand (20,000)***~~[of the second class]~~ or in counties containing a city ***with a population that is less than eight thousand (8,000)***~~[of the fourth, fifth, or sixth class]~~ and not a city ***with a population that equals or exceeds eight thousand (8,000)***~~[of the first, second, or third class]~~, any street or road in an unincorporated area or a city ***with a population of less than one thousand (1,000)***~~[of the sixth class]~~ of the county, which is at least two hundred (200) feet in length and dedicated to public use, may be maintained by the fiscal court of the county in the same manner as provided in subsection (1) of this section. In addition, street lights, garbage collection, water, and sewer services may be provided by the fiscal court. The county shall be reimbursed for the cost of such maintenance and services by the abutting property owner whose proportionate share of the cost of maintenance and services shall be added to the owner's county tax bill and collected in the same manner as county taxes. Further, upon the petition of fifty percent (50%) or more of the abutting property owners of the street or road, the fiscal court may by proper resolution provide for the improvements.

(4) No street or road shall be accepted by a fiscal court or consolidated local government under the provisions of subsection (2) or (3) of this section for county maintenance unless twenty-five percent (25%) of the abutting property owners petition the fiscal court or consolidated local government for county maintenance. The fiscal court or consolidated local government within thirty (30) days thereafter shall hold a public hearing on the petition. If fifty percent (50%) of the abutting property owners agree in writing to accept county maintenance, the fiscal court of the county or the consolidated local government may maintain the road or street in the same manner as provided in subsection (2) or (3) of this section as applicable and subject to the same conditions.

(5) For the purposes of this section, the population of a city shall be determined by using the most recent federal decennial census data.

➔Section 254. KRS 181.020 is amended to read as follows:

All counties~~[having a city of the second class]~~ may purchase, construct or reconstruct bridges over or tunnels under any boundary line stream of this state, and may purchase or obtain by gift or otherwise necessary approaches and other property from the adjoining state or subdivision thereof and from any person in the adjoining state.

➔Section 255. KRS 181.030 is amended to read as follows:

Any county~~[having a city of the second class]~~ may issue and sell bonds for the purchase price or the cost of construction or reconstruction of such bridge or tunnel, including the necessary approach thereto and the necessary property for the construction or support of the bridge or tunnel, as now provided by law for the issuance and sale of bonds for the construction of roads, bridges and tunnels in this state.

➔SECTION 256. A NEW SECTION OF KRS 181.510 TO 181.550 IS CREATED TO READ AS FOLLOWS:

Having the powers of the city of the highest class at the time of the creation of an urban-county government, the provisions of KRS 181.510 to 181.550 are hereby affirmed to be possessed by urban-county governments. Any reference to a city, mayor, city legislative body, or agency of a city in KRS 181.510 to 181.550 shall also mean an urban-county government, mayor of an urban-county government, legislative body of an urban-county government, or agency of an urban-county government, respectively.

➔Section 257. KRS 181.510 is amended to read as follows:

(1) Any city~~[of the second class]~~ may enter into contracts for the purpose of doing away with tolls on bridges wholly or partly within the city.

(2) The person contracting with the city shall agree to:

(a) Acquire ownership of the bridge or portion thereof, unless it has already acquired such ownership;

(b) Operate and maintain the bridge;

(c) Collect tolls for traffic over the bridge or portion of bridge;

(d) Subject to the provisions of KRS 181.520, apply the revenues of the bridge to the amortization of the cost of the bridge or portion of bridge; and

(e) Turn over the bridge or portion of bridge to the city upon completion of the amortization.

➔SECTION 258. A NEW SECTION OF KRS 181.560 TO 181.840 IS CREATED TO READ AS FOLLOWS:

Having the powers of the city of the highest class at the time of the creation of an urban-county government, the provisions of KRS 181.560 to 181.840 are hereby affirmed to be possessed by urban-county governments. Any reference to a city, mayor, city legislative body, or agency of a city in KRS 181.560 to 181.840 shall also mean an urban-county government, mayor of an urban-county government, legislative body of an urban-county government, or agency of an urban-county government, respectively.

➔Section 259. KRS 181.560 is amended to read as follows:

In addition to the powers granted in KRS 181.510 to 181.550, cities~~[of the second class]~~ may purchase or construct and improve, operate and maintain bridges over navigable streams so as to connect such cities with an adjoining state. In order to pay the cost of such acquisition or construction and improvements, the cities may issue bridge revenue bonds as provided in KRS 181.660.

➔Section 260. KRS 181.570 is amended to read as follows:

(1) Any city ~~[of the second class]~~ may, by ordinance, create a bridge commission consisting of the chief executive of the city and four (4) persons appointed by such chief executive with the approval of the city legislative body. Each appointee shall be at least twenty-five (25) years of age.

(2) The original appointments shall be made for terms of four (4) years, and their successors shall be appointed for one (1), two (2), three (3), and four (4) years respectively. Thereafter the appointments shall be for four-year terms. Not more than two (2) appointees shall be members of the same political party, and all members shall be eligible for reappointment. Vacancies shall be filled for the unexpired term in the same manner as original appointments.

(3) No officer or employee of the city, whether he receives compensation or not, shall be appointed to the commission.

(4) Each appointee shall take, subscribe and file the constitutional oath of office, and shall execute a bond, approved by the city legislative body, in the sum of five thousand dollars ($5000). The bond shall be filed with the other official bonds of the city.

➔Section 261. KRS 183.132 is amended to read as follows:

(1) Any urban-county government, city, or county, or city and county acting jointly, or any combination of two (2) or more cities, counties, or both, may establish a nonpartisan air board composed of six (6) members. Any city other than the first class and county jointly or an urban-county government established pursuant to KRS Chapter 67A may establish a nonpartisan board composed of ten (10) members. Any existing six (6) member board, including a board established in an urban-county government, may be expanded to ten (10) members by action of the government entity or entities that established the six (6) member board.

(2) Any city of the first class, jointly with the county containing the city or a consolidated local government, may establish or maintain a nonpartisan air board. Membership of the board shall be appointed in accordance with subsection (6) or (11) of this section. Any air board established or maintained in a county containing a city of the first class or consolidated local government shall be composed of eleven (11) members.

(3) The board shall be a body politic and corporate with the usual corporate attributes, and in its corporate name may sue and be sued, contract and be contracted with, and do all things reasonable or necessary to effectively carry out the duties prescribed by statute. The board shall constitute a legislative body for the purposes of KRS 183.630 to 183.740.

(4) The members of an air board composed of six (6) members shall be appointed as follows:

(a) If the air board is established by a city, the members shall be appointed by the mayor of the city;

(b) If the air board is established by a county, the members shall be appointed by the county judge/executive except that in the event that an airport is located outside the boundary of the county establishing the airport board, the county judge/executive shall appoint an additional member to the air board from the jurisdiction where the airport is physically located. The additional member shall serve a four (4) year term in accordance with the provisions of subsection (7) of this section and receive full voting privileges on matters brought before the airport board;

(c) If the air board is established as a joint city-county air board, the members shall be appointed jointly by the mayor of the city and the county judge/executive;

(d) If a combination of cities, counties, or both, establishes a joint air board, the mayors and county judges/executive involved shall jointly choose six (6) members and shall jointly choose successors;

(e) If the air board is established by an urban-county government, the mayor of the urban-county government or an officer of the urban-county government designated by the mayor shall serve as one (1) member of the board. The remaining five (5) members shall be appointed by the mayor. One (1) of the members appointed by the mayor shall live within a three (3) mile radius of the airport.

(5) The members of an air board composed of ten (10) members in a city other than a city of the first class and county jointly other than an urban-county government established pursuant to KRS Chapter 67A shall be appointed as follows:

(a) Five (5) members shall be appointed by the mayor of the city, without approval of the legislative body;

(b) Five (5) members shall be appointed by the county judge/executive without approval of the other members of the fiscal court.

(6) An air board consisting of eleven (11) members and established jointly by a city of the first class and the county containing the first class city shall be composed of members as follows:

(a) The mayor of the city of the first class;

(b) The county judge/executive of the county containing the city of the first class;

(c) Three (3) members appointed by the mayor of the city of the first class;

(d) Three (3) members appointed by the county judge/executive of the county, with the approval of the fiscal court;

(e) Two (2) members, who shall be residents of the county containing a city of the first class or of counties contiguous thereto, appointed by the Governor; and

(f) One (1) member, who shall be a member of the executive board of an incorporated alliance of incorporated neighborhood associations and ***cities with a population of less than three thousand (3,000) based upon the most recent federal decennial census*** ~~[fifth or sixth class cities]~~ which represents citizens living within a five (5) mile radius of airport operations, appointed by the Governor. If more than one (1) incorporated alliance exists, the Governor shall select the appointee from the executive boards of any of the incorporated alliances. If no alliances exist, the Governor shall appoint a citizen of the county who resides within a five (5) mile radius of airport operations.

(7) An air board consisting of eleven (11) members and established or maintained by a consolidated local government upon its establishment shall be composed of members as follows:

(a) The mayor of the consolidated local government;

(b) Seven (7) members appointed by the mayor of the consolidated local government;

(c) Two (2) members who shall be residents of the county containing the consolidated local government or residents of counties contiguous to the county containing the consolidated local government, appointed by the Governor; and

(d) One (1) member who shall be a member of the executive board of an incorporated alliance of incorporated neighborhood associations and ***cities with a population of less than three thousand (3,000) based upon the most recent federal decennial census*** ~~[fifth or sixth class cities]~~ which represents citizens living within a five (5) mile radius of airport operations, appointed by the Governor. If more than one (1) incorporated alliance exists, the Governor shall select the appointee from the

executive boards of any of the incorporated alliances. If no alliances exist, the Governor shall appoint a citizen of the county who resides within a five (5) mile radius of airport operations.

(8) The members of an air board composed of ten (10) members established by an urban-county government shall be composed of the mayor of the urban-county government or an officer of the urban-county government designated by the mayor. The remaining nine (9) members shall be appointed by the mayor. Two (2) of the members appointed by the mayor shall live within a three (3) mile radius of the airport.

(9) Members of the board composed of six (6) members shall serve for a term of four (4) years each and until their successors are appointed and qualified. The initial appointments shall be made so that two (2) members are appointed for two (2) years, two (2) members for three (3) years, and two (2) members for four (4) years. Upon expiration of the staggered terms, successors shall be appointed for a term of four (4) years.

(10) Members of the board composed of ten (10) members in a city other than a city of the first class and county jointly shall serve for a term of four (4) years each and until their successors are appointed and qualified. The initial appointments made by the mayor and the county judge/executive shall be made so that one (1) member is appointed for two (2) years, two (2) members are appointed for three (3) years, and two (2) members are appointed for four (4) years. If an existing six (6) member board is being increased to a ten (10) member board, initial appointments of the four (4) new members shall be made so that the mayor and the county judge/executive, or the mayor if the board is established by an urban-county government, each appoint one (1) member for two (2) years and one (1) member for four (4) years. Upon expiration of the initial terms, successors shall be appointed for a term of four (4) years. In the case of a board established by an urban-county government, the term of the mayor for the urban-county government, or the officer of the urban-county government designated by the mayor, shall be coextensive with the term of the mayor.

(11) Members of an air board composed of eleven (11) members and established or maintained jointly by a city of the first class and the county containing a city of the first class shall serve for a term of three (3) years each and until their successors are appointed and qualified. The terms of the mayor and the county judge/executive shall be coextensive with their terms of office. The mayor and the county judge/executive shall each make their initial appointments to a board established jointly by a city of the first class and the county containing a city of the first class so that one (1) member is appointed for one (1) year, one (1) member is appointed for two (2) years, and one (1) member is appointed for three (3) years. The Governor shall make the initial appointments so that one (1) member is appointed for two (2) years and one (1) member is appointed for three (3) years. Upon the expiration of the initial terms, successors shall be appointed for a term of four (4) years.

(12) Members of an air board composed of eleven (11) members in a county that has established a consolidated local government in a county containing a former city of the first class shall serve until their successors are appointed and qualified. The terms of office on the air board of the mayor of the previously existing city of the first class and the county judge/executive of this county shall expire upon the establishment of a consolidated local government. Upon the establishment of a consolidated local government, if the consolidated local government maintains the previously existing air board, the incumbent members, except the mayor of the previously existing city of the first class and the county judge/executive of that county, shall continue to serve as members of the board for the time remaining of their current terms of appointment. The Governor shall appoint members pursuant to subsection (7)(c) and (d) of this section. The mayor of the consolidated local government shall serve on the board for a term which shall be coextensive with his or her term of office. Incumbent members shall be eligible for reappointment upon the expiration of their terms. The terms of all other board members shall be for four (4) years. Upon the establishment of a consolidated local government and maintenance of a previously existing air board, any incumbent member whose term had expired but who had continued to serve because the member's successor had not been appointed, shall continue to serve until a successor is appointed. Successors shall be appointed by the mayor or the Governor as provided by law within sixty (60) days after the establishment of the consolidated local government. As the terms of the previously serving members of an air board being maintained by a consolidated local government expire, the mayor of the consolidated local government and the Governor shall respectively make their new appointments.

(13) Members of the board shall serve without compensation but shall be allowed any reasonable expenses incurred by them in the conduct of the affairs of the board. The board shall, upon the appointment of its members, organize and elect officers. The board, except for a board composed of eleven (11) members, shall choose a chairman and vice chairman who shall serve for terms of one (1) year. Where the board is composed of eleven (11) members and established jointly by a city of the first class and the county containing a city of the first class, the mayor of the city of the first class and the county judge/executive shall jointly appoint the chairman from among the membership of the board. Where the board is composed of eleven (11) members and is in a county containing a consolidated local government, the mayor shall appoint the chairman from among the

membership of the board. The board shall also choose a secretary-treasurer who may or may not be a member of the board. The board may fix a salary for the secretary-treasurer and the secretary-treasurer shall execute an official bond to be set and approved by the board, and the cost of the bond shall be paid by the board.

(14) The board may employ necessary counsel, agents, and employees to carry out its work and functions and prescribe rules and regulations as it deems necessary.

(15) The secretary-treasurer shall keep the minutes of all meetings of the board and shall also keep a set of books showing the receipts and expenditures of the board. The secretary-treasurer shall preserve on file duplicate vouchers for all expenditures and shall present to the board, upon request, complete reports of all financial transactions and the financial condition of the board. The books and vouchers shall at all times be subject to examination by the legislative body or bodies by whom the board was created. The secretary-treasurer shall transmit at least once annually a detailed report of all acts and doings of the board to the legislative body or bodies by whom the board was created.

(16) In the event that a joint air board is created by cities, counties, or both, and thereafter a city or county desires to withdraw from participation, then the remaining participants may jointly choose a successor member or members of the board. A local government wanting to withdraw from participation in the board shall not be entitled to return of any moneys or property advanced to the board.

(17) A quorum for the transacting of the business of a six (6) member board shall consist of four (4) members, a ten (10) member board shall consist of six (6) members, and an eleven (11) member board shall consist of six (6) members. Meetings of the board may be called by the chairman or by four (4) members. In case of tie voting by the board, the issue shall be deemed to have failed passage.

(18) A board member may be replaced by the appointing authority upon a showing to the authority of misconduct as a board member or upon conviction of a felony. A board member shall not hold any official office with the appointing authority, except for the mayor of a city of the first class and the county judge/executive on a board made up of eleven (11) members and established jointly by a city of the first class and the county containing a city of the first class, or the mayor of an urban-county government or a consolidated local government, or an officer of the urban-county government designated by the mayor on a board established by an urban-county government.

➔Section 262. KRS 183.134 is amended to read as follows:

(1) In order to provide money for the purchase of property necessary for the establishment or expansion of airports and to construct, equip, and maintain buildings necessary, desirable, or appropriate for airport purposes, or to acquire rights or interests or contracts for services, the legislative body of any governmental unit owning in whole or part any airport or operating an airport, or having any rights or interests in an airport or contracts for services from an airport, may make an annual appropriation from its general fund; or the governmental unit may make an annual levy to collect a tax on taxable property situated in the governmental unit for airport development. Any appropriation shall be made by the legislative body in amounts, in proportion and upon terms as the legislative body may determine. All funds derived from an appropriation or tax shall be turned over to the airport board, if any, for the purpose of carrying out the duties and powers of the board.

(2) Whenever a governmental unit deems it necessary to acquire, construct, maintain, expand, finance, or improve any airport facilities or air navigation facilities or rights or interests in any facilities, or to contract for services from the facilities, or for any or all of these purposes, and the annual funds raised from other sources are not sufficient to accomplish the purpose, the governmental unit shall make a careful estimate of the amount of money required for the purpose and shall certify to the proper tax levying authority the fact that an election for an issue of bonds for aviation purposes shall be held, together with the amount of money for which bonds shall be issued and the purpose to which the proceeds shall be applied. The taxing authority shall then adopt an ordinance or resolution submitting to the qualified voters of the district the question as to whether bonds shall be issued for the purpose. The question shall be so framed that the voter may by his vote answer "For" or "Against."

(3) The ordinance or resolution shall fix the time the bonds shall run and, if a serial issue, the amount to mature at each time. It shall limit the rate of interest to be permitted on the bonds and the total amount of bonds to be issued, and shall provide for the levy of a tax to pay the interest and to create a sinking fund to retire them at their maturity.

(4) The election shall be held at a time fixed in the ordinance or resolution, not less than fifteen (15) nor more than thirty (30) days from the time the certificate of the governmental unit is filed with the tax levying authority,

and reasonable notice of the election shall be given. The election shall be conducted and carried out in the governmental unit district in all respects as required by the general election laws, and shall be held by the same officers as required by the general election laws. The expense of the election shall be paid by the fiscal court except where the election is held in a district embracing a city ***with a population equal to or greater than one thousand (1,000) based upon the most recent federal decennial census***~~[of the first five (5) classes]~~, in which case the cost of the election shall be paid by the governing body of the city.

(5) Notwithstanding the limitations contained in KRS 132.023, any governmental unit which after March 21, 1968, levies a tax for aviation purposes under this chapter may exclude the tax from consideration in calculating the compensating tax rate as now or subsequently defined in KRS 132.010 or any amendments or other act substituted relating to that section.

➔Section 263. KRS 183.880 is amended to read as follows:

The airport board created by a county containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the second class]~~, an urban-county government, or created jointly by a city of the first class and county is authorized to establish a safety and security department and appoint safety and security officers and other employees for the public airport for which it is responsible, to prescribe distinctive uniforms for the safety and security officers of the airport board, and to designate and operate emergency vehicles. Safety and security officers so appointed shall take an appropriate oath of office, in form and manner consistent with the Constitution of Kentucky, and shall serve at the pleasure of the airport board.

➔Section 264. KRS 184.010 is amended to read as follows:

Public road districts may be established in counties~~[containing cities of the first, second, third or fourth classes]~~ for the purpose of providing the general public and persons residing upon or owning property adjacent to such roads with all-weather roads, appropriate drainage of said roads and sidewalks on either or both sides of said roads with reasonable maintenance during the existence of the road district.

➔Section 265. KRS 184.020 is amended to read as follows:

(1) A public road district may be established in accordance with the procedures of KRS 65.810 to improve any public road (which is neither a county road nor a state road) in ***the following areas:***

(a) Within cities containing a population equal to or greater than three thousand (3,000) but less than twenty thousand (20,000);

(b) Within cities containing a population of less than one thousand (1,000) that are located within counties that contain a consolidated local government or a city with a population equal to or greater than twenty thousand (20,000); or

(c) Within an area that abuts a public road, which is neither a county road nor a state road, that is in an unincorporated area in a county that contains a city with a population equal to or greater than three thousand (3,000)~~[cities of the third or fourth class or in cities of the sixth class in counties containing cities of the first or second classes or abutting upon any public road (which is neither a county road nor a state road) in an unincorporated area in counties containing cities of the first, second, third or fourth classes, may sponsor the creation of such a road district]~~.

(2) In addition to the information required to be submitted to the fiscal court pursuant to KRS 65.810, the sponsors shall prepare or have prepared for them a map of that section of such public road which they desire to have improved. Such map shall show the boundary lines and terminal points of the road desired to be improved and shall set forth on such map the names of the owners of all property and the number of linear feet owned by them abutting upon such road, the location and size of drainage ditches and sidewalks. The sponsors of said road district shall also have estimated for them by an engineer, who must be a private engineer licensed by the Commonwealth of Kentucky, pursuant to KRS Chapter 322, the approximate cost of constructing the improvements desired and reasonable maintenance for the duration of the road district, together with a statement of the approximate cost which shall be borne by each owner of property abutting on the road, determined by the number of linear feet of property owned by each abutting property holder.

(3) For the purposes of this section, the population of a city shall be determined by using data from the most recent federal decennial census.

➔Section 266. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines, and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine (9) passengers,

including the operator, and pickup trucks and passenger vans which are not being used on a for-hire basis shall be eleven dollars fifty cents ($11.50).

(2) Except as provided in KRS 186.041 and 186.162, the annual registration fee for each motorcycle shall be nine dollars ($9).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of ten thousand (10,000) pounds or less, except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) of this section, shall be eleven dollars and fifty cents ($11.50).

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) of this section, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	669.00
55,001-62,000	1,007.00
62,001-73,280	1,250.00
73,281-80,000	1,410.00

(4) (a) 1. Any farmer owning a truck having a gross weight of twenty-six thousand (26,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged in the production of crops, livestock, or dairy products, that he owns a truck of the gross weight of twenty-six thousand (26,000) pounds or less, and that during the next twelve (12) months the truck shall not be used in for-hire transportation and may be used in transporting persons, food, provender, feed, machinery, livestock, material, and supplies necessary for his farming operation, and the products grown on his farm.

2. Any farmer owning a truck having a gross weight of twenty-six thousand one (26,001) pounds to thirty-eight thousand (38,000) pounds may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents ($11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged in the production of crops, livestock, or dairy products, that he owns a truck of the gross weight between twenty-six thousand one (26,001) pounds and thirty-eight thousand (38,000) pounds, and that during the next twelve (12) months the truck shall not be used in for-hire transportation and may be used in transporting persons, food, provender, feed, machinery, livestock, material, and supplies necessary for his farming operation and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) of this section and shall be exempt from any fee charged under the provisions of KRS 281.752. The applicant's signature upon the

registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock, or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed, and machinery used in operating his farm and the products grown on his farm.

(c) An initial applicant for, or an applicant renewing, his or her registration pursuant to this subsection, may at the time of application make a voluntary contribution to be deposited into the agricultural program trust fund established in KRS 246.247. The recommended voluntary contribution shall be set at ten dollars ($10) and automatically added to the cost of registration or renewal unless the individual registering or renewing the vehicle opts out of contributing the recommended amount. The county clerk shall collect and forward the voluntary contribution to the cabinet for distribution to the Department of Agriculture.

(5) Any person owning a truck or bus used solely in transporting school children and school employees may have the truck or bus registered as a school bus and obtain a license for eleven dollars fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high, and of a conspicuous color, and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church bus and obtain a license for eleven dollars and fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle with a gross weight of fourteen thousand (14,000) pounds or less on which a wrecker crane or other equipment suitable for wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars fifty cents ($11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecker crane or other equipment suitable for wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in wrecker service. If the gross weight of the vehicle exceeds fourteen thousand (14,000) pounds, the vehicle shall be registered in accordance with subsection (3) of this section. The gross weight of a vehicle used in wrecker service shall not include the weight of the vehicle being towed by the wrecker.

(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city ***with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census*** ~~[of the first, second, third, or fourth class]~~, or within five (5) miles of its limits if it is a city ***with a population of less than three thousand (3,000) based upon the most recent federal decennial census*** ~~[of the fifth or sixth class]~~, or anywhere within a county containing an urban-county government, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay seventy-five percent (75%) of the fee set forth in subsection (3) of this section and shall be exempt from any fee charged under the provisions of KRS 281.752. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready-mixed concrete

from the point at which such concrete blocks or ready-mixed concrete is produced to a construction site where such concrete blocks or ready-mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready-mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof, shall pay seventy-five percent (75%) of the fee set out in subsection (3) of this section and shall be exempt from any fee charged under the provisions of KRS 281.752. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2), may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar ($1). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(11) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars ($20) and the multiyear license plate issued shall be designated "Recreational vehicle." The foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(12) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when the vehicle is not equipped wholly with pneumatic tires.

(13) (a) The Department of Vehicle Regulation is authorized to negotiate and execute an agreement or agreements for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through, or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the cabinet shall promulgate administrative regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar ($1). Title to such vehicle may be transferred; however title without proper registration shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the department may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration, as provided in paragraph (a) of this subsection, may be registered in Kentucky, and, upon proof of proper title and payment of the required fees, the department may issue an apportioned registration plate to the commercial vehicle. The department shall promulgate administrative regulations in accordance with this section.

(14) Any person seeking to obtain a special license plate for an automobile that has been provided to him pursuant to an occupation shall meet both of the following requirements:

(a) The automobile shall be provided for the full-time exclusive use of the applicant; and

(b) The applicant shall obtain permission in writing from the vehicle owner or lessee on a form provided by the cabinet to use the vehicle and for the vehicle to bear the special license plate.

(15) An applicant for any motor vehicle registration issued pursuant to this section shall have the opportunity to make a donation of two dollars ($2) to promote a hunger relief program through specific wildlife management

and conservation efforts by the Department of Fish and Wildlife Resources in accordance with KRS 150.015. If an applicant elects to make a contribution under this subsection, the two dollar ($2) donation shall be added to the regular fee for any motor vehicle registration issued pursuant to this section. One (1) donation may be made per issuance of each registration. The fee shall be paid to the county clerk and shall be transmitted by the State Treasurer to the Department of Fish and Wildlife Resources to be used exclusively for the purpose of wildlife management and conservation activities in support of hunger relief. The county clerk may retain up to five percent (5%) of the fees collected under this subsection for administrative costs associated with the collection of this donation. Any donation requested under this subsection shall be voluntary and may be refused by the applicant at the time of issuance or renewal of a license plate.

➔Section 267. KRS 189.280 is amended to read as follows:

(1) KRS 189.221 to 189.230 and 189.280 shall not apply to motor trucks, semitrailer trucks, or trailers owned by the United States, the Commonwealth of Kentucky, or any agency of them, any county or city.

(2) If any motor truck, semitrailer truck, or trailer is lawfully licensed by a city pursuant to KRS 186.270, then KRS 189.221 and subsection (1) of 189.222 shall not apply thereto, within the limits of the city issuing the license, or within fifteen (15) miles of the limits of the city, if it is a city ***with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census***~~[of the first, second, third, or fourth class]~~, or within five (5) miles of its limits if it is a city ***with a population of less than three thousand (3,000) based upon the most recent federal decennial census***~~[of the fifth or sixth class]~~, except on such state-maintained highways or portions thereof, including connecting-link streets, as may be designated by the commissioner of highways, and on such county highways as may be designated by the county judge/executive; provided, however, that in no case shall any vehicle exceed the weight and size limitations established by the city ordinance when those limitations are less stringent than those provided in the aforementioned sections of the statutes. For the purposes of this subsection vehicles exempt from the imposition of a city license tax by reason of subsection (2) of KRS 281.830 shall be entitled to the same exemptions as those so licensed.

(3) Cities may, by ordinance, provide maximum limits with respect to the weight, height, width and length of motor trucks, semitrailer trucks, and trailers, within their respective boundaries, not less, however, than the maximum limits prescribed in KRS 189.221 and subsection (1) of 189.222, and may authorize the operation of trailers.

➔Section 268. KRS 199.410 is amended to read as follows:

(1) The provisions of KRS 199.380 to 199.400 shall not affect or apply to boarding homes in which children under the care, custody or control of the cabinet, or receiving aid from the cabinet, are being boarded, and which have been approved by the cabinet as meeting the standards of the cabinet for placement, nor shall the provisions of KRS 199.380 to 199.400 affect persons caring for and providing for children related to them by blood or marriage.

(2) KRS 199.380 to 199.400 shall apply only to counties containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the second class]~~.

➔SECTION 269. A NEW SECTION OF KRS 212.640 TO 212.710 IS CREATED TO READ AS FOLLOWS:

As used in KRS 212.640 to 212.710, "city" means an incorporated city in the Commonwealth of Kentucky containing a population equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census.

➔Section 270. KRS 212.640 is amended to read as follows:

In any county containing a city ***, as defined in Section 269 of this Act***~~[of the second class]~~, the fiscal court of the county and the legislative body of the city~~[of the second class]~~ may, by joint action, establish a city-county health department. The department when established shall be governed by a city-county board of health composed of twelve (12) members, one (1) of whom shall be either the mayor, city manager, or the designee of the city manager of the city, whichever is appointed by the city legislative body, one (1) of whom shall be the county judge/executive, one (1) of whom shall be a dentist, one (1) of whom shall be a registered nurse, and three (3) of whom shall be physicians, one (1) of whom shall be a veterinarian, one (1) of whom shall be an engineer engaged in the practice of civil or sanitary engineering, one (1) of whom shall be an optometrist, one (1) licensed pharmacist, and one (1) lay person knowledgeable in consumer affairs residing in each county and appointed in the same manner as county board of health members and to hold office as provided in KRS 212.020.

➔Section 271. KRS 212.650 is amended to read as follows:

The expense of creating and establishing the city-county department of health shall be paid by the city~~[of the second class]~~ and by the county in such proportion as may be agreed upon between the city legislative body and fiscal court at the time of establishing the department. After the department has been established the annual expense of maintenance shall be borne in the same proportion, or as may be agreed upon between the city legislative body and fiscal court, and the city legislative body and fiscal court shall each make an annual levy sufficient to produce the necessary amount.

➔Section 272. KRS 212.690 is amended to read as follows:

Upon the establishment of a city-county department of health under KRS 212.640, the property of the city board of health of the city~~[of the second class]~~ and the property of the county board or department of health shall be transferred to the city-county department, and the city-county board of health shall assume control of any institutions formerly under the control of the city or county board or department of health.

➔Section 273. KRS 212.786 is amended to read as follows:

(1) The independent district board of health shall be comprised of the following members: the judge/executive or his designee as an ex officio member from each participating county, the chairman from each participating local board of health as an ex officio member, additional members appointed by the judge/executive with the approval of the local board of health including, at least to the extent practicable, twenty-five percent (25%) who shall be licensed physicians, ten percent (10%) who shall be licensed dentists, twenty-five percent (25%) who shall be licensed registered nurses, ten percent (10%) who shall be licensed veterinarians, ten percent (10%) who shall be pharmacists, and twenty percent (20%) who shall be consumer members. Each member shall serve a term of two (2) years with a maximum of three (3) consecutive terms, except ex officio members who shall continue to serve.

(2) The judge/executive, or his designee and the chairman of the local board of health shall serve as ex officio members of the district board of health. Additional appointments shall be based on population. Each county shall have an appointment of one (1) member for fifteen thousand (15,000) population or portion thereof. Additional members shall be at a rate of one (1) member per whole increment of fifteen thousand (15,000) population. The mayor of each city ***containing a population equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census***~~[of the second class]~~, or his ***or her*** designee, shall serve as an ex officio member of the district board of health and shall count against the population-based appointees.

(3) The original appointments by the judge/executive to the board shall be made within thirty (30) days of July 13, 1990. One-half (1/2), or the nearest portion thereof, shall be appointed for a term to expire June 30, 1991 and one-half (1/2), or the nearest portion thereof, shall be appointed for a term to expire June 30, 1992. All subsequent appointments and successors shall be appointed in accordance with the provisions of this section.

(4) The judge/executive shall fill all vacancies occurring by reason of death, resignation, or disqualification and do so for the unexpired term.

➔Section 274. KRS 212.855 is amended to read as follows:

(1) Except for district health departments which serve a county containing a city of the first class, an urban-county government, or which are part of an interstate metropolitan statistical area where the Kentucky population of the metropolitan statistical area exceeded two hundred fifty thousand (250,000) people on July 1, 1989, a district board of health shall consist of the following members:

   (a) The county judge/executive or his designee from each county in the district as an ex officio voting member; and

   (b) One (1) additional resident member per county per fifteen thousand (15,000) population or fraction thereof, which shall include the mayor, city manager, or the designee of the city manager of each city ***with a population equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census***~~[of the second class]~~ as an ex officio voting member, except that the total number of members from any county in a district shall not exceed seven (7) members.

(2) All members**,** except for the county judges/executive and the mayors of~~[second class]~~ cities ***serving pursuant to subsection (1) of this section,*** shall be appointed by the county or city-county boards of health from the membership of each county or city-county board of health.

(a) The secretary of the Cabinet for Health and Family Services shall notify the chairman of each county or city-county board of health in the district of the name of each member from that county whose term is expiring.

(b) Upon receipt of the notification, under paragraph (a) of this subsection, each county or city-county board of health shall appoint one (1) of its members to fill each vacant position from that county. At least twenty-five percent (25%) or the nearest whole number to twenty-five percent (25%) of the appointed members of the district board shall be doctors of medicine or osteopathy qualified, licensed, and practicing in the Commonwealth, and there shall be at least one (1) qualified, licensed, and practicing registered nurse, one (1) qualified, licensed, and practicing dentist, one (1) licensed pharmacist, one (1) qualified licensed engineer engaged in the practice of civil or sanitary engineering, one (1) qualified, licensed, and practicing optometrist, and one (1) qualified, licensed, and practicing veterinarian, when available, among the membership of the board. The remaining members of the district board shall be concerned community leaders residing within the county from which they are to be representatives.

(c) The chairman of the county or city-county board of health shall inform the secretary within forty-five (45) days of receipt of this notification of the names of the county or city-county board of health members appointed to serve on the district board. Appointed members of district boards of health shall not begin to serve on a district board of health until the time the secretary has certified their eligibility to serve on the board.

(3) If a vacancy exists upon the district board, the vacancy shall be filled in a manner consistent with subsection (2) of this section, with the appointed member to fill the vacant seat coming from the county in which the vacancy occurs and the appointed member resides. If the term of a member on the county board of health expires or the member cannot complete the term on the county board, the seat on the district board of health shall be declared vacant and the county or city-county board of health shall appoint another of its members to fill any unexpired portion of the term on the district board.

(4) The appointed members of the district board of health shall hold office for a term of two (2) years ending on December 31 or until their successors are appointed. The terms of the first appointments shall be staggered so that members whose terms expire on June 30, 1992, shall be replaced with appointed members whose terms expire on December 31, 1994. Members whose terms expire on June 30, 1993, shall be replaced with appointed members whose terms expire on December 31, 1995.

(5) The secretary shall remove any appointed member who fails to attend three (3) consecutive scheduled meetings.

➔Section 275. KRS 212.910 is amended to read as follows:

(1) In any county containing a city of the first~~[or second]~~ class ***or a city with a population equal to or greater than fifteen thousand (15,000) based upon the most recent federal decennial census***, the fiscal court of the county and the legislative body of the city, by joint action, may unite with a district health department in accordance with the provisions of KRS 212.810 to 212.930.

(2) The appropriation to a district health department shall be paid by the city~~[of the first or second class]~~ and by the county in such proportion as may be agreed upon between the city legislative body and fiscal court at the time of joining the district health department. After the district health department has been established the annual expenses of its proportionate share of maintenance and operation shall be borne in the same proportion, or as may be agreed upon between the city legislative body and the fiscal court. The city legislative body and fiscal court shall each make an annual levy sufficient to produce the necessary amount.

➔Section 276. KRS 216.100 is amended to read as follows:

Any city of the ***home rule***~~[second, third, fourth or fifth]~~ class may, by ordinance, borrow money and issue negotiable bonds for the purpose of defraying the cost of purchasing, establishing, erecting and acquiring a municipal hospital and necessary appurtenances thereto. The ordinance shall specify the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the proposed hospital, with necessary appurtenances thereto, is to be purchased, established, erected or acquired pursuant to the provisions of KRS 216.100 to 216.220.

➔Section 277. KRS 220.080 is amended to read as follows:

(1) When the petition is filed with the commissioner, he shall investigate at once the boundary of the district proposed to be organized, and may, at the cost of the petitioners, cause to be made surveys necessary to

establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by the creation of the district in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the commissioner need not follow the boundary proposed by the petitioners, but if the boundary established by the commissioner results in a material change from that proposed in the original petition the petitioners shall secure, in case of a larger or smaller area, the signatures of sixty percent (60%) of the freeholders or owners in the area as established by the commissioner.

(2) None of the provisions of KRS 220.010 to 220.520 shall be applicable within the corporate boundary of any city of the first class, nor shall they be binding upon such city or any part thereof, or any land or property within the boundary of such city. The governing body of any city of the first class shall determine by ordinance whether city property lying outside the corporate boundary shall be included in any sanitation district, and whether the city shall bind itself to pay the charges for the services of the district furnished to such land or property.

(3) Should it be found desirable to include in a sanitation district all or a portion of a city ***with a population equal to or greater than eight thousand (8,000) but less than one hundred thousand (100,000) based upon the most recent federal decennial census*** ~~[of the second or third class]~~, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the charges for the services of the district furnished in such area.

➔Section 278. KRS 220.135 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 220.080, the jurisdictional boundaries of a sanitation district organized or operating under KRS Chapter 220 shall be coextensive with the jurisdictional boundaries of the counties it was organized to serve if the district was organized to serve two (2) or more counties, and no other district has been organized to serve the counties. All cities of the ***home rule*** ~~[second through sixth]~~ class located in a county which is part of a sanitation district as described in this section shall be included in the jurisdictional boundaries of the sanitation district.

(2) (a) Effective July 1, 1995, the operational sewer and drainage system of each city located within the jurisdictional boundaries of the district, together with all assets, other than cash accounts, and liabilities of the system, as of January 1, 1994, including but not limited to, sewers, easements, manholes, pumping stations, force mains, and real property, shall become the property, personal and real, of the sanitation district.

(b) If funds in a cash account are in escrow or otherwise contractually connected to a certificate of indebtedness related to the sewer and drainage system, the funds shall become the property of the district. If funds in a cash account are derived from a sewer user fee or sanitation bill surcharge, the city may use them to reduce its obligation to the district created by subsection (5)(a) of this section, or the city may return the funds to the citizens. If the funds in a cash account were generated from a general fund source and are not in escrow or otherwise obligated, the city may retain the funds for its own purposes.

(3) Any city within the jurisdictional boundaries of the district may, before September 1, 1994, state by ordinance its intention not to become a part of the district. In this case, the provisions of subsection (2) of this section shall not apply, and the city shall retain ownership and control of and responsibility for its sewer and drainage system. The city shall be solely responsible for compliance with applicable regulations promulgated by the Energy and Environment Cabinet.

(4) Any municipal subdistrict established prior to July 15, 1994, shall be dissolved effective July 1, 1995, and the assets and liabilities of the subdistrict, as of January 1, 1994, shall become the property, personal and real, of the sanitation district, unless the city, no later than September 1, 1994, provides by ordinance that the municipal subdistrict shall revert to the city. If the city provides for the reversion of the subdistrict to the city, the assets and liabilities of the subdistrict shall become the property, personal and real, of the city. The city shall be solely responsible thereafter for compliance with applicable regulations promulgated by the Energy and Environment Cabinet.

(5) (a) When a municipal subdistrict is dissolved pursuant to subsection (4) of this section, or a city sewer and drainage system is transferred pursuant to subsection (2) of this section, and its assets are transferred to the district, the city, or municipal subdistrict, shall pay the district fifty percent (50%) of the cost of necessary repairs to its facilities as identified through the district's sanitary sewer inspection program.

These costs shall be payable upon completion of the repairs identified by the district, and may be paid by lump sum or in installments over a period of time agreeable to the city or the municipal subdistrict and the district.

(b) A city may continue its sewer maintenance surcharge until the accumulated principal plus interest thereon is sufficient to pay the charges levied by the district pursuant to paragraph (a) of this subsection.

(c) Any county that joins the district after July 15, 1994, may levy sewer surcharges or other fees, which shall be added to the customers' district bill for the purpose of enabling the county to pay pre-existing obligations to the district.

(d) For a period of ten (10) years, the district may grant to each city or county a credit for each new residential customer added which shall not exceed three hundred dollars ($300) against the debt created by subsection (5)(a) of this section, or any other contractual liability pre-existing on June 30, 1994. The district may adopt a general policy establishing a credit of a different amount for each new nonresidential customer added.

(6) (a) After July 15, 1994, no new package sewage treatment plant shall be constructed or begin operation within the jurisdictional boundaries of the district unless the district, after review of the plans for construction and operation of the plant, approves the plans.

(b) After January 1, 1995, no privately owned package sewage treatment plant shall operate within the jurisdictional boundaries of the district unless it has been issued a permit by the district or by the Energy and Environment Cabinet.

(c) On or before January 1, 2000, the district shall assume ownership of all publicly owned package sewage treatment plants within its jurisdictional boundaries, including all assets and liabilities as of January 1, 1994, and all property, real and personal.

(d) The district shall plan for, and when economically feasible, transfer the function of sewage treatment from package plants to central treatment facilities.

(7) (a) Effective July 1, 1995, the district shall be responsible for the planning, construction, improvement, operation, and maintenance of all sewer and drainage facilities under its ownership, including combined sewer overflows, and for compliance with all applicable regulations promulgated by the Energy and Environment Cabinet.

(b) The district shall establish uniform rates for its services throughout its jurisdiction, and district rates shall vary only on the basis of consumption.

➔Section 279. KRS 220.536 is amended to read as follows:

(1) When a petition for annexation of territory to a district is filed with the commissioner, he shall investigate at once the boundary of the territory proposed to be annexed, and may, at the cost of the district, cause to be made surveys necessary to establish with reasonable accuracy a boundary that will, in his judgment, accomplish the purpose sought by annexation of the territory in a practicable and workable manner, and that will be sufficiently comprehensive to avoid confusion or interference with any other similar district then existing or that may be created. The boundary established by the commissioner need not follow the boundary proposed by the district.

(2) Should it be found desirable to include in the territory to be annexed by a district all or a portion of a city of the ***home rule*** ~~[second, third, fourth, fifth or sixth]~~ class, the governing body of such city shall determine by ordinance whether the city or portion thereof shall be included in the district, or whether the city shall bind itself to pay the charges for the services of the district furnished in such area.

(3) When the boundaries of the territory proposed to be annexed have been fixed by the commissioner as prescribed in subsection (1) of this section, he shall give notice of the application for annexation of the territory by publication pursuant to KRS Chapter 424.

(4) If a multicounty district proposes to annex the unincorporated territory of another contiguous county, and the fiscal court of the contiguous county expresses by resolution its approval of the annexation, then the commissioner shall accept the boundaries of the proposed annexation.

➔Section 280. KRS 224.43-315 is amended to read as follows:

(1) Each county shall provide a universal collection program by October 1, 2003, for all municipal solid waste generated within the county. Collection programs may include one (1) or more of the following options:

(a) Door-to-door household collection: Collection service may be provided by the county, by contract, or franchise;

(b) Direct haul to staffed convenience centers or staffed transfer facilities within the county: The county may allow residents to haul their waste directly to cabinet-approved staffed convenience centers or staffed transfer facilities within the county. The number of convenience centers and transfer facilities shall be adequate to assure reasonable convenience; and

(c) Other alternatives proposed by counties: Counties may propose other alternatives including subscription service and unstaffed convenience centers, and the cabinet shall approve same as long as the county can demonstrate that all of its citizens are being given access to the solid waste collection system which is proposed.

(2) Beginning October 1, 2003, all persons providing collection service, including collection for the purpose of recycling, shall register annually with the counties in which they provide the service.

(3) Beginning March 1, 2004, all persons providing collection service, including collection for the purpose of recycling, shall report annually to the counties in which they provide the service. The reports shall include:

(a) The number of households, businesses, and industries from which municipal solid waste was being collected on October 1 of the previous year;

(b) The amount of municipal solid waste collected for disposal during the previous calendar year;

(c) The amount of municipal solid waste collected for recycling, by volume, weight, or number of items during the previous calendar year; and

(d) The types of items collected for recycling.

(4) The county shall submit an annual report to the cabinet and to any waste management district of which it is a member detailing its solid waste collection activities in accordance with this section and any requirements established by the cabinet by administrative regulation.

(5) The county may enter into agreements with any person for the performance of the responsibilities described in this section, including cities within its geographic boundaries, but the county shall be responsible for providing the universal collection program described in this section, except***;***

(a) Any ***designated*** city~~[of the first or second class]~~ having sole responsibility for developing its portion of the solid waste plan shall be responsible for providing the universal collection within its jurisdiction***; or***

(b) ~~[, and except]~~Any city contracting for the collection of its solid waste on February 26, 1991, may continue to contract for the collection of its solid waste if the contract provides for disposal in accordance with the area solid waste management plan.

(6) If a county or city fails to comply with the provisions of this section, the Commonwealth shall not endorse projects that generate solid waste under the Kentucky intergovernmental review process for the county or city.

(7) A commercial or industrial entity which transports or contracts for the transport of the municipal solid waste it generates or which operates an industrial solid waste management facility for its exclusive use may be excluded from participation in the universal collection program, if the commercial or industrial entity demonstrates to the county that the solid waste generated is disposed of in accordance with applicable statutes and administrative regulations.

(8) (a) As used in this section, "designated city" means a city of the first class or a city on the registry maintained by the Department for Local Government under paragraph (b) of this subsection.

(b) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the second class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 281. KRS 224.43-340 is amended to read as follows:

(1) The cabinet shall promulgate administrative regulations pursuant to KRS Chapter 224 for the reduction and management of solid waste, consistent with the statewide solid waste reduction and management plan, the goals established by KRS 224.43-010, and the provisions of KRS Chapter 109.

(2) Waste management districts, counties, or any combination thereof, shall confer and determine which shall submit to the cabinet a solid waste management plan. The plan shall address municipal solid waste management needs for the area. Each county shall be responsible for implementing the plan, except that any city ***that develops***~~[of the first or second class having sole responsibility for developing]~~ the portion of the area plan applicable to its jurisdiction ***under Section 280 of this Act*** shall be responsible for implementing the portion of the plan prepared by the city. However, if a county participates in a regional solid waste management area, then the governing body of the solid waste management area shall be responsible for implementing those components of the plan it is assuming on behalf of the county. However, the cabinet shall not disapprove a solid waste management plan for a single county if the plan complies with the requirements of KRS Chapter 224 and administrative regulations adopted by the cabinet. Plans shall be updated once every five (5) years. Plans may be amended and such amendments shall be submitted to the cabinet for review and approval. The review and approval of the cabinet shall be limited to a determination of whether the proposed amendments are in conformity with KRS 224.43-345 and the statewide solid waste reduction and management plan and KRS Chapter 224 and administrative regulations adopted by the cabinet.

(3) A county may delegate responsibility for preparing all or portions of the plan to one (1) or more cities within the county. Such delegation of responsibility shall be made only with the mutual agreement of the city and county. Each city and county shall be included in a solid waste management plan.

(4) ***Cities authorized under Section 280 of this Act***~~[Any city of the first or second class]~~ shall have the sole responsibility for developing and preparing the portion of the solid waste management plan applicable to the jurisdiction of the city, unless the city elects to have the county prepare the plan. If the city prepares the solid waste management plan for its jurisdiction, the city plan shall be incorporated within the area plan prior to its submission to the cabinet. The plan developed by the city, to the extent practicable, shall be reasonably consistent with the plan developed by the county. The cabinet, as a part of the area plan approval process, shall determine whether the city portion of the area plan is reasonably consistent with the overall area plan so as to effectuate the purposes of this chapter.

(5) Cities, other than ***those authorized under Section 280 of this Act***~~[of the first or second class]~~, operating solid waste management facilities or services, or who contracted with a person to provide such services on or before July 13, 1984, and pay a pro rata share of the cost of plan development may assume joint responsibility with a county for plan development. Where joint responsibility for plan development is assumed, both the county fiscal court and city legislative body must adopt the plan before it is submitted to the cabinet for approval.

(6) Counties, waste management districts, or any combination thereof preparing the solid waste management plan shall apply for and be designated as a solid waste management area. The application shall be submitted by June 1, 1991. The application shall include but not be limited to:

(a) A brief description of existing disposal capacity and of the capability of the proposed area to effectively manage solid waste;

(b) Resolution of the fiscal courts of all counties in the proposed area approving the application for designation;

(c) Resolution of those city legislative bodies in the proposed area that are currently operating solid waste management facilities or services and will participate in and provide financial assistance in plan development;

(d) Any agreement or contract necessary to establish the proposed area; and

(e) Resolution of the boards of any existing waste management districts located within the proposed area approving the application for designation.

(7) The jurisdiction of the solid waste management area shall be limited to the geographical area established or designated by the cabinet in accordance with the provisions of this chapter unless the preparer submits justification for any deviation therefrom acceptable to the cabinet.

(8) Upon receipt of such application, the cabinet shall, within thirty (30) days either approve the creation of a proposed solid waste management area or shall disapprove such application, and in the event of disapproval shall state in writing the reasons for such disapproval. Any changes in the application contents shall be submitted to the cabinet.

(9) Solid waste management areas shall be designated for five (5) year periods. At the end of five (5) years, the plan shall be updated and reapproved by the cabinet.

(10) If the cabinet does not receive on behalf of a county a solid waste management plan and the application for a solid waste management area in which the county will participate required by this section and KRS 224.43-345, the cabinet may develop a solid waste management plan for that county or may place that county in a designated solid waste management area.

(11) If the solid waste management plan for a county is not implemented, the Commonwealth shall not endorse projects that generate solid waste under the Kentucky intergovernmental review process for that county.

(12) The governing body of a solid waste management area may employ an enforcement representative to ensure compliance with applicable regulations of the cabinet relating to construction and operation of municipal solid waste management facilities. The enforcement representative shall possess at least minimum qualifications required of representatives of the cabinet performing similar functions.

➔Section 282. KRS 227.410 is amended to read as follows:

(1) As used in this section:

(a) "Gas-fired heating device" means a gas burning appliance of either a gravity or mechanical circulation type, designed for the heating of air or of water in an enclosed structure;

(b) "Gas-fired room heating device of the unventable type" means a self-contained, free standing, air heating, gas-fired appliance, designed as a space heater for an enclosed structure; and

(c) "Enclosed structure" includes a room used for public assembly, educational, instructional, mercantile, office, or residential purposes (including manufactured homes, mobile homes, travel trailers, and houseboats).

(2) No person, firm, or corporation shall sell at retail or wholesale, or offer or expose for sale at retail or wholesale any gas-fired room heating device of the unventable type, or other type which has not been approved as provided in KRS 234.175, except unvented heaters that are built and sold solely for the curing of tobacco, which if sold or used by any person for any other purpose shall subject him or her to the penalty set forth in KRS 227.991.

(3) No person, firm, or corporation shall install in any room or enclosed structure any gas-fired room heating device of the unventable type or other type which has not been approved as provided in KRS 234.175.

(4) No person, firm, or corporation may install any gas-fired heating device of the ventable type for use in any room or enclosed structure unless said device is vented in accordance with the provisions of the standards of safety of the Department of Housing, Buildings and Construction.

(5) No person, firm, or corporation who may own a gas-fired heating device of the unventable type or a gas-fired heating device of the ventable type, which has not been approved as provided in KRS 234.175, or which does not conform to the provisions of the standards of safety of the department (all of which heating devices are referred to as "proscribed heaters" in this subsection and subsection (6) of this section), or who may occupy an enclosed structure in which such a proscribed heater is installed, shall continue to use or operate said proscribed heater after receipt of a written order described in subsection (6) of this section, and before the conditions contained in said order are met.

(6) Cities ***with populations equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census or urban-county governments***~~[of the first or second class]~~ may under ordinance duly enacted appoint inspectors or officers who have power to issue written orders directing owners of heaters or occupants of structures in which heaters are installed, to discontinue the use or operation of a proscribed heater and to specify conditions which must be met before said proscribed heater may again be used or operated. Said order may be issued if said authorized person has actual knowledge of the existence of a proscribed heater, and, in the opinion of said authorized person, the continued use or operation of said proscribed heater would constitute a danger to life or health; provided however, no person, agency, firm, or corporation (other than the owner, user, seller, or installer of a proscribed heater) shall be liable for civil damages for his or her or its failure to recognize a proscribed heater, for failure to issue the order described in this subsection, for complying with said order, for assisting with the compliance therewith, or for allowing the continued use or operation of a proscribed heater prior to receipt of said order.

(7) This section shall not apply to liquefied petroleum gas heaters subject to the jurisdiction of the department under KRS Chapter 234, except those liquefied petroleum gas heaters sold or installed for residential usage.

➔Section 283. KRS 238.555 is amended to read as follows:

(1) No person shall operate a charitable gaming facility unless the person is licensed under the provisions of this chapter. The department shall charge a license fee not to exceed two thousand five hundred dollars ($2,500). Specific license fees to be charged shall be prescribed in a graduated scale promulgated by administrative regulation and based on the number of sessions which the facility holds per week or other applicable factors or combination of factors. Charitable gaming may be conducted in a charitable gaming facility only by a licensed charitable organization in accordance with the provisions of this chapter.

(2) In the application process, an applicant for a charitable gaming facility license shall submit the following information:

(a) The address of the facility;

(b) A description of the facility to include square footage of the gaming area, capacity levels, and available parking;

(c) The names, addresses, dates of birth, and Social Security numbers of all individuals employed by or contracted with the applicant to manage the facility or provide other authorized services;

(d) The name, address, date of birth, and Social Security number of any individual who has a ten percent (10%) or greater financial interest in the facility;

(e) A copy of the lease agreement used by the applicant; and

(f) Any other information the department deems appropriate.

(3) No owner, officer, employee, or contractee of a licensed charitable gaming facility or an affiliate, or any member of the immediate family of any officer, employee, or contractee of a licensed charitable gaming facility or an affiliate shall, concerning a lessee:

(a) Manage or otherwise be involved in the conduct of charitable gaming;

(b) Provide bookkeeping or other accounting services related to the conduct of charitable gaming;

(c) Handle any moneys generated in the conduct of charitable gaming;

(d) Advise a licensed charitable organization on the expenditure of net receipts;

(e) Provide transportation services in any manner to patrons of a charitable gaming activity;

(f) Provide advertisement or marketing services in any manner to a licensed charitable organization;

(g) Provide, coordinate, or solicit the services of personnel or volunteers in any manner;

(h) Influence or require a licensed charitable organization to use a certain distributor or any particular gaming supplies; or

(i) Donate or give any prize to be awarded in the conduct of charitable gaming.

(4) A licensed charitable gaming facility shall execute a lease agreement with each licensed charitable organization that desires to conduct charitable gaming at the facility. The licensed charitable gaming facility shall agree in the lease to provide gaming space, utilities, insurance for the premises, parking, tables and chairs, and other nongaming equipment necessary for the conduct of charitable gaming, adequate storage space, security, and janitorial services. The costs of the goods and services provided shall be itemized in the lease. A licensed charitable organization may elect to provide for itself any of the goods and services that a charitable gaming facility is required to provide under this subsection, provided these arrangements are clearly noted in the lease agreement, and provided the total compensation to be paid the charitable gaming facility is reduced commensurate with the cost of the goods and services as itemized in the lease. The amount of rent, goods, and services charged shall be reasonable and shall be based on prevailing market values in the general locality for the goods and services to be provided. Rent shall not be based in whole or in part, on a percentage of gross receipts or net proceeds derived from the conduct of charitable gaming or by reference to the number of people in attendance. The department by administrative regulation may establish standards for the determination of prevailing market values. A copy of each signed lease agreement shall be filed with the department. The provisions of this subsection shall apply to any lease agreement for a facility where charitable gaming is to be conducted, whether or not it is with a licensed charitable gaming facility.

(5) The number of bingo sessions conducted at a charitable gaming facility shall be limited to the following:

(a) No more than eighteen (18) sessions per week if the charitable gaming facility is located in ***one (1) of the following:***

1. A city containing a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census;

2. An urban-county government;

3. A consolidated local government;

4. A charter county government; or

5. A county containing a city of the first class or a city containing a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census

~~[a city of the first class, in a city of the second class, in an urban-county, in a consolidated local government, or charter county government, or in a county containing a city of the first class or second class]~~;

(b) No more than eight (8) sessions per week if the charitable gaming facility is located in a city ***other than those listed in paragraph (a) of this subsection***~~[of the third class, fourth class, fifth class, or sixth class]~~, or in a county that does not contain a city ***that is listed in paragraph (a) of this subsection***~~[of the first class or second class]~~.

(6) A licensed charitable gaming facility shall report at least quarterly to the department and shall provide any information concerning its operation that the department may require.

(7) A charity fundraising event at which special limited charitable games are played may be conducted at a licensed charitable gaming facility, but no licensed charitable gaming facility shall be permitted to hold more than one (1) such event per week or more than seven (7) per year.

(8) A licensed charitable gaming facility shall conspicuously display a sign bearing the name and the license number of the charitable organization that is conducting charitable gaming activities in the facility.

(9) The license to operate the charitable gaming facility shall be prominently displayed on or in the premises where charitable gaming activity is being conducted, in a conspicuous location that is readily accessible to gaming patrons as well as employees of the department, law enforcement officials, and other interested officials.

➔Section 284. KRS 281.014 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) (a) ***1.*** The term "city taxicab certificate" or "city limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to the corporate limits of a city of the first ***class, a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census,***~~[or second class or]~~ an urban-county ***government***~~[area]~~ and the city's suburban area, or the corporate limits of any city and its suburban area located in a county which contains a city of the first ***class, a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census,***~~[or second class]~~ or an urban-county ***government***~~[area]~~, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of such transportation***.***

2. A city not meeting the population requirements of subsection (1)(a)1. of this section that was classified as a city of the second class on January 1, 2014, under the city classification system in effect prior to January 1, 2015, shall be treated as if it meets the population criteria of subsection 1(a)1. of this section;

(b) The term "county taxicab certificate" or "county limousine certificate" means a certificate granting authority only for the operation of a given number of motor vehicles transporting passengers for hire, the principal operation of which is confined to a specific county which does not contain a city ***meeting the qualifications of paragraph (a) of this subsection***~~[of the first or second class and is not an urban-county area]~~, and not operating over any regular route, and the destination of which motor vehicles are designated by the passengers at the time of the transportation;

(c) A "taxicab" means a motor vehicle operated under one (1) or more taxicab certificates, and is a vehicle designed or constructed to transport not more than fifteen (15) passengers exclusive of the driver;

(d) A "limousine" means a luxury motor vehicle passenger car which has either a standard or an extended wheelbase. The vehicle may have additional rear seating capacity, area, and comforts, but shall be designed or constructed to transport not more than fifteen (15) passengers plus the driver;

(e) The term "taxicab license" means a license plate issued to a taxicab authorized to operate under a taxicab certificate;

(f) The term "limousine license" means a license plate issued to a limousine authorized to operate under a limousine certificate;

(2) (a) An "airport shuttle certificate" means a certificate granting authority only for the operation of motor vehicles exclusively transporting passengers or baggage for hire over regular routes between points within a city or its suburban area and an airport;

(b) An "airport shuttle vehicle" means a motor vehicle operated under one (1) or more airport shuttle certificates and which is designed or constructed to transport not more than fifteen (15) passengers plus the driver;

(c) The term "airport shuttle vehicle license" means a license plate issued for a motor vehicle authorizing its operation under one (1) or more airport shuttle certificates;

(3) The term "U-Drive-It" means any person who leases or rents a motor vehicle for a consideration to be used for the transportation of persons or property, but for which no driver is furnished, and the use of which motor vehicle is not for the transportation of persons or property for hire by the lessee or rentee;

(4) The term "driveaway" means the transporting and delivering of motor vehicles, except semitrailers, and trailers, whether destined to be used in either a private or for-hire capacity, under their own power or by means of a full mount method, saddle mount method, the tow bar method, or any combination of them over the highways of this state from any point of origin to any point of destination for-hire. The transportation of such vehicles by the full mount method on trailers or semitrailers shall not be included in the term;

(5) (a) "Disabled persons vehicle" means a motor vehicle especially equipped and used for the transportation of persons with disabilities and which is in compliance with the accessibility specifications of 49 C.F.R. Part 38, but it shall be designed and constructed to transport not more than fifteen (15) passengers plus the driver. It shall not mean an ambulance as defined in KRS 311A.010. It shall not mean a motor vehicle equipped with a stretcher;

(b) "Disabled persons carrier" means an irregular route common carrier for hire, transporting the general public who require transportation in disabled persons vehicles;

(c) "Disabled persons certificate" means a certificate that grants authority only for the operation of a given number of disabled persons vehicles for hire, the principal operation of which is confined to a specific county;

(6) "Human service transportation delivery" means the provision of transportation services to any person that is an eligible recipient in one (1) of the following state programs:

(a) Nonemergency medical transportation under KRS Chapter 205;

(b) Mental health, intellectual disabilities, or comprehensive care under KRS Chapter 202A, 202B, 210, or 645;

(c) Kentucky Works Program under KRS Chapter 194 or 205;

(d) Aging services under KRS Chapter 205, 209, 216, or 273;

(e) Vocational rehabilitation under KRS 151B or 157; or

(f) Blind industries or rehabilitation under KRS Chapter 151B or 163;

(7) "Delivery area" means one (1) or more regions established by the cabinet in administrative regulations promulgated under KRS Chapter 13A for the purpose of providing human service transportation delivery in that region;

(8) "Broker" means a person selected by the cabinet through a request for proposal process to coordinate human service transportation delivery within a specific delivery area. A broker may also provide transportation services within the specific delivery area for which the broker is under contract with the cabinet;

(9) "Subcontractor" means a person who has signed a contract with a broker to provide human service transportation delivery within a specific delivery area and who meets human service transportation delivery requirements, including proper operating authority; and

(10) "CTAC" means the Coordinated Transportation Advisory Committee created under KRS 281.870.

➔Section 285. KRS 281.635 is amended to read as follows:

Notwithstanding anything contained in this chapter:

(1) All cities of the Commonwealth are vested with the power to sell franchises or, where no franchise is sold, grant authorizations for the operation of city buses over their streets and highways; provided, however, no person shall apply for or obtain any such franchise or authorization from any city without a prior finding by the Department of Vehicle Regulation, after a hearing, conducted pursuant to KRS 281.625, that there is a demand and necessity for the service sought to be rendered, which finding shall be valid and effective for a period of one (1) year from and after the date thereof, exclusive of any delay due to the order of any court. Upon certification by the department to a city that there is a demand and necessity for the service sought to be rendered, any city may award any duly qualified person a franchise or authorization covering the proposed operation. Upon acquiring a franchise or authorization, the holder thereof shall apply to the Department of Vehicle Regulation for a city bus certificate which shall be issued to the holder of the franchise or authorization without a hearing. The governing body of any city~~[of the first five (5) classes]~~ which does not have a city bus service may determine that there is a demand and necessity for a city bus service, and may thereafter apply to the Department of Vehicle Regulation for a city bus certificate to be operated by the city which may be issued without a hearing, if the department determines that it will be in the public interest. Unless a certificate is exercised within one (1) year from the grant thereof, exclusive of any delay due to the order of any court, the authority conferred by the issuance of the certificate of convenience and necessity shall be void.

(2) The applicant for a certificate or renewal of a certificate to operate a city bus shall at the time of application file with the department a map or maps showing the route or routes and territory proposed to be served, together with a time schedule, and shall thereafter, during the license year, file only those additional maps or time schedules that the commissioner may require.

(3) The governing body of any city~~[of the first four (4) classes]~~ in the Commonwealth in which city buses operate shall have supervisory and regulatory power over city buses, while operating in the city, and shall have authority to enforce all ordinances or regulations pertaining to routes, services, time schedules, and operation of the city buses and the drivers thereof, but any interested party may appeal to the department from any action, finding, or order of any city within thirty (30) days after the entry of the action, finding, or order, and a hearing shall be held before the department in the same manner as other hearings are held as provided for in this chapter; however, any action, finding, or order of any city shall be sustained if there is substantial evidence or reason to support it; otherwise the department shall make the orders as it deems necessary and proper. However, where a carrier's entire operation is confined to intracity transportation within the corporate limits of a single city, there shall be no appeal to the department from the actions, findings, or orders of the city. Provided further, that where any city bus is subject to the regulatory powers of more than one (1) city and the regulations are in conflict or such as to impede the transportation facilities serving the cities, or the carrier is failing to furnish safe, adequate and convenient service to the public, the department may, upon complaint or on its own initiative, call a hearing and enter orders as are necessary and proper.

(4) The governing body of any city~~[of the first five (5) classes]~~ in the Commonwealth in which taxicabs operate shall have supervisory and regulatory power over taxicabs certificated to operate in the city, and while operating in the city, and shall have authority to enforce all ordinances or regulations pertaining to the number and operation of taxicabs, but any interested party may appeal to the department from any action, finding, or order of any city within thirty (30) days after the entry of the action, finding, or order, and a hearing shall be held before the department in the same manner as other hearings are held as provided for in this chapter; however, any action, finding, or order of any city shall be sustained if there is substantial evidence or reason to support it; otherwise, the department shall make any orders that it deems necessary and proper. However, where a carrier's entire operation is confined to intracity transportation within the corporate limits of a single city, there shall be no appeal to the department from the actions, findings, or orders of the city.

(5) The governing body of any city~~[of the first five (5) classes]~~ in the Commonwealth is hereby vested with the exclusive power to prescribe the qualifications with respect to the health, vision, sobriety, intelligence, ability, moral character, and experience of the drivers of taxicabs certificated to operate in the city, and while

operating in the city, and may issue permits for qualified drivers. However, any taxicab driver must also possess a Kentucky operator's license.

(6) Until any city of the Commonwealth enacts ordinances or prescribes rules and regulations as may be reasonably necessary to exercise the prior powers delegated in this section to the cities respecting the supervision and regulation of city buses, taxicabs, and taxicab drivers, the department shall possess the powers and may promulgate administrative regulations reasonably necessary to supervise and control city buses, taxicabs, and taxicab drivers, having regard for the public safety and the public need for service.

(7) If any city fails to exercise any of the authority granted it in this section, the authority shall be vested in the department.

(8) The department may, under the provisions of this chapter, originate, establish, change, promulgate, and enforce any rate that has or may be fixed by any contract, franchise, or agreement between the holder of any city bus certificate and any city, and all rights and obligations arising out of any contract regulating any rate shall be subject to the jurisdiction and supervision of the department, but no rate shall be changed nor any contract, franchise, or agreement affecting it be abrogated or changed until a hearing has been conducted.

(9) The governing body of a city shall not have authority over a motor vehicle that is being operated as a human service transportation delivery vehicle under a contract with the Transportation Cabinet in accordance with KRS 96A.095(4).

➔Section 286. KRS 281.6602 is amended to read as follows:

(1) Any person or his predecessor in interest engaged as of July 1, 1996, in the transportation of persons pursuant to a valid taxicab or limousine certificate issued by the department, authorizing this activity in an area ***not meeting the requirements of subsection (1)(a) of Section 284 of this Act***~~[which is not located in a county containing a city of the first or second class or an urban-county]~~, shall be issued a county taxicab certificate or county limousine certificate to authorize a continuation of the same operation, except the origin of the taxi or limousine trip may be anywhere in the authorized county rather than restricted to the city and its suburban area.

(2) A certificate as of July 1, 1996, authorizing the transportation of persons pursuant to a valid taxicab or limousine certificate within or from an area which is located in a county ***meeting the requirements of subsection (1)(a) of Section 284 of this Act***~~[containing a city of the first or second class or an urban-county]~~, shall not be changed as a result of KRS 281.6185 and this section.

➔Section 287. KRS 286.7-430 is amended to read as follows:

(1) The capital stock of any such industrial loan corporation shall not be less than one hundred thousand dollars ($100,000) if located in counties containing a city of the first ***class or a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[or second class]~~, or not less than fifty thousand dollars ($50,000) if located in any other county. The amount of the capital stock shall be paid in full, and in money, before the corporation may transact any business other than that relating to its formation and organization.

(2) At the time an industrial loan corporation applies for a certificate it shall file with the commissioner a statement verified by its president and secretary showing its assets and liabilities, and the address at which it proposes to operate its business. A separate certificate shall be required for each place of business.

(3) Each industrial loan corporation at the time of making application shall pay sixty dollars ($60) to the commissioner as a fee for investigating the application, and the additional sum of three hundred dollars ($300) as an annual fee for the privilege of doing business for the period terminating on the succeeding January 15. If the application is filed after June 30 in any year, the payments shall be one hundred and fifty dollars ($150) as a fee for the privilege of doing business in addition to the fee for investigation. The annual fee shall be paid for each place of business. In addition to the annual fee for the privilege of doing business, every corporation organized under the provisions of KRS 286.7-410 to 286.7-600 shall pay a fee for examinations by the Department of Financial Institutions, which fee shall be computed by the Department of Financial Institutions on the basis of fair compensation for time and actual expenses.

➔Section 288. KRS 241.160 is amended to read as follows:

(1) The legislative body of any ***wet or moist*** city ***with a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census***~~[of the first, second, third, or fourth class]~~ or a consolidated local government~~[in which traffic in alcoholic beverages is not forbidden by KRS Chapter 242]~~

shall by ordinance create the office of city alcoholic beverage control administrator, or shall assign the duties of this office to a presently established city office.

(2) Except as provided in subsection (1)(b) of Section 289 of this Act, the legislative body of any wet or moist city with a population of less than three thousand (3,000) based on the most recent federal decennial census may, by ordinance, create the office of city alcoholic beverage control administrator or shall assign the duties of the office to a presently established office.

➔Section 289. KRS 241.170 is amended to read as follows:

(1) ***(a)*** The city administrator in each city of the first class or the administrator in a consolidated local government, and such investigators and clerks as are deemed necessary for the proper conduct of his office, shall be appointed by the mayor. The city administrator in each city of the first class or the administrator in a county containing a consolidated local government, and his investigators, shall have full police powers of peace officers, and their jurisdiction shall be coextensive with boundaries of the city of the first class or the boundaries of the county in a county containing a consolidated local government. They may inspect any premises where alcoholic beverages are manufactured, sold, stored, or otherwise trafficked in, without first obtaining a search warrant.

(b) Only those cities with a population equal to or greater than three thousand (3,000) or more based upon the most recent federal decennial census, or those cities with a population of less than three thousand (3,000) based upon the most recent federal decennial census that had appointed an administrator prior to August 1, 2014, that are located~~[If any city of the second, third, or fourth class]~~ in a county containing a consolidated local government ***are authorized to appoint an administrator. If a city authorized under this paragraph*** appoints its own administrator under ***this paragraph and*** KRS 241.160, the administrator of a consolidated local government in that county shall have jurisdiction over only that portion of the county which lies outside the corporate limits of such a city, unless the department determines that the city does not have an adequate police force of its own or pursuant to KRS 70.150, 70.160, 70.170, and 70.540.

(2) The city administrator in each city***, other than a consolidated local government,***~~[of the second, third, or fourth class]~~ shall be appointed by the city manager if there is one. If there is no city manager, the city administrator shall be appointed by the mayor.

(3) No person shall be an administrator, an investigator, or an employee of the city or a consolidated local government under the supervision of the administrator, who would be disqualified to be a member of the board under KRS 241.100.

➔Section 290. KRS 242.1238 is amended to read as follows:

(1) Other provisions of the Kentucky Revised Statutes notwithstanding,~~[in a county containing a city of the third or fourth class,]~~ a limited sale precinct election may be held in any precinct containing a horse racetrack. The election shall be conducted in the same manner as provided for in KRS 242.1292. Upon approval of the proposition, a Nonquota type 1 retail drink license may be issued in accordance with KRS 243.265. Nothing in this section shall be construed as authorizing the issuance of any alcoholic beverage licenses other than for the premises of a horse racetrack pursuant to KRS 243.260.

(2) A petition seeking a local option election under this section shall state "We the undersigned registered voters hereby petition for an election on the following question: 'Are you in favor of the sale of alcoholic beverages in (official name of the horse racetrack located in the designated precinct)?'".

➔Section 291. KRS 242.125 is amended to read as follows:

(1) As used in this section, "city" or "cities" means a city or cities ***containing a population equal to or greater than three thousand (3,000) based upon the most recent federal decennial census***~~[of the first four (4) classes]~~.

(2) A city shall not be deemed to be the "same territory" as that of a county within the meaning of KRS 242.030(5). A city shall have the right to determine its wet or dry status separate from a county's wet or dry status.

(3) A dry or moist city may hold a local option election to take the sense of the city residents for establishing the city as a wet territory. If the majority of the votes are in favor of establishing the city as a wet territory, the whole city shall become wet territory by application of KRS 242.200.

(4) Once a city votes under this section to become wet territory separate from the county, a countywide local option election establishing the county as dry or moist territory shall not cause the city to become dry or moist territory.

(5) A wet city may hold a local option election to take the sense of the city residents for establishing the city as a dry or moist territory. If the majority of the votes are in favor of establishing the city as a dry or moist territory, the whole city shall become dry or moist territory by application of KRS 242.190.

(6) If a city votes to become wet territory, a precinct of the city may hold a later election in conformity with this chapter to take the sense of the city precinct residents for establishing the city precinct as a dry or moist territory. If the majority of the votes are in favor of establishing the city precinct as a dry or moist territory, the city precinct shall become dry or moist territory by application of KRS 242.190.

(7) If a city precinct becomes dry or moist territory separate from a wet city, the city precinct may hold a later election in conformity with this chapter, to take the sense of the city precinct residents for reestablishing the city precinct as a wet territory. If the majority of the votes are in favor of reestablishing the city precinct as a wet territory, the city precinct shall become wet territory by application of KRS 242.200.

(8) A dry or moist county containing a wet city may hold a local option election to take the sense of the county residents for establishing the county as a wet territory. If the majority of the votes are in favor of establishing the county as a wet territory, the whole county shall become wet territory by application of KRS 242.200.

(9) A wet county containing a wet city by separate city election under this section may hold a local option election to take the sense of the county residents for establishing the county as a dry or moist territory. If the majority of the votes are in favor of establishing the county as a dry or moist territory, the county territory outside the wet city limits shall become dry or moist territory by application of KRS 242.190.

(10) Residents of any city, including a separately wet city, are residents of the county, and shall therefore be permitted to sign any petitions for, and vote in, county local option elections under this section.

(11) A petition seeking a local option election under this section shall state "We the undersigned registered voters hereby petition for an election on the following question: 'Are you in favor of the sale of alcoholic beverages in (name of county, city, or precinct)?'".

(12) In any local option election under this section, the proposition to be voted upon shall state "Are you in favor of the sale of alcoholic beverages in (name of county, city, or city precinct)?".

(13) The status of any moist territory approving limited alcoholic beverage sales through a previous election held under KRS 242.123, 242.124, 242.1242, and 242.1244, or any other limited local option election, shall not be affected by any outcome of any election held under this section. A territory's moist status may only be changed by a local option election on the original same moist election proposition.

(14) Any city that does not meet the population requirements of subsection (1) of this section that held a separate city-wide election pursuant to subsections (1) to (4) of this section prior to January 1, 2015, shall maintain its wet status and shall be treated as a city as defined in this section for the purposes of subsections (5) to (13) of this section.

➔Section 292. KRS 242.126 is amended to read as follows:

(1) The adoption of urban-county government by a county~~[containing a city or cities of the first four (4) classes]~~ when the local option status of the county is different from any of the cities contained therein shall not affect the local option status of the county or any of the cities~~[of the first four (4) classes]~~ contained therein. The territorial boundaries in ***the***~~[any]~~ county~~[containing a city of the first four (4) classes]~~ shall survive the adoption of urban-county government for purposes of an election pursuant to KRS 242.125. The adoption of urban-county government shall not impede or affect the right of a county or city~~[of the first four (4) classes]~~ contained therein to determine its own local option status.

(2) No part of this section shall apply to any urban-county government established prior to July 13, 1990.

➔Section 293. KRS 242.127 is amended to read as follows:

(1) In any wet city ***with a population equal to or greater than three thousand (3,000) but less than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the fourth class]~~, an election may be held in the manner prescribed in this chapter to take the sense of the people of the city as to the sale of distilled spirits or wine by the drink for consumption on the premises in the city.

(2) An election held pursuant to this section shall be city-wide.

(3) The sale of distilled spirits or wine by the drink shall continue as authorized in this section in any city that does not meet the population requirements contained in this section that held an election pursuant to this section and KRS 242.129 prior to January 1, 2015.

➔Section 294. KRS 242.1292 is amended to read as follows:

(1) The provisions of this section shall be applicable ***only*** in any city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[of the second class]~~ notwithstanding any other provisions of this chapter relating to the wet or moist status in any county, city, or territory which may be to the contrary.

(2) In any city ***meeting the population requirements of subsection (1) of this section***~~[of the second class]~~ that is dry or moist in all or part of the city, and upon a determination that an economic hardship exists in one (1) or more of the voting precincts of the city in the manner prescribed in subsection (11) of this section, the governing body of the city shall by ordinance designate the precinct or precincts as a limited sale precinct or precincts and shall provide for an election to be held in the precinct or precincts to take the sense of the people of each precinct as to making that precinct wet territory. A petition seeking a local option election under this section shall state "We the undersigned registered voters hereby petition for an election on the following question: 'Are you in favor of the sale of alcoholic beverages in (official name of precinct)?'".

(3) The election shall be held in the precinct or precincts in the manner prescribed in this chapter. The election shall not be deemed to be an election in the "same territory" within the meaning of subsection (5) of KRS 242.030.

(4) The question shall be presented to the voters in conformance with the requirements of KRS 242.050 except that the form of the proposition shall be, "Are you in favor of the sale of alcoholic beverages in (official name and designation of precinct)?".

(5) If a majority of the votes cast in any limited sale precinct in which an election is held under this section are in favor of the sale of alcoholic beverages in that precinct, the governing body of the city shall by ordinance create or provide for the office of city alcoholic beverage control administrator.

(6) The governing body of the city shall adopt the comprehensive regulatory ordinance covering the licensing and operation of establishments for the sale of alcoholic beverages, including, but not limited to, distilled spirits and malt beverages, within a limited sale precinct as set forth in this section. In relation to the ordinances established by a city ***meeting the population requirements of subsection (1) of this section***~~[of the second class]~~ under this subsection and subsection (7) of this section, review by the board, if any, shall be limited to a determination that the ordinances do not exceed the limits established for sale by statute, or administrative regulations promulgated by the board under those statutes. In its discretion the governing body shall provide without review by the board that:

(a) Only three (3) licenses permitting the package sale at retail of alcoholic beverages shall be granted within the territorial limits of any limited sale precinct.

(b) Only four (4) licenses to sell alcoholic beverages by the drink for consumption on the premises by the general public shall be granted in any one (1) limited sale precinct. One (1) license in each limited sale precinct may be reserved for any newly established hotel, motel, or inn containing not less than fifty (50) sleeping units and having dining facilities for not less than one hundred (100) persons. The remaining three (3) licenses may be granted to a hotel, motel, or inn meeting the aforestated requirements or to bona fide restaurants open to the general public having dining facilities for not less than one hundred (100) persons. Additional licenses to sell alcoholic beverages by the drink for consumption on the premises may be granted to social membership clubs established and maintained for the benefit of members of bona fide fraternal or veterans organizations.

(7) The governing body of the city may also incorporate in the regulatory ordinance any other reasonable rules and regulations as it deems, necessary or desirable for the proper administration and enforcement of this section, for the maintenance of public order in a limited sale precinct, and for the issuance of any licenses permitted by KRS 243.070.

(8) Notwithstanding any limitations imposed on the city's taxing or licensing power by KRS 243.070, once any limited sale precinct has been established as wet territory, the governing body of the city may impose a regulatory license fee upon the gross receipts of each establishment located therein and licensed to sell alcoholic beverages. The regulatory license fee may be levied at the beginning of each city budget period at

the percentage rate as shall be reasonably estimated to fully reimburse the city for the estimated costs of any additional policing, regulatory, or administrative expenses related to the sale of alcoholic beverages in the city. The regulatory license fee shall be in addition to any other taxes, fees, or licenses permitted by law, but a credit against the fee shall be allowed in an amount equal to any licenses or fees imposed by the city pursuant to KRS 243.070.

(9) Subject to the limitation imposed by subsection (3) of this section, no provision contained in this section providing for the establishment of a limited sale precinct shall preclude or abridge the right of the constitutionally qualified voters of the precinct to petition for a subsequent election on the same question.

(10) If an election is held pursuant to other provisions of KRS Chapter 242 in the city or the county in which a limited sale precinct is located for the purpose of taking the sense of the voters upon the question of the entire city or the entire county becoming dry, wet, or moist, the status of that question in a limited sale precinct shall be determined in the following manner:

(a) The status of a limited sale precinct shall not be affected by any election for the entire city or the entire county if the limited sale precinct was established less than five (5) years prior to the date of the proposed election for the entire city or the entire county and if so the voters of any limited sale precinct shall not vote in the election.

(b) If the limited sale precinct was established more than five (5) years prior to the date of the proposed election for the entire city or the entire county, the voters within each limited sale precinct shall be presented with the question, "Are you in favor of continuing the sale of alcoholic beverages in (official name and designation of precinct) as a limited sale precinct?". No other question shall be presented to the voters of any limited sale precinct.

(c) The votes of each limited sale precinct shall be counted separately, and, if a majority of the votes cast in the limited sale precinct are in favor of continuing the sale of alcoholic beverages therein as a limited sale precinct, then the status shall continue within the precinct, except that if the city or the county in which the limited sale precinct is located votes wet in the remainder of the city or the county, the limited sale precinct status of any precinct may be terminated by the governing body of the city or the county and thereafter the status of the precinct shall be the same as that in effect for the remainder of the city or the county.

(11) Any precinct located entirely within any city ***meeting the population requirements of subsection (1) of this section*** ~~[of the second class]~~ that is dry in all or part of the city shall be designated as a limited sale precinct by the governing body of the city if:

(a) The governing body determines to its satisfaction that the general trade, business, and economy of one (1) or more of the precincts within the city is substantially, adversely affected by the legal sale of alcoholic beverages in any neighboring or adjoining state, county, city, town, district, or precinct. For the purpose of making this determination, the governing body may hold hearings, examine witnesses, or receive evidence as it believes necessary or desirable for the purpose; or

(b) The governing body receives a petition signed by a number of constitutionally qualified voters of a precinct equal to thirty-three percent (33%) of the votes cast in the precinct at the last preceding general election requesting the governing body of the city to designate the precinct as a limited sale precinct. The petition may consist of one (1) or more separate units and shall be filed with the mayor of the city. In addition to the name of the voter, the petition shall also state his or her post office address and the correct date upon which his or her name is signed. Upon receipt of the petition, the mayor shall present it to the governing body of the city at its next regularly scheduled meeting and, after verifying that the petition is in compliance with the requirements of this section, the governing body shall forthwith by ordinance designate the precinct to be a limited sale precinct.

➔Section 295. KRS 243.033 is amended to read as follows:

(1) A caterer's license may be issued as a supplementary license to a caterer that holds a quota retail package license, a quota retail drink license, an NQ1 license, an NQ2 license, or a limited restaurant license.

(2) The caterer's license may be issued as a primary license to a caterer in any wet territory or in any moist territory established under KRS 242.125 for the premises that serves as the caterer's commissary and designated banquet hall. No primary caterer's license shall be issued to a premises that operates as a restaurant. The alcoholic beverage stock of the caterer shall be kept under lock and key at the licensed premises during the time that the alcoholic beverages are not being used in conjunction with a catered function.

(3) The caterer's license shall authorize the caterer to:

(a) Purchase and store alcoholic beverages in the manner prescribed in KRS 243.250, 243.280, and 244.310;

(b) Transport, sell, serve, and deliver malt beverages by the drink at locations away from the licensed premises or at the caterer's designated banquet hall in conjunction with the catering of food and malt beverages for a customer and his or her guests, in:

1. Cities and counties established as moist territory under KRS 242.1244 if the receipts from the catering of food at any catered event are at least seventy percent (70%) of the gross receipts from the catering of both food and malt beverages; or

2. All other wet territory if the receipts from the catering of food at any catered event are at least thirty-five percent (35%) of the gross receipts from the catering of both food and malt beverages;

(c) Transport, sell, serve, and deliver distilled spirits and wine by the drink at locations away from the licensed premises or at the caterer's designated banquet hall in conjunction with the catering of food and alcoholic beverages for a customer and his or her guests, in:

1. Cities and counties established as moist territory under KRS 242.1244 if the receipts from the catering of food at any catered event are at least seventy percent (70%) of the gross receipts from the catering of both food and alcoholic beverages;

2. Cities~~[of the fourth class]~~ and counties~~[containing cities of the fourth class]~~ established as wet or moist territory permitting distilled spirits and wine drink sales by ordinance under KRS 243.072 if the receipts from the catering of food at any catered event are at least fifty percent (50%) of the gross receipts from the catering of both food and alcoholic beverages; or

3. All other wet territory in which the sale of distilled spirits and wine by the drink is authorized if the receipts from the catering of food at any catered event are at least thirty-five percent (35%) of the gross receipts from the catering of both food and alcoholic beverages;

(d) Receive and fill telephone orders for alcoholic beverages in conjunction with the ordering of food for a catered event; and

(e) Receive payment for alcoholic beverages served at a catered event on a by-the-drink or by-the-event basis. The caterer may bill the host for by-the-function sales of alcoholic beverages in the usual course of the caterer's business.

(4) A caterer licensee shall not cater alcoholic beverages at locations for which retail alcoholic beverage licenses or special temporary licenses have been issued. A caterer licensee may cater a fundraising event for which a special temporary distilled spirits and wine auction license has been issued under KRS 243.036.

(5) A caterer licensee shall not cater distilled spirits and wine on Sunday except in territory in which the Sunday sale of distilled spirits and wine is permitted under the provisions of KRS 244.290 and 244.295. A caterer licensee shall not cater malt beverages on Sunday except in territory in which the Sunday sale of malt beverages is permitted under the provisions of KRS 244.480.

(6) The location at which alcoholic beverages are sold, served, and delivered by a caterer, pursuant to this section, shall not constitute a public place for the purpose of KRS Chapter 222. If the location is a multi-unit structure, only the unit or units at which the function being catered is held shall be excluded from the public place provisions of KRS Chapter 222.

(7) The caterer licensee shall post a copy of his or her caterer's license at the location of the function for which alcoholic beverages are catered.

(8) The name and license numbers of the caterer shall be painted or securely attached, in a contrasting color, in a form prescribed by the board by promulgation of an administrative regulation, upon all vehicles used by the caterer to transport alcoholic beverages.

(9) All restrictions and prohibitions applying to a distilled spirits and wine quota retail drink licensee not inconsistent with this section shall apply to the caterer licensee.

(10) The caterer licensee shall maintain records as set forth in KRS 244.150 and in administrative regulations promulgated by the board.

➔Section 296. KRS 243.072 is amended to read as follows:

(1) This section shall apply to any wet city ***with a population equal to or greater than three thousand (3,000) but less than eight thousand (8,000) based upon the most recent federal decennial census*** ~~[of the fourth class]~~ or county containing a wet city ***meeting the population requirements of this subsection*** ~~[of the fourth class]~~, notwithstanding any other provisions of this chapter relating to the sales of alcoholic beverages by the drink for consumption on the premises.

(2) Upon a determination by the legislative body that an economic hardship exists within the wet city or county and that the sale of alcoholic beverages by the drink could aid economic growth, the legislative body may enact a comprehensive, regulatory ordinance covering the licensing and operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages by the drink for consumption on the premises.

(3) Nonquota type 2 (NQ2) retail drink licenses authorizing all types of alcoholic beverage sales shall only be issued to hotels and restaurants having dining facilities for not less than one hundred (100) persons.

(4) The city or county legislative body may provide for the issuance of any licenses permitted by KRS 243.070, or the issuance of any other reasonable administrative regulations as may be necessary for the enforcement or administration of this section, except that any administrative regulation adopted shall conform to the requirements of KRS 241.190.

(5) Any city or county enacting a comprehensive regulatory ordinance pursuant to this section prior to January 1, 2014, covering the licensing and operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages by the drink for consumption on the premises is exempt from the application of the population requirements of subsection (1) of this section.

➔Section 297. KRS 243.075 is amended to read as follows:

(1) Notwithstanding the provisions of ***KRS 243.060 and*** ~~[KRS]~~ 243.070, in any ***qualified*** city ***in which the discontinuance of prohibition is effective by virtue of a local option*** ~~[of the third or fourth class that is wet or moist through an]~~ election held under KRS ***Chapter 242*** ~~[242.125]~~, the governing body of the city and the governing body of the county containing a ***qualified*** city ~~[of the third or fourth class]~~ is authorized to impose a regulatory license fee upon the gross receipts of each establishment therein licensed to sell alcoholic beverages. The regulatory license fee may be levied at the beginning of each budget period at a percentage rate as shall be reasonably estimated to fully reimburse the local government for the estimated costs of any additional policing, regulatory, or administrative expenses related to the sale of alcoholic beverages in the city and county. The regulatory license fee shall be in addition to any other taxes, fees, or licenses permitted by law, except:

(a) A credit against a regulatory license fee in a city shall be allowed in an amount equal to any licenses or fees imposed by the city ***or county*** pursuant to KRS ***243.060 or*** 243.070; and

(b) In a county in which the city and county both levy a regulatory license fee, the county license fee shall only be applicable outside the jurisdictional boundaries of those cities which levy a license fee.

(2) Notwithstanding any limitations imposed on the city's or county's taxing or licensing power by KRS ***243.060 or*** 243.070, a city or county that ***is moist through a local option election held under KRS 242.1244, or that issues licenses*** ~~[qualifies]~~ under KRS 243.072 may by ordinance impose a regulatory license fee upon the gross receipts of each establishment located therein and licensed to sell distilled spirits, wine, or malt beverages by the drink for consumption on the premises. The regulatory license fee may be levied annually at a rate as shall be reasonably estimated to fully reimburse the city or county for the estimated costs for any additional policing, regulatory, or administrative related expenses. The regulatory license fee shall be in addition to any other taxes, fees, or licenses permitted by law, but a credit against the fee shall be allowed in an amount equal to any licenses or fees imposed by the city or county pursuant to KRS ***243.060 or*** 243.070.

(3) (a) As used in this section, "qualified city" means a city on the registry maintained by the Department for Local Government under paragraph (b) of this subsection.

(b) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of August 1, 2014, were classified as cities of the third or fourth class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.

➔Section 298. KRS 243.230 is amended to read as follows:

(1) ***(a)*** Quota retail drink licenses and NQ2 retail drink licenses may be issued only for premises located within ***urban-county governments,*** cities ***containing a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the first, second, or third class]~~, or elsewhere in counties containing ***an urban-county government or such*** a city~~[of the first, second, or third class]~~ if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(b) If one (1) or more quota retail drink licenses or NQ2 retail drink licenses have been issued to establishments in a city that does not meet the population requirements of paragraph (a) of this subsection or in a county that does not contain a city meeting the population requirements of paragraph (a) of this subsection prior to January 1, 2015, then that county or city shall continue to be treated in a manner as if the city or county meets the requirements of paragraph (a) of this subsection.

(2) Notwithstanding subsection (1) of this section, an NQ2 retail drink license may be issued to a restaurant with seating for fifty (50) patrons at tables in any wet territory, but a license issued under this subsection shall only have the privileges of a license issued under KRS 243.084(3).

(3) Notwithstanding subsection (1) of this section, quota retail drink licenses and NQ2 retail drink licenses may be issued for premises located within a city~~[of the fourth class]~~ in which the majority of votes cast in the most recent election held under KRS 242.127 and 242.129 were in favor of the proposition voted upon if the city has an adequate police force under ***Section 140 of this Act***~~[KRS 95.710 and 95.760]~~ to ***95.784***~~[95.787]~~.

(4) Notwithstanding subsection (1) of this section, NQ2 retail drink licenses may be issued to qualifying premises located within a city~~[of the fourth class]~~, or in a county~~[containing a city of the fourth class]~~, if the city or county has enacted an economic hardship ordinance under KRS 243.072.

(5) ***(a)*** Quota retail package licenses may be issued only for premises located within incorporated cities, or elsewhere in counties containing ***an urban-county government or*** a city ***with a population equal to or greater than eight thousand (8,000) based upon the most recent federal decennial census***~~[of the first, second, or third class]~~ if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(b) If one (1) or more quota retail package licenses have been issued to establishments in a county that does not contain a city meeting the population requirements of paragraph (a) of this subsection prior to January 1, 2015, then that county shall continue to be treated in a manner as if the county meets the qualifications of paragraph (a) of this subsection.

(6) Notwithstanding subsection (5) of this section, the department may, after a field investigation, issue a quota retail package license to premises not located within any city if ***the county maintains an adequate police force under KRS 70.540 and 70.150 to 70.170, and if***:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and malt beverages, where applicable, and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store, or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed.

(7) No quota retail package license or quota retail drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

➔Section 299. KRS 243.260 is amended to read as follows:

(1) A special temporary license may be issued in wet territory to any regularly organized fair, exposition, racing association, or other party, when in the opinion of the board a necessity therefor exists. This license shall authorize the licensee to exercise the privileges of a quota retail drink licensee and an NQ4 retail malt beverage drink licensee at designated premises for a specified and limited time, not to exceed thirty (30) days, and shall expire when the qualifying event ends. All restrictions and prohibitions applying to a distilled spirits and wine quota retail drink licensee or an NQ4 retail malt beverage drink license shall apply also to a special temporary licensee.

(2) A nonprofit organization holding an NQ4 retail malt beverage drink license may be issued a special temporary license to sell distilled spirits and wine by the drink on the licensed premises for a specified and limited time, not to exceed ten (10) days. The temporary license may be issued in conjunction with any public or private event, including but not limited to weddings, reception, reunions, or similar occasions.

(3) The holder of a special temporary license may sell, serve, and deliver distilled spirits, wine, or malt beverages by the drink, for consumption at the event only in***:***

(a) Those cities and counties where quota retail drink licenses are authorized to be issued under Section 298 of this Act;

(b) A city ~~[of the first, second, or third class, or a county containing a city of the first, second, or third class, or a city of the fourth class]~~approving retail distilled spirits and wine sales under KRS 242.127 and 242.129***; or***

(c) A city or county that has enacted an economic hardship ordinance under Section 296 of this Act.

(4) The holder of a special temporary license may only sell, serve, and deliver wine or malt beverages by the drink, for consumption at an event located in all other cities and counties not identified in subsection (3) of this section.

(5) A special temporary license shall not be issued for an event held in moist territory where only limited alcoholic beverages drink sales have been approved through a moist local option election.

➔Section 300. KRS 244.290 is amended to read as follows:

(1) (a) A premises that is licensed to sell distilled spirits or wine at retail shall be permitted to remain open during the hours the polls are open on any primary, or regular, local option, or special election day unless it is located where the legislative body of a city ***with a population equal to or greater than three thousand (3,000) based on the most recent federal decennial census,***~~[of the first, second, third, or fourth class or an]~~ urban-county government, consolidated local government, charter county government, unified local government, or the fiscal court of a county containing a city ***with a population equal to or greater than three thousand (3,000) based on the most recent federal decennial census***~~[of the first, second, third, or fourth class]~~ adopts an ordinance that prohibits the sale of distilled spirits and wine or limits the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries on any primary, or regular, local option, or special election day during the hours the polls are open.

(b) This subsection shall only apply in a ***wet or moist*** territory ~~[where prohibition is no longer in effect in whole or in part]~~.

(c) Notwithstanding any other provision of the Kentucky Revised Statutes to the contrary, the fiscal court of a county~~[containing a city of the first, second, third, or fourth class]~~ shall not by ordinance or any other means:

1. Supersede, reverse, or modify any decision made pursuant to this subsection by the legislative body of a city~~[of the first, second, third, or fourth class]~~ within that county; or

2. Impose an action upon a city~~[of the first, second, third, or fourth class]~~ within that county when that city has taken no formal action pursuant to this subsection.

(2) In any county containing a city of the first ***class, or a city with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***~~[or second class]~~ in which the sale of distilled spirits and wine by the drink is permitted under KRS Chapter 242, an election on the question of permitting the sale of distilled spirits and wine by the drink on Sunday may be held as provided in KRS Chapter 242.

(3) Except as provided in KRS 243.050, a premise for which there has been granted a license for the sale of distilled spirits or wine at retail by the drink or by the package shall not remain open for any purposes between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday, unless:

(a) The licensee provides a separate locked department in which all stocks of distilled spirits and wine are kept during those times; or

(b) The legislative body of a city ***with a population equal to or greater than three thousand (3,000) based on the most recent federal decennial census,***~~[of the first, second, third, or fourth class or an]~~ urban-county government, consolidated local government, charter county government, unified local

government, or the fiscal court of a county containing a city ***with a population equal to or greater than three thousand (3,000) based on the most recent federal decennial census***~~[of the first, second, third, or fourth class]~~, has otherwise established the hours and times in which distilled spirits and wine may be sold within its jurisdictional boundaries.

(4) In any ***city with a population equal to or greater than three thousand (3,000) based on the most recent federal decennial census, or in any*** county containing ***such*** a city~~[of the first, second, or third class or any city located therein]~~ in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the legislative body of the city or county may, by ordinance, permit the sale of distilled spirits and wine by the drink on Sunday from 1 p.m. until the designated closing hour of that locality at hotels, motels, or restaurants which:

(a) Have dining facilities with a minimum seating capacity of one hundred (100) people at tables; and

(b) Receive less than fifty percent (50%) of their annual food and beverage income from the dining facilities from the sale of alcohol.

(5) In any county containing a city of the first class or in any city located therein in which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the distilled spirits director may issue a license to holders of a quota retail drink license or a special private club license which permits the sale of distilled spirits and wine by the drink on Sunday from 1 p.m. until the prevailing time for that locality.

(6) Any city~~[of the fourth class]~~ or county~~[containing a city of the fourth class]~~ which has enacted a comprehensive, regulatory ordinance relating to the licensing and operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages by the drink under KRS 243.072, may also regulate and provide for the limited sale of distilled spirits and wine by the drink on Sundays if:

(a) The special Sunday retail drink licenses are issued only to those hotels, motels, inns, or restaurants authorized to sell alcoholic beverages by the drink under KRS 243.072; and

(b) The licensed retailers selling distilled spirits and wine by the drink have applied to the state director and meet all other legal requirements for obtaining a special Sunday retail drink license.

(7) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, in any county containing an urban-county government, consolidated local government, charter county government, or unified local government where Sunday sales of distilled spirits and wine by the drink have been previously approved, the legislative body of the urban-county government, consolidated local government, charter county government, or unified local government may by ordinance extend Sunday sales to any premises licensed to sell distilled spirits and wine by the drink located within the territorial boundaries of the urban-county government, consolidated local government, charter county government, or unified local government and may by ordinance establish the hours such distilled spirits and wine by the drink may be sold.

(8) Any city or county that has lawfully enacted a regulatory ordinance pursuant to this section prior to August 1, 2014, shall be deemed to meet the requirements for doing so set out in this section and may continue to enforce the ordinance pursuant to the provisions of this section.

➔Section 301. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (4) of this section, no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of midnight and 6 a.m. on any other day.

(2) Except as provided in subsection (4) of this section, no retailer shall sell, give away, or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday.

(3) (a) A retailer may sell malt beverages during the hours the polls are open on a primary, or regular, local option, or special election day unless the retailer is located where the legislative body of an urban-county government, consolidated local government, charter county government, unified local government,~~[or a]~~ city ***containing a population equal to or greater than three thousand (3,000) based on the most recent federal decennial census***~~[of the first, second, third, or fourth class]~~, or the fiscal court of a county containing ***such a city***~~[an urban-county government or a city of the first, second, third, or fourth class]~~, in which traffic in malt beverages is permitted by KRS Chapter 242 has adopted an ordinance that prohibits the sale of alcoholic beverages or limits the hours and times in which alcoholic beverages may be sold within its jurisdictional boundaries on any primary, or regular, local option, or special election day.

(b) This subsection shall only apply in a ***wet or moist*** territory~~[where prohibition is no longer in effect in whole or in part]~~.

(c) Notwithstanding any other provisions of the Kentucky Revised Statutes to the contrary, the fiscal court of a county~~[containing a city of the first, second, third, or fourth class]~~ shall not by ordinance or any other means:

1. Supersede, reverse, or modify any decision made pursuant to this subsection by the legislative body of a city~~[of the first, second, third, or fourth class]~~ within that county; or

2. Impose an action upon a city~~[of the first, second, third, or fourth class]~~ within that county when that city has taken no formal action pursuant to this subsection.

(4) The legislative body of an urban-county government, consolidated local government, charter county government, unified local government,~~[or a]~~ city ***with a population equal to or greater than three thousand (3,000) based on the most recent federal decennial census,***~~[of the first, second, third, or fourth class]~~ or~~[of a]~~ county containing ***such a city,***~~[an urban-county government, consolidated local government, charter county government, unified local government, or a city of the first, second, third, or fourth class]~~ in which traffic in malt beverages is permitted by KRS Chapter 242, shall have the exclusive power to establish the times in which malt beverages may be sold within its jurisdictional boundaries, including Sunday and any primary, or regular, local option, or special election day sales if the hours so fixed shall not prohibit the sale, gift, or delivery of any malt beverages between 6 a.m. and midnight during any day, except Sunday.

(5) Any city or county that has lawfully enacted a regulatory ordinance pursuant to this section prior to August 1, 2014, shall be deemed to meet the requirements for doing so set out in this section and may continue to enforce the ordinance pursuant to the provisions of this section.

➔Section 302. KRS 244.540 is amended to read as follows:

(1) No licensee shall advertise any malt beverage by trade name, trade-mark or in any other manner within one hundred (100) feet of the property line of any school or church. The distance shall be by straight line.

(2) Subsection (1) shall not apply to advertisements placed on the establishment of brewers or distributors in operation prior to March 7, 1938, nor to signs in position on March 7, 1938, nor to signs located in ***urban-county governments,*** cities of the first~~[or second]~~ class ***or cities containing a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census***.

➔Section 303. KRS 363.510 is amended to read as follows:

When used in KRS 363.510 to 363.850:

(1) "Department" means the Kentucky Department of Agriculture.

(2) "Commissioner" means the Commissioner of Agriculture.

(3) "Division" means the Division of Regulation and Inspection.

(4) (a) "Weights and measures" means all weights and measures of every kind, instruments and devices for weighing and measuring, and any appliances and accessories associated with any of the instruments and devices.

(b) The term shall include instruments and devices used to measure internal moisture or density levels in unprocessed bulk tobacco if that moisture or density determination is used as a condition of sale or as part of a contractual sales agreement.

(c) The term shall not include meters for the measurement of electricity, gas (natural or manufactured), or water when they are operated in a public utility system. Electricity, gas, and water meters are specifically excluded from the purview of KRS 363.510 to 363.850, and none of the provisions of KRS 363.510 to 363.850 shall apply to those meters or to any appliances or accessories associated with those meters.

(5) "Sell" and "sale" mean barter and exchange.

(6) "Director" means the state director of the Division of Regulation and Inspection.

(7) "Inspector" means a state inspector of weights and measures.

(8) ~~["Sealer" and "deputy sealer" mean, respectively, a sealer of weights and measures and a deputy sealer of weights and measures of a city of the first, second, or third class.~~

~~(9)]~~"Intrastate commerce" means all commerce or trade that is begun, carried on, and completed wholly within the limits of the State of Kentucky, and the phrase "introduced into intrastate commerce" defines the time and place at which the first sale and delivery of a commodity is made within the state, the delivery being made either directly to the purchaser or to a common carrier for shipment to the purchaser.

(9)~~[(10)]~~ "Commodity in package form" means a commodity put up or packaged in any manner in advance of sale in units suitable for either wholesale or retail sale, exclusive of any auxiliary shipping container enclosing packages that individually conform to the requirements of KRS 363.510 to 363.850. An individual item or lot of any commodity not in package form as defined in this section, but on which there is marked a selling price based on an established price per unit of weight or of measure, shall be considered a commodity in package form.

(10)~~[(11)]~~ "Consumer package" or "package of consumer commodity" means a commodity in package form that is customarily produced or distributed for sale through retail sales agencies or instrumentalities for consumption by individuals or use by individuals for the purposes of personal care or in the performance of services ordinarily rendered in or about the household or in connection with personal possessions.

(11)~~[(12)]~~ "Nonconsumer package" or "package of nonconsumer commodity" means any commodity in package form other than a consumer package, and particularly a package designed solely for industrial or institutional use or for wholesale distribution only.

(12)~~[(13)]~~ (a) "Barrel," when used in connection with fermented liquor, means a unit of thirty-one (31) gallons.

(b) "Ton" means a unit of two thousand (2,000) pounds avoirdupois weight.

(c) "Cord," when used in connection with wood intended for fuel purposes, means the amount of wood that is contained in a space of one hundred twenty-eight (128) cubic feet when the wood is ranked and well stowed.

(13)~~[(14)]~~ "Weight," as used in connection with any commodity, means net weight. If any commodity is sold on the basis of weight, the net weight of the commodity shall be used, and all contracts concerning commodities shall use net weight as their basis of weight.

➔Section 304. KRS 363.600 is amended to read as follows:

The director~~[, at least once every five (5) years, shall test the standards of weight and measure procured by any city or county for which the appointment of a sealer of weights and measures is provided by KRS 363.680, and shall approve the same when found to be correct, and he shall inspect such standards at least once every two (2) years. He]~~ shall from time to time test all weights and measures used in checking the receipt or disbursement of supplies in every institution for the maintenance of which moneys are appropriated by the legislature, reporting his findings, in writing, to the supervisory board and the executive officer of the institution concerned.

➔Section 305. KRS 381.720 is amended to read as follows:

Whenever in the opinion of the legislative body of a city~~[of the first, second, third, fourth or fifth class]~~ a cemetery located within the boundaries of such city has been abandoned and the land comprising the said cemetery is needed for a public purpose, an ordinance may be enacted declaring such cemetery, as described by metes and bounds, to be abandoned and authorizing the city attorney to institute suit for the city or other governmental agency created by the city in the circuit court of the county in which the city is located against the property comprising the cemetery to declare the said cemetery abandoned and to vest title thereto in the said city, or any governmental agency created by it pursuant to or by authority of the Kentucky Revised Statutes.

➔Section 306. KRS 381.780 is amended to read as follows:

(1) The maintenance of an outdoor toilet not connected to a septic tank or sewer system, hereinafter called an open toilet, within the boundaries of ***an urban-county government, a city of the first class, or a city of the home rule***~~[a city of the first or second]~~ class is hereby declared to be a public nuisance.

(2) ~~[Any open toilet which presently exists shall be removed by the owner of the property upon which such toilet is located within two (2) years from June 18, 1970. Thereafter,]~~When an open toilet is discovered, the director of sanitation or other responsible officer designated by the city legislative body shall give written notice to the property owner to remove the open toilet and fill the toilet pit within ten (10) days after the date of the notice. The notice shall be mailed to the last known address of the property owner, as it appears on the current tax assessment roll. Upon failure of the owner of the property to comply with the terms of the notice, the director

of sanitation or other responsible officer designated by the ***urban-county government or*** city legislative body is authorized to send employees upon the property to remove the open toilet and fill the toilet pit.

(3) The ***urban-county government or*** city shall have a lien against the property for the reasonable cost of labor and materials used in removing the open toilet and filling the toilet pit. The affidavit of the director of sanitation or other responsible officer designated by the ***urban-county government or*** city shall constitute prima facie evidence of the amount of the lien and the regularity of the proceedings pursuant to this section, and shall be recorded in the office of the county clerk in the county where the ***urban-county government or*** city is located. The lien shall be notice to all persons from the time of its recording and shall bear interest at six percent (6%) per annum thereafter until paid.

➔Section 307. KRS 382.220 is amended to read as follows:

(1) Except in counties having a courthouse district as provided in KRS 382.210, the fiscal court in each county containing ***an urban-county government or*** a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the second class]~~ may in its discretion direct the county clerk to have made in books prepared for that purpose general indexes of the records of all the real property in the county according to a system approved by the fiscal court ***or the legislative body of the urban-county government***. The county clerk shall advertise for bids for all the work necessary to install the system under specifications approved by the county judge/executive ***or mayor of the urban-county government*** and shall, with the approval of the fiscal court ***or the legislative body of the urban-county government***, enter into a contract with the lowest and best bidder for the work, after requiring him to give bond for the faithful performance of the contract in a sum to be fixed by the fiscal court ***or the legislative body of the urban-county government*** and approved by the county judge/executive ***or mayor of the urban-county government***, and when the work has been completed to its satisfaction, the fiscal court ***or the legislative body of the urban-county government*** shall direct the payment agreed upon out of the general fund of the county.

(2) When general indexes are completed they shall constitute the official indexes and the clerk of the county shall keep the indexes up to date by indexing therein the records of all real property within one (1) month from the time they are lodged for record, and when so indexed the alphabetical cross-index of such instruments need no longer be preserved, and when such records or any part of them become defaced or injured the clerk shall transcribe the defaced or injured records into new books, which shall be as valid in law as the original record.

(3) In order that such additional indexes may be kept correctly and accurately, the fiscal court ***or the legislative body of the urban-county government*** may employ a competent person to keep the system of indexing and shall pay such person a sum not less than two thousand four hundred dollars ($2,400) nor more than four thousand dollars ($4,000) per annum, out of the general funds of the county.

➔Section 308. KRS 382.225 is amended to read as follows:

The fiscal court in counties having a population of less than seventy-five thousand (75,000) and an assessed valuation of more than one hundred million (100,000,000) and containing a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the second class]~~ may in its discretion direct the county clerk to have made in books proper for that purpose general indexes of all records in the office of the county clerk according to a system approved by the fiscal court. When the general indexes are thus completed they shall constitute the official indexes and the clerk of the county shall keep the indexes up to date by indexing therein the records of all property within one (1) month from the date they are lodged for record, and when they are so indexed, the alphabetical cross-index of such instruments need no longer be preserved and when such records or any part of them become defaced or injured, the clerk shall transcribe the defaced or injured records into new books, and they shall be as valid in law as the original record. The fiscal court may in its discretion require the county clerk and his deputies to make such indexes as provided by this section without additional compensation or may allow the said clerk for his services rendered by him and his deputies reasonable compensation.

➔Section 309. KRS 424.220 is amended to read as follows:

(1) Excepting officers of a city of the first class or a consolidated local government, a county containing such a city or consolidated local government, a public agency of such a city, consolidated local government, or county, or a joint agency of such a city, consolidated local government, and county, or of a school district of such a city, consolidated local government, or county, and excepting officers of a city ***with a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census*** ~~[of the second class]~~ or an urban-county government, every public officer of any school district, city, consolidated local government, county, or subdivision, or district less than a county, whose duty it is to collect, receive,

have the custody, control, or disbursement of public funds, and every officer of any board or commission of a city, consolidated local government, county, or district whose duty it is to collect, receive, have the custody, control, or disbursement of funds collected from the public in the form of rates, charges, or assessments for services or benefits, shall at the expiration of each fiscal year prepare an itemized, sworn statement of the funds collected, received, held, or disbursed by him during the fiscal year just closed, unless he has complied with KRS 424.230. Pursuant to subsections (2) and (3) of KRS 91A.040, each city ***with a population of less than one thousand (1,000) based upon the most recent federal decennial census*** ~~[of the sixth class]~~ shall prepare an itemized, sworn statement of the funds collected, received, held, or disbursed by the city which complies with the provisions of this section.

(2) The statement shall show:

(a) The total amount of funds collected and received during the fiscal year from each individual source; and

(b) The total amount of funds disbursed during the fiscal year to each individual payee. The list shall include only aggregate amounts to vendors exceeding one thousand dollars ($1,000).

(3) Only the totals of amounts paid to each individual as salary or commission and public utility bills shall be shown. The amount of salaries paid to all nonelected county employees shall be shown as lump-sum expenditures by category, including but not limited to road department, jails, solid waste, public safety, and administrative personnel.

(4) The amount of salaries paid to all teachers shall be shown as a lump-sum instructional expenditure for the school district and not by amount paid to individual teachers. The amount of salaries paid to all other employees of the board shall be shown as lump-sum expenditures by category, including but not limited to administrative, maintenance, transportation, and food service. The local board of education and the fiscal court shall have accessible a factual list of individual salaries for public scrutiny and the local board and the fiscal court shall furnish by mail a factual list of individual salaries of its employees to a newspaper qualified under KRS 424.120 to publish advertisements for the district, which newspaper may then publish as a news item the individual salaries of school or county employees.

(5) The officer shall procure and include in or attach to the financial statement, as a part thereof, a certificate from the cashier or other proper officer of the banks in which the funds are or have been deposited during the past year, showing the balance, if any, of funds to the credit of the officer making the statement.

(6) (a) The officer shall, except in a city publishing its audit in accordance with KRS 91A.040(6), within sixty (60) days after the close of the fiscal year cause the financial statement to be published in full in a newspaper qualified under KRS 424.120 to publish advertisements for the city, county, or district, as the case may be. Promptly after the publication is made, the officer shall file a written or printed copy of the advertisement with proof of publication, in the office of the county clerk of the county and with the Auditor of Public Accounts.

(b) The appropriate officer of a ~~[sixth class]~~ city that has not conducted an annual audit under the provisions of KRS 91A.040(2) or (3) may publish a legal display advertisement meeting the requirements of subsection (7)(b) of this section which shall satisfy the publication requirements set out in paragraph (a) of this subsection.

(7) In lieu of the publication requirements of subsection (6) of this section, the appropriate officer of a city, including the appropriate officer of any municipally owned electric, gas, or water system, shall elect to satisfy the requirements of subsection (6) of this section by:

(a) Publishing an audit report in accordance with KRS 91A.040(6); and

(b) Publishing a legal display advertisement of not less than six (6) column inches in a newspaper qualified under KRS 424.120 that the statement required by subsection (1) of this section has been prepared and that copies have been provided to each local newspaper of general circulation, each news service, and each local radio and television station which has on file with the city a written request to be provided a statement. The advertisement shall be published within ninety (90) days after the close of the fiscal year.

(8) The appropriate officer of a county shall satisfy the requirements of subsection (6) of this section by publishing the county's audit, prepared in accordance with KRS 43.070 or 64.810, in the same manner that city audits are published in accordance with KRS 91A.040(6).

➔Section 310. KRS 605.050 is amended to read as follows:

(1) In counties containing a city of the first ***class or a city with a population equal to or greater than twenty thousand (20,000) as of the most recent federal decennial census***~~[or second class]~~, the county judge/executive may appoint a chief probation officer of the juvenile court and such number of assistant probation officers, professional and clerical personnel as may be authorized by the fiscal court. Such officers shall receive reasonable salaries to be fixed by the fiscal court, and shall be allowed their actual and necessary expenses incurred in the performance of their duties. The salaries and expenses shall be paid out of the county treasury. The officers shall serve at the pleasure of the county judge/executive but shall be subject to the direction and control of the judges of the District Court in the performance of their duties. The officers shall be peace officers who shall possess all the powers of peace officers in carrying out the purposes of KRS Chapters 600 to 645. A probation officer may take into custody any child that he has reasonable grounds to believe is in violation of conditions of his probation.

(2) In counties containing an urban-county government, the mayor shall appoint a chief probation officer of the juvenile session of the District Court and such number of assistant probation officers, professional and clerical personnel as are reasonably necessary for the operation of the juvenile session of the District Court. Such officers shall receive reasonable salaries to be fixed by the urban-county council, and shall be allowed their actual and necessary expenses incurred in the performance of their duties. The salaries and expenses shall be paid out of the urban-county treasury. The officers shall serve at the pleasure of the mayor but shall be subject to the direction and control of the judges of the District Court in the performance of their duties. The officers shall be peace officers who shall possess all the powers of peace officers in carrying out the purposes of KRS Chapters 600 to 645. A probation officer may take into custody any child that he has reasonable grounds to believe is in violation of conditions of his probation.

(3) In any county, the Chief District Judge may appoint or designate one (1) or more discreet persons of good moral character to serve as volunteer probation officers of the juvenile session. Such volunteer probation officers shall serve during the pleasure of the judge and without compensation, except that the fiscal court or the urban-county council, as appropriate, may authorize the payment of compensation and reasonable expenses out of the county or urban-county treasury of any such officers.

➔Section 311. KRS 78.531 is amended to read as follows:

(1) Any member of a retirement system created pursuant to KRS 67A.320, 67A.340, 67A.360 to 67A.690, 79.080, 90.310 to ***90.410***~~[90.420]~~, 95.290, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.784, 95.852 to 95.884, and KRS Chapter 96, notwithstanding any provisions of the statutes to the contrary, may elect to terminate coverage under the retirement system in which he is a member, if the city or urban-county government has adopted the provisions of the County Employees Retirement System pursuant to KRS 78.520 to 78.852.

(2) (a) If the city or urban-county government elects the alternate participation plan, as set forth in KRS 78.530(3), employee contributions made to the fund under authority of KRS 67A.320, 67A.340, 67A.360 to 67A.690, 79.080, 90.400(1), 90.410, 95.290, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.785, 95.852 to 95.884, or KRS Chapter 96 shall be paid to the County Employees Retirement System and credited to the individual member's account in the system for any employee electing to terminate coverage under the provisions of this section. Any person who is an active member of the County Employees Retirement System on July 15, 1990, who withdrew from service prior to August 1, 1988, under any of the plans enumerated in this section and who was not granted a refund of his employee contributions, shall be refunded employee contributions with any interest specified in the applicable statute or plan, unless the employee has a vested account in the former plan, in which case he may elect to leave his contributions in the fund in order to receive a pension from the plan when he becomes eligible.

(b) Proper credit for these employee contributions shall be given to the city or urban-county government in computing the cost of participation under the alternate participation plan as provided by KRS 78.530(3). The cost of participation for employees who withdrew from service and who were not granted a refund for employee contributions shall be based only upon the time period for which the contributions were made. The cost shall be computed by the County Employees Retirement System in a manner consistent with the calculation of other delayed contribution payments, and shall be paid by the employee.

(3) If the city or urban-county government does not elect the alternate participation plan as set forth in KRS 78.530(3), the employee contributions paid into the fund under authority of KRS 67A.320, 67A.340, 79.080, 90.400(1), 90.410, 95.290, 95.520 to 95.620, 95.621 to 95.629, 95.767 to 95.785, 95.852 to 95.884, or KRS Chapter 96 by each employee electing to terminate coverage under the provisions of this section shall be

refunded to the employee with interest as specified in the applicable statute or plan, unless the employee has a vested account in which case he may elect to leave his contributions in the fund in order to later receive a pension when he becomes eligible.

➔Section 312. KRS 363.670 is amended to read as follows:

The powers and duties given to and imposed upon the director by KRS 363.600 to 363.660 and KRS~~[363.690 and]~~ 363.810 are hereby given to and imposed upon the deputy director and inspectors also when acting under the instructions and at the direction of the director.

➔Section 313. KRS 427.150 is amended to read as follows:

(1) To the extent reasonably necessary for the support of an individual and his dependents in addition to property totally exempt under subsection (2) of this section, that individual shall be entitled to exemption of money or property received and rights to receive money or property for alimony, support, or separate maintenance.

(2) An individual shall be entitled to exemption of the following property:

(a) An award under a crime victim's reparation law;

(b) A payment on account of the wrongful death of an individual of whom the debtor was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor;

(c) A payment, not to exceed seven thousand five hundred dollars ($7,500), on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the debtor or an individual of whom the debtor is a dependent;

(d) A payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor;

(e) Assets held, payments made and amounts payable under pensions exempt pursuant to KRS 61.690, 161.700,~~[427.120]~~ and 427.125; or

(f) The right or interest of a person in an individual retirement account or annuity, deferred compensation account, tax sheltered annuity, simplified employee pension, pension, profit-sharing, stock bonus, or other retirement plan described in the Internal Revenue Code of 1986, or Section 408 or 408A of the Internal Revenue Code, as amended which qualifies for the deferral of income tax until the date benefits are distributed. This exemption shall also apply to the operation of the Federal Bankruptcy Code, for the purpose of applying the provisions of 11 U.S.C. sec. 522(b)(3) in a federal bankruptcy proceeding and only to the extent otherwise allowed by applicable federal law. This exemption shall not apply to any amounts contributed to an individual retirement account or annuity, deferred compensation account, a pension, profit-sharing, stock bonus, or other qualified retirement plan or annuity if the contribution occurs within one hundred twenty (120) days:

1. Before the debtor files for bankruptcy if this exemption is being applied in a federal bankruptcy proceeding; or

2. Before the earlier of the entry of the judgment or other ruling against the debtor or the issuance of the levy, attachment, garnishment, or other execution or order against which this exemption is being applied, if this exemption is being applied in other than a federal bankruptcy proceeding. This exemption shall not apply to the right or interest of a person in an individual retirement account or annuity, deferred compensation account, pension, profit-sharing, stock bonus, or other retirement plan to the extent that that right or interest is subject to any of the following:

a. An order of a court for payment of maintenance;

b. An order of a court for payment of child support.

➔Section 314. The following KRS sections are repealed:

70.330 Vacancy in constable's office in district containing city of sixth class -- Marshal may act as.

81.010 Classification of cities.

81.025 Laws applicable to city established by order applicable until reassignment by General Assembly.

81.026 Effect of reclassification of city on existing ordinances and officers.

81.032 Requirements for reclassification of an incorporated area.

81.034 Recording of data by General Assembly.

81.036 Recording of reclassification with Secretary of State.

81.045 City identity documents to be filed with the Secretary of State -- Effect of noncompliance.

81A.520 Annexation of impoundments of water by cities of the fifth class.

83A.110 Staggered terms for legislative body members.

90.420 Rights under former acts preserved.

92.240 Board of equalization in cities of second class.

92.250 Board of supervisors in cities of third class.

92.260 Supervisors of taxes in cities of the fourth class.

92.270 Board of equalization in cities in fifth and sixth classes.

92.310 Licenses, how granted in cities of fifth and sixth classes.

92.320 Licenses for horse-drawn vehicles, business authorized by.

92.410 Definitions for purposes of assessment and taxation.

92.420 Assessment date for city taxation.

92.430 Assessment lists and assessment procedure in cities of second class.

92.440 Equalization of assessments in cities of second class.

92.450 Omitted property, action to assess in cities of second class.

92.460 Assessment list and assessment procedure in cities of third class.

92.470 Omitted property or irregular or improper assessment in cities of third class.

92.480 Equalization of assessments in cities of third class.

92.490 Assessment list and assessment procedure in cities of fourth class -- Census.

92.500 Assessment in wrong name in cities of fourth class -- Failure to give true list of taxable property -- Omitted property.

92.510 Equalization of assessments in cities of fourth class.

92.520 Assessment list and assessment procedure in cities of fifth and sixth classes.

92.530 Equalization of assessments in cities of fifth and sixth classes.

92.540 Manner of assessment, levy and collection, how regulated by ordinance in cities of second, fifth and sixth classes.

92.550 City tax records in cities of second class constitute notice -- Irregular tax proceedings.

92.560 Tax bills, how made out and delivered in cities of second class.

92.570 Tax bills, how made out and delivered in cities of third class.

92.580 Tax bills, how made out and delivered in cities of fourth class.

92.590 Time and manner of paying taxes in cities of second, third and fourth classes -- Discounts, interest and penalties.

95.497 Hours of work and annual leave for members of police department -- Cities of third class.

95.710 Qualifications of members of police and fire departments.

95.715 Firefighters, hours off duty -- Cities of fourth class.

95.760 Oath of policemen.

95.787 Arrested persons, where kept in cities of fourth or fifth class.

95.850 Disability, medical, and hospital benefits for members of police and fire departments.

96.165 City classified from third class to second class to continue operation of combined electric and water system under provisions of KRS 96.171 to 96.188 -- When.

96.210 Power of fifth-class city to furnish water and light.

96.220 Power of sixth-class city to furnish water and light.

198B.110 Effective dates for Uniform State Building Code -- Exemptions.

242.1297 Election in a precinct in a city of the third class where the entire city is wet territory.

363.680 City sealer of weights and measures in cities of first three classes.

363.690 Powers of city sealer and deputies -- Concurrent powers of director.

427.120 Police and firefighters' pension fund in cities of the first, second, and third classes -- Exempt from process in some cases.

➔Section 315. (1) In order for the Department for Local Government to fulfill its responsibilities for creating the registries as set out in Sections 10, 40, 41, 44, 91, 92, 112, 117, 118, 150, 280, and 297 of this Act, the Department shall take all necessary steps and actions to have those registries in place no later than January 1, 2015.

(2) In order for the Department of Education to fulfill its responsibilities for creating the registries as set out in Sections 223, 224, 226, 227, 228, and 238 of this Act, the Department shall take all necessary steps and actions to have those registries in place no later than January 1, 2015.

➔Section 316. Sections 1 to 314 of this Act take effect on January 1, 2015.

Signed by Governor April 10, 2014.