

CHAPTER 203**(HB 265)**

AN ACT amending the 2018-2020 state/executive branch budget bill, making an appropriation therefor, and declaring an emergency.

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

➔Section 1. The provisions of 2018 Regular Session HB 200/EN are amended to read as follows:

On page 8, line 12, delete "23,379,700" and insert in lieu thereof "26,257,600", and delete "24,682,800" and insert in lieu thereof "22,825,700";

Adjust subsequent subtotals and totals accordingly;

On page 8, line 14, delete "\$808,200" and insert in lieu thereof "\$3,686,100", and delete "\$2,500,000" and insert in lieu thereof "\$642,900";

On page 8, after line 20, insert the following:

"(3) **Coal Haul Road System:** Notwithstanding KRS 42.455(2) and (7), no funds appropriated to the Local Government Economic Assistance Fund are required to be spent on the coal haul road system.

(4) **Excess Coal Severance Tax Receipts:** Notwithstanding KRS 42.450 to 42.495, 100 percent of the severance and processing taxes on coal collected annually in excess of the official estimate presented by the Office of State Budget Director shall be transferred in each fiscal year from the General Fund to the Local Government Economic Assistance Fund on a quarterly basis and appropriated for allocation in accordance with KRS 42.470(1).";

On page 8, line 23, delete "3,150,000" and insert in lieu thereof "17,923,300", and delete "4,150,000" and insert in lieu thereof "13,570,500";

Adjust subsequent subtotals and totals accordingly;

On page 10, delete lines 6 through 8 and insert in lieu thereof the following:

"(a) No funds shall be transferred to the Kentucky Coal Fields Endowment Authority;"

On page 10, line 17, after "Program;"; insert "and";

On page 10, delete lines 18 through 20 in their entirety;

On page 10, line 21, delete "(f)" and insert in lieu thereof "(e)", and delete "\$808,200" and insert in lieu thereof "\$3,686,100";

On page 10, line 22, delete "\$2,500,000" and insert in lieu thereof "\$642,900";

On page 10, after line 23, insert the following:

"(3) **Additional Transfer to Single-County Accounts:** Notwithstanding KRS 42.450 to 42.495, an amount equal to \$7,563,400 in each fiscal year shall be transferred from the Kentucky Coal Field Endowment Fund to the Local Government Economic Development Fund Single-County Accounts and appropriated for allocation to projects.

(4) **Allocation of Single-County Accounts:** Notwithstanding KRS 42.450 to 42.495, all funds appropriated to Local Government Economic Fund Single-County Accounts shall be allocated to projects with the concurrence of the respective county judge/executive, state senator(s), and state representative(s) of each county. If concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588.";

On page 27, delete lines 10 through 13 in their entirety and insert in lieu thereof the following:

"(3) **Dependent Subsidy for Retirees under age 65:** Notwithstanding KRS 161.675(4)(a) and (b), from July 1, 2018, through June 30, 2020, for all retirees under the age of 65 who participate in the Kentucky Group Health Insurance Program through the Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System Board of Trustees may pay from the Medical Insurance Fund the same dependent subsidy that Executive Branch agencies pay for their active employees who have similar coverage. No General Fund appropriation may be expended to pay the dependent subsidy. The dependent subsidy is not subject to KRS 161.714. If the Board of Trustees provides the dependent subsidy, the Board shall submit a report to the Interim Joint Committee on

Appropriations and Revenue stating the cost of such action and providing the effect on the actuarial unfunded liability of the system by December 1 of the year preceding the Plan Year in which the dependent subsidy is provided.";

On page 30, line 10, delete "20,704,000" and insert in lieu thereof "25,496,800", and delete "20,813,500" and insert in lieu thereof "25,606,300";

Adjust subsequent subtotals and totals accordingly;

On page 31, after line 1, insert the following:

(3) Science and Technology Program: Notwithstanding KRS 164.6017, 164.6021(1), 164.6023(8), 164.6029(1), 164.6031(3), 164.6037(1), and 164.6039(3) and (7), the Cabinet for Economic Development shall have the authority to carry out the provisions of KRS 164.6019 to 164.6041. Included in the above General Fund appropriation is \$4,792,800 in each fiscal year to support the Science and Technology Program.

(4) Carry Forward of General Fund Appropriation Balance: Notwithstanding KRS 45.229, any unexpended balance from the fiscal year 2017-2018 General Fund appropriation in the Council on Postsecondary Education, Science and Technology Program, shall not lapse and shall be appropriated to the Cabinet for Economic Development. The General Fund appropriation in fiscal year 2018-2019 to the Cabinet for Economic Development, Science and Technology Program, shall not lapse and shall carry forward in the Cabinet for Economic Development.";

On page 31, line 6, delete "3,066,588,600" and insert in lieu thereof "3,056,500,800";

Adjust subsequent subtotals and totals accordingly;

Beginning on page 36, line 4, through page 38, line 4, delete language in its entirety and insert in lieu thereof the following:

(20) Unmined Minerals Assessment Offset: From the General Fund appropriation set forth in 2016 Ky. Acts ch. 149, Part I, C., 1., \$7,000,000 is appropriated in fiscal year 2017-2018 to help offset the loss of revenue to the below named local school districts from a change in the assessed value of unmined minerals:

- (a) \$140,000 for Bell County Schools;
- (b) \$900 for Boyd County Schools;
- (c) \$254,800 for Breathitt County Schools;
- (d) \$100 for Carter County Schools;
- (e) \$7,900 for Clay County Schools;
- (f) \$6,200 for Daviess County Schools;
- (g) \$100 for Elliott County Schools;
- (h) \$586,500 for Floyd County Schools;
- (i) \$504,600 for Harlan County Schools;
- (j) \$78,200 for Henderson County Schools;
- (k) \$133,400 for Hopkins County Schools;
- (l) \$1,000 for Jenkins Independent Schools;
- (m) \$47,500 for Johnson County Schools;
- (n) \$1,219,500 for Knott County Schools;
- (o) \$12,400 for Knox County Schools;
- (p) \$37,000 for Lawrence County Schools;
- (q) \$508,500 for Leslie County Schools;
- (r) \$695,900 for Letcher County Schools;
- (s) \$41,400 for Magoffin County Schools;
- (t) \$298,100 for Martin County Schools;

- (u) \$700 for McCreary County Schools;
- (v) \$4,100 for McLean County Schools;
- (w) \$1,800 for Morgan County Schools;
- (x) \$90,000 for Muhlenberg County Schools;
- (y) \$89,400 for Ohio County Schools;
- (z) \$400 for Owsley County Schools;
- (aa) \$792,900 for Perry County Schools;
- (ab) \$1,149,000 for Pike County Schools;
- (ac) \$263,200 for Union County Schools;
- (ad) \$19,200 for Webster County Schools; and
- (ae) \$15,300 for Whitley County Schools.";

On page 65, after line 15, insert the following:

"Notwithstanding any other provision of this Act or KRS 61.565 or 61.702 to the contrary, the employer contribution rate for Mental Health/Mental Retardation Boards participating in the Kentucky Employees Retirement System from July 1, 2018, through June 30, 2019, shall be 49.47 percent, consisting of 41.06 percent for pension and 8.41 percent for health insurance for the board's nonhazardous duty employees. The rates above apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.";

On page 66, after line 25, insert the following:

"Notwithstanding any other provision of this Act or KRS 61.565 or 61.702 to the contrary, the employer contribution rate for Local and District Health Departments participating in the Kentucky Employees Retirement System from July 1, 2018, through June 30, 2019, shall be 49.47 percent, consisting of 41.06 percent for pension and 8.41 percent for health insurance for the department's nonhazardous duty employees. The rates above apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.";

On page 68, after line 25, insert the following:

"Notwithstanding any other provision of this Act or KRS 61.565 or 61.702 to the contrary, the employer contribution rate for domestic violence shelters, rape crisis centers, and child advocacy centers participating in the Kentucky Employees Retirement System from July 1, 2018, through June 30, 2019, shall be 49.47 percent, consisting of 41.06 percent for pension and 8.41 percent for health insurance for the contracted entity's nonhazardous duty employees. The rates above apply to wages and salaries earned for work performed during the described period regardless of when the employee is paid for the time worked.";

On page 80, line 14, delete "2018" and insert in lieu thereof "2019";

On page 80, line 16, delete "2018-2020" and insert in lieu thereof "2020-2022";

On page 80, line 24, delete "2018" and insert in lieu thereof "2019";

On page 85, line 12, delete "40,430,300" and insert in lieu thereof "35,637,500", and delete "40,496,500" and insert in lieu thereof "35,703,700";

Adjust subsequent subtotals and totals accordingly;

On page 85, line 20, delete "and fiscal year 2018-2019";

On page 85, line 21, after "forward", insert "and be appropriated to the Cabinet for Economic Development";

On page 97, after line 7, insert the following:

"(1) **Tourism Grants:** Included in the above Restricted Funds appropriation is \$350,000 in each fiscal year to support the Local Theater Grant Program. The Kentucky Department of Tourism shall develop and administer the Local Theater Grant Program for the purpose of supporting local theater programs which complement the statewide tourism marketing efforts. The department shall set program guidelines, timelines, funding cycles, reporting

requirements, reimbursement procedures, and all other logistics and programmatic details necessary to manage and effectuate the grant program. The Local Theater Grant Program shall be open to all eligible local theater programs in Kentucky, and the department shall provide grant program information on the department's industry Web site page and send notifications for applying for funding through the local tourism offices or the designated tourism representative from each county and/or city which is named and submitted to the Kentucky Department of Tourism by the applicable county judge/executive or mayor. Any funds that are not fully expended through the corresponding annual grant cycle by approved recipients shall lapse to the credit of the Tourism, Meeting, and Convention Marketing Fund.";

On page 100, line 15, delete "87,414,100" and insert in lieu thereof "33,455,100", and delete "208,761,200" and insert in lieu thereof "195,064,500";

Adjust subsequent subtotals and totals accordingly;

On page 101, line 20, after "areas:", insert "Agricultural Development Board projects;"

On page 122, after line 13, insert the following:

"029. Acquire Land/Master Plan 2010-2012 - Reauthorization (\$17,500,000 Agency Bonds, \$4,000,000 Restricted Funds, \$4,000,000 Other Funds)

(1) Authorization: The above authorization is approved pursuant to KRS 45.763.";

On page 162, line 3, delete "the Kentucky Housing Corporation,";

On page 166, after line 17, insert the following:

"38. Salary Exemptions: Notwithstanding KRS 64.640 and any other statute to the contrary, the Secretary of the Cabinet for Health and Family Services and the Chief Information Officer for the Commonwealth Office of Technology shall be exempt from state employee salary limitations.";

On page 167, line 15, after "Retirement", delete "Systems" and insert in lieu thereof "System";

On page 167, line 16, after "June 30, 2020,", insert "and except as otherwise provided in this Act,"; and

On page 167, line 21, after "insurance.", insert "Notwithstanding any other provision of this Act or KRS 61.565 or 61.702 to the contrary, the employer contribution rate from July 1, 2018, through June 30, 2019, shall be 49.47 percent, consisting of 41.06 percent for pension and 8.41 percent for health insurance for nonhazardous duty employees participating in the Kentucky Employees Retirement System who are employed by Mental Health/Mental Retardation Boards, Local and District Health Departments, domestic violence shelters, rape crisis centers, child advocacy centers, state supported universities and community colleges, and any other agency eligible to voluntarily cease participating in the Kentucky Employees Retirement System pursuant to KRS 61.522.".

➔Section 2. Whereas the provisions of this Act provide ongoing support for programs funded in the 2018-2020 state/executive branch budget bill, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Became law without Governor's signature April 27, 2018.