

CHAPTER 44**(HB 339)**

AN ACT relating to cities.

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

➔Section 1. KRS 24A.140 is amended to read as follows:

- (1) When sessions of District Court are held in:
 - (a) The county courthouse or other county-owned facility;
 - (b) Urban-county facilities;
 - (c) State-owned, leased, or controlled facilities;
 - (d) Special district facilities; or
 - (e) Private facilities;

the sheriff shall be responsible for attending court, keeping order, and providing the same services to District Court as are provided to the Circuit Court.

- (2) The sheriff shall be compensated for these services in the same manner and at the same rates as for similar services rendered to the Circuit Court.
- (3) When sessions of District Court are held in city facilities the city police~~[or city marshal, as appropriate,]~~ shall be responsible for attending court, keeping order, and providing the same services to District Court as are provided by the sheriff to Circuit Court. Compensation for these services shall be the same as allowed to the sheriff as provided in subsection (2) of this section.
- (4) If the Administrative Office of the Courts determines that the provision of services by any law enforcement officer or agency named herein would place an undue burden on such officer or agency the Administrative Office of the Courts may arrange with any other law enforcement officer or agency in the Commonwealth to provide such services. Compensation shall be as provided in subsection (2) of this section.

➔Section 2. KRS 29A.180 is amended to read as follows:

- (1) The sheriff ~~or~~ city police, ~~for city marshal,~~ as appropriate, shall be responsible for meals, housing, and other incidental needs of grand jurors and petit jurors in Circuit Court and in District Court when the jurors are kept overnight or otherwise sequestered when ordered to do so by the judge of the court for which the jurors were summoned. The expenses for these services shall be borne by the Finance and Administration Cabinet and the officer shall be reimbursed in accordance with administrative regulations issued by the Finance and Administration Cabinet, pursuant to KRS Chapter 13A.
- (2) The sheriff ~~or~~ city police, ~~for city marshal,~~ as appropriate, shall be responsible for the transportation of jurors and other authorized persons to views of the scene or other locations authorized by the court pursuant to KRS 29A.310. In criminal cases the expenses for these services shall be borne by the Finance and Administration Cabinet, and the sheriff shall be reimbursed in accordance with administrative regulations issued by the Finance and Administration Cabinet, pursuant to KRS Chapter 13A. Excepting views conducted under the Eminent Domain Act of Kentucky, in civil cases these expenses shall be paid by the party requesting the viewing.
- (3) The sheriff ~~or~~ city police, ~~for city marshal,~~ as appropriate, shall be responsible for providing any specialized security personnel, equipment, and services which the judge, with the consent of the Chief Justice, shall deem necessary for the conduct of a trial in which the judge believes that special security precautions are necessary or desirable. The expenses for these services shall be borne by the Finance and Administration Cabinet, and the officer shall be reimbursed in accordance with administrative regulations issued by the Finance and Administration Cabinet, pursuant to KRS Chapter 13A. In such cases, the judge may also request the Chief Justice to provide the services of the Department of Kentucky State Police to ensure proper security precautions relating to the case.

➔Section 3. KRS 61.900 is amended to read as follows:

As used in KRS 61.902 to 61.930:

- (1) "Commission" means a commission issued to an individual by the secretary of justice and public safety, entitling the individual to perform special law enforcement duties on public property;
- (2) "Council" means the Kentucky Law Enforcement Council;
- (3) "Cabinet" means the Justice and Public Safety Cabinet;
- (4) "Public property" means property currently owned or used by any organizational unit or agency of state, county, city, metropolitan government, or a combination of these. The term shall include property currently owned or used by public airport authorities;
- (5) "Secretary" means the secretary of the Justice and Public Safety Cabinet;
- (6) "Special law enforcement officer":
 - (a) Means one whose duties include the protection of specific public property from intrusion, entry, larceny, vandalism, abuse, intermeddling, or trespass;
 - (b) Means one whose duties include the prevention, observation, or detection of, or apprehension for, any unlawful activity on specific public property;
 - (c) Means one whose special duties include the control of the operation, speed, and parking of motor vehicles, bicycles, and other vehicles, and the movement of pedestrian traffic on specific public property;
 - (d) Means one whose duties include the answering of any intrusion alarm on specific public property;
 - (e) Shall include the Capitol police, the Capital Plaza police, public school district security officers, public airport authority security officers, and the officers of the other public security forces established for the purpose of protecting specific public property; and
 - (f) Shall not include members of a lawfully organized police unit or police force of state, county, city, or metropolitan government, or a combination of these, who are responsible for the detection of crime and the enforcement of the general criminal law enforcement of the state; it shall not include any of the following officials or officers:
 1. Sheriffs, sworn deputy sheriffs, ~~city marshals,~~ constables, sworn deputy constables, and coroners;
 2. Auxiliary and reserve police appointed under KRS 95.160 or 95.445, or citation and safety officers authorized by KRS 83A.087 and 83A.088;
 3. State park rangers and officers of the Division of Law Enforcement within the Department of Fish and Wildlife Resources;
 4. Officers of the Transportation Cabinet responsible for law enforcement;
 5. Officers of the Department of Corrections responsible for law enforcement;
 6. Fire marshals and deputy fire marshals;
 7. Other officers not mentioned above who are employed directly by state government and are responsible for law enforcement;
 8. Federal peace officers;
 9. Those campus security officers who are commissioned under KRS 164.950;
 10. Private security guards, private security patrolmen, and investigators licensed pursuant to state statute; and
 11. Railroad policemen covered by KRS 277.270 and 277.280; and
- (7) "Sworn public peace officer" means one who derives plenary or special law enforcement powers from, and is a full-time employee of, the federal government, the Commonwealth, or any political subdivision, agency, department, branch, or service of either, or of any municipality.

➔Section 4. KRS 65.710 is amended to read as follows:

In order to enable cities and counties to fulfill their obligations regarding the public health, safety, and welfare, the General Assembly does hereby allow cities and counties to contract with private persons, partnerships, or corporations for providing ambulance service to the residents of such cities and counties subject to the following conditions:

- (1) These contracts must be in writing and must be approved by the *legislative body of the city* ~~council or board of aldermen~~ if a city is party thereto, or by the fiscal court in case a county is party thereto.
- (2) No contract shall be made with an ambulance service or other organization or person unless the contract shall stipulate that at least one (1) person on each ambulance run shall possess currently valid emergency medical technician certification.
- (3) All contracts made with any ambulance service or other organization or person shall stipulate that all vehicles used for operation of the service comply with vehicle and equipment administrative regulations issued by the Cabinet for Health and Family Services.
- (4) All contracts shall include the stipulation that at least two (2) trained persons, one (1) driver and one (1) attendant, shall be carried on each ambulance for each ambulance call which is covered by the contract.
- (5) No contract shall be made for a period of time greater than one (1) year.
- (6) The vehicle, equipment, training, and personnel requirements of subsections (2), (3), and (4) of this section shall also apply to the operation of an ambulance service by a city or a county or by a city and a county jointly.
- (7) No provisions of this section shall be construed as to limit the power of any city or county to contract for or operate ambulance services under requirements which are stricter than those of this section, or to require insurance, or bonding of contractors, provided these provisions are not in conflict with the requirements of this section.

➔Section 5. KRS 65.805 is amended to read as follows:

As used in KRS 65.810 to 65.830, unless the context otherwise requires, the word "district" shall mean, and the provisions of KRS 65.810 to 65.830 shall apply to, any special district governed by the following statutes: KRS ~~66.610 to 66.650, 74.010 to 74.415, 108.010 to 108.070, 184.010 to 184.300, and 267.010 to 267.990.~~

➔Section 6. 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, 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 7. KRS 67.850 is amended to read as follows:

- (1) Charter county governments may exercise the constitutional and statutory rights, powers, privileges, immunities, and responsibilities of counties and cities of the **home rule** ~~highest~~ class within the county:
 - (a) In effect on the date the charter county government becomes effective;
 - (b) That may subsequently be authorized for or imposed upon counties and cities of that class; and
 - (c) That may be authorized for or imposed upon charter counties.

- (2) Rights, powers, privileges and immunities exercised by charter county governments pursuant to subsection (1)(a) and (b) of this section shall continue to be authorized for charter county governments notwithstanding repeal or amendment of the statutes upon which they are based unless expressly repealed or amended for charter county governments.

➔Section 8. KRS 67.922 is amended to read as follows:

- (1) A unified local government may exercise the constitutional and statutory rights, powers, privileges, immunities, and responsibilities of counties and of cities of the *first class or home rule* ~~highest~~ class within the unified local government:
- In effect on the date the unified local government becomes effective;
 - Which may subsequently be authorized for or imposed upon counties and cities of that class; and
 - Which may be authorized for or imposed upon unified local governments.
- (2) *If a city of the first class exists within the county on the date that the unified local government becomes effective and that city is part of the unified local government, the unified local government may also exercise the constitutional and statutory rights, powers, privileges, immunities, and responsibilities of a city of the first class in addition to its authority to exercise the rights, powers, privileges, immunities, and responsibilities granted under subsection (1) of this section.*
- (3) A unified local government shall be accorded the same sovereign immunity granted counties, their agencies, officers, and employees.
- ~~(4)~~~~(3)~~ All ordinances of a unified local government shall be enacted and enforced pursuant to KRS 83A.060 and 83A.065.

➔Section 9. KRS 80.010 is amended to read as follows:

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

- "Housing" means a building or buildings containing rooms to be provided as living quarters, together with shops, stores, garages, laundries, doctors' and dentists' offices, and other facilities and appurtenances deemed reasonably necessary by the housing authority to the successful and economical operation of the project. It also means any work or undertaking of a housing authority or of the federal government to:
 - Demolish, clear, or remove a building or buildings from any slum area, including the adaptation of such area to recreational, community, or other public purposes;
 - Provide decent, safe, and sanitary living accommodations for persons who lack the amount of income that is necessary, as determined by the authority undertaking the project, to enable them, without financial assistance, to obtain such accommodations; such work or undertaking may include buildings, land equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare, or other purposes;
 - Accomplish a combination of the foregoing and any purposes and objectives permitted of public housing authorities authorized by the United States Housing Act of 1937, 42 U.S.C., sec. 1401, as amended from time to time.
- "Housing authority" or "authority" means any housing authority created pursuant to this chapter.
- "Public body" means any city, ~~village,~~ county, commission, district, authority, or other public body or political subdivision of the Commonwealth.
- "Federal government" includes the United States of America, the United States housing authority and its successor agencies, and any other agency or instrumentality of the United States of America.
- "Bonds" means any bonds, notes, interim certificates, debentures, or other obligations.
- "Clerk" means the clerk of the city or the clerk of the county, as the case may be, or the officer charged with the duties customarily imposed on such clerk.
- "Governing body" means, in the case of a city, the city council, the commission, *board of commissioners, board of alderman,*~~the board of trustees~~ or other legislative body of the city, and in the case of a county, the fiscal court.

- (8) "Mayor" means the mayor of the city or the officer thereof charged with the duties customarily imposed on the mayor or executive head of the city.
- (9) "Obligee of the authority" or "obligee" shall include any bondholder, trustee or trustees for any bondholders, or lessor demising to the authority property used in connection with a housing project, or any assignee or assignees of such lessor's interest or any part thereof, and the federal government when it is a party to any contract with the authority.
- (10) "Persons of low income" means persons or families who lack the amount of income which is necessary, as determined by the housing authority undertaking the housing development, to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding.
- (11) "Real property" includes all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage, or otherwise and the indebtedness secured by such liens.
- (12) "Slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light, or sanitary facilities, or any combination of these factors are detrimental to safety, health and morals.
- (13) "Low income" and "moderate income" shall have those meanings as from time to time are promulgated by federal and state governmental agencies providing funding for the then applicable housing program.

➔Section 10. KRS 81.005 is amended 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 *forms*~~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 KRS 81.060.
- (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 KRS 83A.160.
- (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 KRS 83A.160.
- (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 11. KRS 82.082 is amended to read as follows:

- (1) A city may exercise any power and perform any function within its boundaries, including the power of eminent domain in accordance with the provisions of the Eminent Domain Act of Kentucky, that is in furtherance of a public purpose of the city and not in conflict with a constitutional provision or statute.
- (2) A power or function is in conflict with a statute if it is expressly prohibited by a statute or there is a comprehensive scheme of legislation on the same general subject embodied in the Kentucky Revised Statutes ~~including, but not limited to, the provisions of KRS Chapters 95 and 96~~.

➔Section 12. 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 at a percentage rate on salaries, wages, commissions, or other compensation earned by persons for work done or services performed within that city nor the net profits of businesses, professions, or occupations from activities conducted in that city.~~
 - ~~(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.
- ~~(6)~~~~(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.
- ~~(7)~~~~(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 13. 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 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 to 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 *meeting the criteria of subsection (6) of this section* 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, except that if there are fewer than six (6) active and retired members of the fund, the board of trustees shall be composed of the mayor, city treasurer or chief financial officer, and two (2) employees appointed by the mayor, one (1) from the city police department and one (1) from the city fire department, who shall serve for one (1) year and until their respective successors are appointed and qualified. If all of the members of the pension fund are from one (1) department, no appointment shall be made from the other department. 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) A city meeting the criteria of subsection (6) of this section 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. 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)
 - (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) 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.
- (7) Notwithstanding subsection (1) of this section, no city shall adopt ~~any~~ civil service system for any of its employees ~~under KRS 90.300 to 90.420 or under KRS 95.761, 95.762, 95.763, 95.764, 95.765, and 95.766~~ during the months of November or December in any even-numbered year.
- (8) Any city that creates a civil service commission pursuant to this section may repeal or amend the ordinance at the discretion of the city legislative body. The city legislative body shall not repeal any provisions of the ordinance governing the maintenance of a pension fund.

➔Section 14. KRS 96.045 is amended to read as follows:

- (1) No municipality, in which there is located an existing electric, water or gas public utility plant or facility shall construct or cause to be constructed any similar utility plant or any similar public utility facility duplicating such existing plant or facility or to obtain or acquire any similar public utility plant or facility other than by the purchase of the existing plant or facility or by the acquisition of such existing plant or facility by the exercise of the power of eminent domain.
- (2) "Municipality" means any county, city, ~~and town, village and~~ municipal corporation ~~for any and every class~~ in the Commonwealth of Kentucky, and any board, commission or agency thereof.

- (3) All laws and parts of laws in conflict herewith to the extent of such conflict are repealed.

➔Section 15. KRS 96.120 is amended to read as follows:

- (1) Any city *that owns and operates its own water or light plant* may acquire a franchise to furnish water and light to any other city, in the same manner that any private corporation or individual may acquire such a franchise.
- (2) *Any city that owns and operates its own water or light plant may contract with any other city to furnish water and light to that other city. Those contracts may be entered into by the legislative bodies of the cities, and the legislative bodies are given full power to so contract in regard to the furnishing of water or light. Each contract shall be specific in its terms. Any city may pay to any other city a rental for water and light from year to year, or for a term of years.*
- (3) *Any city may construct, lay, or maintain mains, pipes, lines, or other necessary apparatus to convey water or light from any city that owns and operates its own water or light plant, or may contract with the other city to do these things, and the other city shall have the same power. For this purpose, any city may acquire rights and rights-of-way in the same manner that private corporations or individuals may acquire rights and rights-of-way, and may do any other things in carrying into effect the provisions of this section that any individual or corporation may do.*

➔Section 16. 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}~~ 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}~~ 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, nor until after a vote is taken as required by law to authorize the incurring of indebtedness.

➔Section 17. KRS 96.200 is amended to read as follows:

Except as otherwise provided in KRS ~~{96.330 or}~~ 96.550 to 96.900, ~~{or,}~~ the legislative body of any city 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 18. 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 ~~and [in cities with populations of less than twenty thousand (20,000) based upon the most recent federal decennial census,]~~ necessary water mains and appurtenances *in any city* ~~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
 - (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 19. 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 ~~a city~~ ~~cities with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census~~ 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 20. 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 ~~a city~~^{cities with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census} 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 21. 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 *a city*~~[cities with a population of less than twenty thousand (20,000) based upon the most recent federal decennial census]~~), 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 22. KRS 154.1-010 is amended to read as follows:

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

- (1) "Agribusiness" or "agricultural business entity" means any person, partnership, limited partnership, corporation, limited liability company, or any other entity engaged in a business that processes raw agricultural products, including timber, or provides value-added functions with regard to raw agricultural products;
- (2) "Approved business network" or "approved flexible industrial network" means a business network comprising three (3) or more business firms or industries which have been identified as key industries and targeted by the state's strategic economic development plan for special consideration and assistance by the agencies of the Commonwealth;
- (3) "Authority" means the Kentucky Economic Development Finance Authority, consisting of a committee as set forth in KRS 154.20-010;
- (4) "Board" means the Kentucky Economic Development Partnership, an administrative body within the meaning of KRS 12.010, and the governing body of the Cabinet for Economic Development, as created and established in KRS 154.10-010;
- (5) "Business network" or "flexible industrial network" means a formalized, collaborative mechanism organized by and operating among three (3) or more industrial entities, business enterprises, or private sector firms for the purposes of, but not limited to: pooling expertise; improving responses to changing technology or markets; lowering the risks to individual entities of accelerated modernization; encouraging new technology investments, new market development, and employee skills improvement; and developing a system of collective intelligence among participating entities;
- (6) "Cabinet" means the Cabinet for Economic Development as established under KRS 12.250, and governed by the Kentucky Economic Development Partnership;
- (7) "Commonwealth" means the Commonwealth of Kentucky;
- (8) "Cost of a project" means the cost of the acquisition, construction, reconstruction, conversion, or leasing of any industrial, commercial, health care, agricultural, or forestry enterprise, or any part thereof, to carry out the purposes and objectives of this chapter, including but not limited to acquisition of land or interest in land, buildings, structures, or other planned or existing planned improvements to land, including leasehold improvements, machinery, equipment, or furnishings; working capital; and administrative costs, including but not limited to engineering, architectural, legal, and accounting fees which are necessary for the project;
- (9) "Local and regional economic development interest" means any local business or economic development interest, including but not limited to chambers of commerce, business development associations, industrial development organizations, area development districts, and public economic development entities;

- (10) "Industrial entity" means any corporation, limited liability company, partnership, limited partnership, person, or any other legal entity, domestic or foreign, which will itself or through its subsidiaries or affiliates, engage in an industrial improvement project in the Commonwealth;
- (11) "Industrial improvement project" means and includes the acquisition, construction, or implementation of new manufacturing, processing, or assembling facilities, equipment, methods or processes, or improvements to or repair of existing manufacturing, processing, or assembling facilities, equipment, methods, or processes, including repair, restoration, or conversion of tobacco warehouses, as well as improvements to the real estate upon which the facilities are located, and includes any capital improvement to any existing facility, including any restructuring, retooling, rebuilding, reequipping, or any other form of upgrading such existing facility and equipment and any other improvements to such real estate, existing facility, or manufacturing, processing, or assembling equipment, method, or process;
- (12) "Key industry" means an industry or business within an industrial sector which has been identified in and targeted by the state's economic development strategic plan as having major importance to the sustained economic growth of the Commonwealth and in which member firms sell goods or services into markets for which national or international competition exists, including but not limited to secondary forest products manufacturing, agribusiness, and high technology and biotechnology manufacturing and services;
- (13) "Military" and "defense" mean all military and defense installations, entities, activities, and personnel located, operating, or living in Kentucky;
- (14) "Municipality" means a county, city, ~~village, township,~~ development organization, an institution of higher education, a community or junior college, a subdivision or instrumentality of any of the foregoing, or any entity created by two (2) or more municipalities pursuant to the Interlocal Cooperation Act, KRS 65.210 to 65.300;
- (15) "Network broker" means a person who is trained to assist private sector firms to form business networks and make other similar efforts to provide for joint manufacturing, marketing, technology development, information dissemination, and other activities;
- (16) "Non-appropriation-supported bond" means any long-term financial borrowing instrument for which regular debt service does not originate from an appropriation of the General Assembly;
- (17) "Non-appropriation-supported note" means any short-term financial borrowing instrument for which loan payments do not originate from an appropriation of the General Assembly;
- (18) "Person" means an individual, partnership, joint venture, military facility operated by a department or agency of the United States, profit or nonprofit corporation including a public or private college or university, limited liability company, or other entity or association of persons organized for agricultural, commercial, health care, or industrial purposes; or a public utility or local industrial development corporation;
- (19) "Private sector" means any source other than the authority, a state or federal entity, or an agency thereof;
- (20) (a) "Project" means an endeavor approved by the cabinet or authority and related to industrial, manufacturing, mining, mining reclamation for economic development, commercial, health care, or agricultural enterprise.
- (b) "Project" includes but is not limited to agribusiness, agricultural or forestry production, harvesting, storage, or processing facilities or equipment; equipment or facilities designed to produce energy from renewable resources; research parks; office facilities; engineering facilities; research and development laboratories; repair, restoration, or conversion of tobacco warehouses for an economic development or commercial use; warehousing facilities; parts distribution facilities; depots or storage facilities; port facilities; railroad facilities, including trackage, right-of-way, and appurtenances; airports and airport renovation; water and air pollution control equipment or waste disposal facilities; tourist facilities; theme or recreational parks; health care and health related facilities; farms, ranches, forests, and other agricultural or forestry commodity producers; agricultural harvesting, storage, transportation, or processing facilities or equipment; grain elevators; shipping heads and livestock pens; livestock; wharves and dock facilities; water, electricity, hydroelectric, coal, petroleum, or natural gas provision facilities; dams and irrigation facilities; sewage, liquid, and solid waste collection, disposal treatment, and drainage services and facilities. For purposes of this paragraph, "livestock" means cattle, sheep, swine, goats, horses, alpacas, llamas, buffaloes, and any other animals of the bovine, ovine, porcine, caprine, equine, or camelid species.

- (c) Except for airport-related facilities and tax increment financing projects approved under Subchapter 30 of this chapter, "project" does not include that portion of an endeavor devoted to the sale of goods at retail or that portion of an endeavor devoted to housing which does not consist of the manufacture of housing;
- (21) "Reclamation development fund" means the fund administered by the Kentucky Economic Development Finance Authority to foster economic development on surface mining land;
- (22) "Reclamation development project" means only that reconditioning of land affected by surface mining, which will directly promote and benefit an economic undertaking which constitutes a project under subsection (20) of this section;
- (23) "Reclamation development plan" means a plan submitted to the Energy and Environment Cabinet to show compliance with reclamation standards, and submitted to the Kentucky Economic Development Finance Authority to seek moneys from the reclamation development fund for a reclamation development project;
- (24) "Secretary" means the chief executive officer and secretary of the Cabinet for Economic Development;
- (25) "State" means the Commonwealth of Kentucky; and
- (26) "Tax revenues" means any revenues received by the Commonwealth directly or indirectly as a result of the industrial improvement project, including state corporate income taxes, the limited liability entity tax imposed by KRS 141.0401, state income taxes paid by employees who work in the project, state property taxes, state corporation license taxes, or state sales and use taxes.

➔Section 23. KRS 281.765 is amended to read as follows:

Any peace officer, including sheriffs and their deputies, constables and their deputies, *city* police officers ~~and marshals of cities or incorporated towns~~, county police or patrols, and special officers appointed by any agency of the Commonwealth of Kentucky for the enforcement of its laws relating to motor vehicles and boats or boating, now existing or hereafter enacted, shall be authorized and it is hereby made the duty of each of them to enforce the provisions of this chapter and to make arrests for any violation or violations thereof, and for violations of any other law relating to motor vehicles and boating, without warrant if the offense be committed in his presence, and with warrant or summons if he does not observe the commission of the offense. When in pursuit of any offender for any offense committed within his jurisdiction, any such officer may follow and effect an arrest beyond the limits of his jurisdiction. If the arrest be made without warrant, the accused may elect to be immediately taken before the nearest court having jurisdiction, whereupon it shall be the duty of the officer to so take him. If the accused elects not to be so taken, then it shall be the duty of the officer to require of the accused a bail-bond in a sum not less than one hundred dollars (\$100), conditioned that the accused binds himself to appear in the court of jurisdiction at the time fixed in the bond, not however in any case later than six (6) days from the day of arrest. In case the arrested person fails to appear on the day fixed, the bond shall be forfeited in the manner as is provided for the forfeiture of bonds in other cases. No officer shall be permitted to take a cash bond. The officer making the arrest and taking the bond shall report the same to the court having jurisdiction within eighteen (18) hours after taking such bond.

➔Section 24. KRS 146.280 is amended to read as follows:

- (1) Within the boundaries of a designated stream area, as established and authorized by the Kentucky General Assembly, the office shall be authorized and empowered to acquire by purchase, exercise of the rights of eminent domain, grant, gift, devise, or otherwise, the fee simple title, an easement, or any acceptable lesser interest in any lands, and by lease or conveyance, contract for the right to use and occupy any lands. Where property within such boundaries is owned by the federal government, the office can enter into agreements with the landowning agency concerning use of the property consistent with the objectives of KRS 146.200 to 146.360. Nothing in KRS 146.200 to 146.360 shall be construed to deprive a landowner of the fee simple title to or lesser interest in his property without just compensation.
- (2) The office may not exercise authority to acquire lands or interests in lands located within any incorporated city~~, village,~~ or county when such entities have in force a duly adopted, valid ordinance or plan for the management, zoning and protection of such lands in accordance with the provisions of KRS 146.200 to 146.360.

➔Section 25. KRS 177.230 is amended to read as follows:

The highway authorities of the state, counties, cities, *and* towns, ~~and villages,~~ acting alone or in cooperation, with each other or with any federal, state, or local agency or any other state having authority to participate in the construction and maintenance of highways, are hereby authorized to plan, designate, establish, regulate, vacate, alter,

improve, maintain, and provide limited access facilities for public use wherever such authority or authorities are of the opinion that traffic conditions, present or future, will justify such special facilities: provided, that within cities ~~and villages~~ such authority shall be subject to such municipal consent as may be provided by law. Said highway authorities of the state, counties, cities, ~~villages,~~ and towns, in addition to the specific powers granted in KRS 177.220 to 177.310, shall also have and may exercise, relative to limited access facilities, any and all additional authority now or hereafter vested in them relative to highways or streets within their respective jurisdictions. Said units may regulate, restrict, or prohibit the use of such limited access facilities by the various classes of vehicles or traffic in a manner consistent with KRS 177.220.

→Section 26. KRS 177.240 is amended to read as follows:

The highway authorities of the state, county, city, **and** town~~, and village~~ are authorized to so design any limited access facility and to so regulate, restrict, or prohibit access as to best serve the traffic for which such facility is intended, and its determination of such design shall be final. In this connection, such highway authorities are authorized to divide and separate any limited access facility into separate roadways by the construction of raised curbs, central dividing sections, or other physical separations, or by designating such separate roadways by signs, markers, stripes, and the proper lane for such traffic by appropriate signs, markers, stripes, and other devices. No person shall have any right of ingress or egress to, from, or across limited access facilities to or from abutting lands, except at such designated points at which access may be permitted, upon such terms and conditions as may be specified from time to time.

→Section 27. KRS 177.270 is amended to read as follows:

The highway authority of the state, county, city, **and** town~~, or village~~ may designate and establish limited access highways as new and additional facilities or may designate and establish an existing street or highway as included within a limited access facility. The state or any of its subdivisions shall have authority to provide for the elimination of intersections at grade of limited access facilities with existing state and county roads, and city and town ~~or village~~ streets, by grade separation or service road, or by closing off such roads and streets at the right-of-way boundary line of such limited access facility; and after the establishment of any limited access facility, no highway or street which is not part of said facility shall intersect the same at grade. No city~~, or~~ town~~, or village~~ street, county or state highway or other public way shall be opened into or connected with any such limited access facility without the consent and previous approval of the highway authority in the state, county, city, **or** town~~, or village~~ having jurisdiction over such limited access facility. Such consent and approval shall be given only if the public interest shall be served thereby.

→Section 28. KRS 177.280 is amended to read as follows:

The highway authorities of the state, city, county, **and** town~~, or village~~ are authorized to enter into agreements with each other, or with the federal government, respecting the financing, planning, establishment, improvement, maintenance, use, regulation, or vacation of limited access facilities or other public ways in their respective jurisdictions, to facilitate the purposes of KRS 177.220 to 177.310.

→Section 29. KRS 177.290 is amended to read as follows:

In connection with the development of any limited access facility the state, county, city, **and** town~~, or village~~ highway authorities are authorized to plan, designate, establish, use, regulate, alter, improve, maintain, and vacate local service roads and streets or to designate as local service roads and streets any existing road or street, and to exercise jurisdiction over service roads in the same manner as is authorized over limited access facilities under the terms of KRS 177.220 to 177.310, if in their opinion such local service roads and streets are necessary or desirable. Such local service roads or streets shall be of appropriate design, and shall be separated from the limited access facility proper by means of all devices designated as necessary or desirable by the proper authority.

→Section 30. KRS 262.180 is amended to read as follows:

- (1) The territory of a district shall include all lands lying within the boundaries of a district, including incorporated cities~~, and~~ **and** towns~~, and villages~~.
- (2) Petitions for including additional territory within an existing district may be filed with the commission, and the proceedings provided for by KRS 262.100 to 262.180 in the case of petitions to organize a district shall be observed as far as may be practicable in the case of petitions for inclusion. The commission shall prescribe the form for such petitions, which shall be as nearly as may be in the form prescribed by KRS 262.100 for petitions to organize a district. The Secretary of State shall receive the application for inclusion of the area within the district and shall attach such application to the original file containing the papers by which such

district was organized. Where the total number of landowners in the area proposed for inclusion is less than twenty-five (25), the petition may be filed when signed by a majority of the landowners of the area, and in that case, no referendum need be held. In a referendum upon a petition for inclusion of additional territory, all owners of land lying within the proposed additional area shall be eligible to vote.

➔Section 31. KRS 267.130 is amended to read as follows:

- (1) When the court refers to it any proceeding to establish or construct any improvement, the board shall employ a competent drainage engineer, who shall be the chief engineer for the work. The board may prescribe the number of assistant engineers to be selected by the chief engineer. The chief engineer shall have control of the work until completed, or until his removal by the board, and may assign portions to each assistant. He may, with the consent of the board, consult any eminent engineer and obtain his opinion or advice concerning the drainage of the district. He may employ such assistants as are necessary to make a complete topographical survey of the district, and shall enter upon the ground and make a survey of the main drains and all the laterals.
- (2) The line of each ditch, drain or levee shall be plainly and substantially marked on the ground. The course and distance of each ditch, and width of right-of-way, shall be carefully noted and sufficient notes made so that it may be accurately plotted and mapped. A line of levels shall be run for the entire work and sufficient data secured from which accurate profiles and plans may be made. Frequent bench marks shall be established along the line, on permanent objects, and their elevation recorded in the field books. Other levels may be run to determine the fall from one part of the district to another. If an old watercourse, ditch or channel is being altered it shall be accurately cross sectioned, so as to compute the amount of cubic yards saved by the use of the old channel. If a private ditch is utilized, the saving by reason of its use shall be carefully computed and reported, with the name of the owner. A drainage map of the district shall then be completed, showing the location of every improvement and the boundary, as closely as may be reasonably determined, of the lands owned by each individual landowner within the district. The location of any railroad or public highway and the boundary of any incorporated ~~city~~~~town or village~~ within the district shall be shown on the map. There shall be prepared to accompany the map a profile showing the surface of the ground, and the bottom or grade of the proposed improvement.
- (3) The engineer shall make an estimate of the cost of the work, and plans and specifications therefor, and file the same, together with all maps and profiles, with the county clerk, to be made a part of the record of the proceedings. All such maps, profiles, plans and specifications, together with the report of the engineer and all exhibits filed therewith, shall be made in duplicate, one to be marked original and the other duplicate. If lands in counties other than the one in which the proceeding is pending are affected, an additional copy of the maps and profiles shall be made and filed with the county clerk of the other counties. The original shall not be withdrawn from the custody of the clerk, but the duplicate may be withdrawn for use by the viewers, the board, or for use on the work by the engineer or contractor. This material shall be receipted for by the person withdrawing it, and returned promptly.

➔Section 32. KRS 353.610 is amended to read as follows:

- (1) Except as provided in KRS 353.500 to 353.720, no permits shall be issued for the drilling, deepening, or reopening of any shallow well for the production of oil, unless the proposed location of the well shall be at least three hundred thirty (330) feet from the nearest mineral boundary of the premises upon which the well is to be drilled, deepened or reopened; and, the proposed location must be at least six hundred sixty (660) feet from the nearest oil producing well. This subsection shall not be construed to regulate the distance between wells which do not produce oil from the same pool.
- (2) Except as provided in KRS 353.500 to 353.720, no permit shall be issued for the drilling, deepening or reopening of any shallow well for the production of gas unless the proposed location of the well shall be at least five hundred (500) feet from the nearest mineral boundary of the premises upon which such well is to be drilled, deepened or reopened; and, the proposed location must be at least one thousand (1,000) feet from the nearest gas producing well. This subsection shall not be construed to regulate the distance between wells which do not produce gas from the same pool.
- (3) This section shall not apply:
 - (a) To wells drilled, deepened, or reopened for the injection of water, gas or other fluids into an oil or gas producing formation.
 - (b) To any well drilled, deepened or reopened in a pool or portion thereof, which is included in a secondary recovery program commenced or proposed, if the location or proposed location of the well conforms to a geometric pattern already established on all premises which will be offset and affected by the well.

- (c) To wells drilled or deepened as water supply wells and geological or structure test holes; or
- (d) To premises within the limits of any incorporated city, ~~town or village~~ which has enacted or enacts hereafter an ordinance regulating the location or spacing of wells for the production of oil and gas at distances of not less than the distances prescribed in this section.
- (e) To wells for the production of oil to be drilled, deepened, or reopened and completed at a depth of less than two thousand (2,000) feet where there are no workable beds of coal at lesser depths and the formation from which the oil is expected to be extracted is not appreciably affected by factors, as determined by the commissioner, other than natural drainage. The location of wells for the production of oil coming within this exception shall be at least two hundred (200) feet from the nearest boundary of the premises upon which the well is to be drilled, deepened or reopened; and the proposed location must be at least four hundred (400) feet from the nearest oil producing well. This subsection shall not be construed to regulate the distance between wells which do not produce from the same pool.

➔ Section 33. KRS 95.010 is amended to read as follows:

- (1) As used in KRS 95.160 to 95.290 and in KRS 95.830 to 95.845, 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; and
 - (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 ~~95.629~~~~[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 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; and
 - (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 95.784, the following words and terms shall have the following meaning:
- (a) "Regular police department." For the purpose of KRS 95.761 to 95.784, 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 95.784, 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 95.784 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 95.784;
 - (e) "Trustees." The word "trustees" shall mean the board of pension fund trustees, as established under the terms of KRS 95.761 to 95.784; and
 - (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 95.784.

➔Section 34. Nothing in this Act, including the repeal of any statute, shall be interpreted to remove the authorization that a city has to act under the provisions of KRS 82.082.

➔Section 35. The following KRS sections are repealed:

- 57.285 Printing for political subdivisions to be done within such subdivision.
- 79.010 Intercity or intercounty compacts for purchasing and merit systems authorized.
- 79.020 Expenses to be prorated -- Rules and regulations.
- 79.030 Intercity or intercounty commission -- Membership -- Compensation -- Votes -- Powers.
- 79.040 Meetings of commission -- Records -- Reports.
- 79.050 Comptroller -- Appointment -- Powers and duties -- Term of employment.
- 79.060 Comptroller to have access to records -- Control of personnel -- Purchase of supplies -- Requisitions.
- 79.070 Legal departments, courts and boards of education not affected.
- 81A.480 Application of provisions of KRS 81A.050 to 81A.070 and KRS 81A.400 to 81A.470.
- 82.088 Regulation of adult establishments.

- 95.505 Firefighters, hours off duty, in cities not required to comply with KRS 95.500.
- 95.630 Group life insurance for police and fire departments in cities of home rule class.
- 96.130 City owning own plant may contract to furnish service to another city.
- 96.140 City may install apparatus and obtain rights of way necessary to furnish or receive service.
- 96.330 Disposition of revenue from waterworks in city with population of 20,000 or more.
- 96.340 Punishment for damaging waterworks in city -- Connections with pipes or mains.

Signed by Governor March 21, 2019.