

CHAPTER 21

(HB 129)

AN ACT relating to public health, making an appropriation therefor, and declaring an emergency.

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

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

As used in Sections 1 to 3 of this Act:

- (1) *"Agency" means a local health department established in any county in the Commonwealth pursuant to the provisions of KRS Chapter 212, including a health department in a county containing a city of the first class, a health department in a county with a consolidated local government, an urban-county health department, an independent district health department, or a district health department;*
- (2) *"Cabinet" means the Cabinet for Health and Family Services;*
- (3) *"Commissioner" means the commissioner of the Department for Public Health within the Cabinet for Health and Family Services;*
- (4) *"Core public health programs" means all foundational public health programs as defined in this section and services that may include but are not limited to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provided by the federal Food and Nutrition Service, the Health Access Nurturing Development Services (HANDS) program established in KRS 211.690, and substance use disorder harm reduction services;*
- (5) *"Department" means the Department for Public Health within the Cabinet for Health and Family Services;*
- (6) *"Foundational public health programs" means those services required by the Kentucky Revised Statutes, including but not limited to activities and service programs that prevent and mitigate disease, protect people from injury, promote healthy lifestyles across all environments, promote population health services, enforce Kentucky administrative regulations, ensure emergency preparedness and response, monitor and mitigate communicable disease, and provide the administrative and organizational infrastructure to deliver services;*
- (7) *"Foundational public health service provider" means an individual who is employed by an agency that provides a foundational public health program service;*
- (8) *"Harm reduction services" means a comprehensive set of public health strategies intended to reduce the negative impact of substance use disorders;*
- (9) *"Local public health priorities" means services not included in core public health programs as defined in this section that are identified through a needs assessment as priorities of an agency through a process established in administrative regulations; and*
- (10) *"Population health services" means the development and support of policies and practices to address, change, and improve health outcomes through community education and partnership development.*

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

- (1) *In determining the total amount of funds to be allocated for the delivery of foundational public health programs, the statewide base funding level shall be calculated to ensure that:*
 - (a) *Each county in the Commonwealth that has fifteen thousand (15,000) or fewer residents shall have a minimum of three (3) full-time equivalent foundational public health service providers for foundational public health programs; and*
 - (b) *Each agency has sufficient funds to employ one (1) additional full-time equivalent foundational public health service provider for each time that one (1) additional person, in ranges of five thousand (5,000) persons, is residing in the county beyond the first fifteen thousand (15,000) persons residing in the county that the agency serves.*
- (2) *The funding level for each full-time equivalent foundational public health service provider shall be computed by dividing the total amount appropriated for this purpose by the number of full-time equivalent foundational public health service providers mandated by this section.*

- (3) *Each agency shall be eligible to share in the distribution of funds appropriated for foundational public health programs that meet the following requirements:*
- (a) *Employs, or pledges to employ on receipt of funds, a minimum of one (1) full-time equivalent foundational public health service provider pursuant to the requirements of subsection (1) of this section;*
 - (b) *Provides or ensures the delivery of foundational public health programs within the agency's jurisdiction; and*
 - (c) *Dedicates funding for full-time equivalent foundational public health service providers in one (1) of the following ways:*
 - 1. *By the implementation of the ad valorem public health tax authorized by Sections 10 and 11 of this Act at a rate of at least one and eight-tenths cents (\$0.018), per one hundred dollars (\$100) of full value assessed valuation; or*
 - 2. *By the receiving direct funding from the county or counties in which the agency operates in amount that equals what the agency would receive if the ad valorem public health tax had been levied in the county or counties the agency serves at a rate of at least one and eight-tenths cents (\$0.018), or any higher rate established by the commissioner, per one hundred dollars (\$100) of assessed property valuation.*
- (4) *An agency that meets the requirements established in subsection (3) of this section shall be entitled to receive an amount equal to the base funding level for each full-time equivalent foundational public health service provider, as evaluated by the Cabinet for Health and Family Services. The base funding level shall be evaluated using the following minimum factors:*
- (a) *The amount of funds received by the agency under subsection (3)(c) of this section;*
 - (b) *The statewide average costs of salary for each full-time equivalent foundational public health service provider in the agency;*
 - (c) *The statewide average costs of benefits for each full-time equivalent foundational public health service provider in each agency;*
 - (d) *The actual costs of the retirement liability contributions for each full-time equivalent foundational public health service provider in each agency as compared to other agencies throughout the state and whether the agency's equivalents participate in the Kentucky Employees Retirement System or County Employees Retirement System; and*
 - (e) *The statewide average costs of operating expenses to the agency associated with each full-time equivalent foundational public health service provider.*
- (5) *The Cabinet for Health and Family Services shall determine, on or before May 1 of each year preceding a biennial budget session of the General Assembly, the estimated amount necessary to fund the salary, benefits, unfunded retirement liability contribution, and operating expenses to the agency associated with each full-time equivalent foundational public health service provider for all agencies as calculated from the previous nine (9) month period.*
- (6) *The department shall establish procedures to ensure that core public health programs will be provided or ensured by one (1) or more agencies. The core public health programs, excluding all foundational public health programs, may be provided by another entity; however, the agency shall agree, as funding is available, that it will remain responsible for ensuring that these programs are provided in the event the other entity no longer provides the service.*
- (7) *The department shall, within sixty (60) days of the effective date of this Act, promulgate administrative regulations to establish the process and procedures to ensure that core public health programs, foundational public health programs, and local public health priorities are identified and facilitated by one (1) or more agencies in the Commonwealth.*
- (8) *The department shall not require agencies to enter additional agreements beyond the provisions of core public health programs. Agencies may enter into contractual agreements with the department outside of programs and services defined in Section 1 of this Act.*
- (9) *An agency shall maintain records and submit information as required by the department to administer this section.*

- (10) *Notwithstanding KRS 211.170 and 212.120, any moneys allocated pursuant to this section for foundational public health programs is allowable.*

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 211 IS CREATED TO READ AS FOLLOWS:

- (1) *As long as core public health programs are funded and implemented, local public health priorities, as defined in Section 1 of this Act, may be provided by the agency and shall meet the following criteria:*

- (a) *Demonstrate data-driven needs;*
- (b) *Use evidence-based or promising practices;*
- (c) *Identify adequate funding;*
- (d) *Demonstrate performance and quality management plans; and*
- (e) *Define a strategy to determine when the service or program is no longer needed.*

- (2) *The department shall, within sixty (60) days of the effective date of this Act, promulgate administrative regulations establishing the process to demonstrate that the local health priorities meet the criteria established in this section.*

- (3) *An agency shall maintain records and submit information as required by the department to administer this section.*

➔Section 4. KRS 194A.050 is amended to read as follows:

- (1) The secretary shall formulate, promote, establish, and execute policies, plans, and comprehensive programs and shall adopt, administer, and enforce throughout the Commonwealth all applicable state laws and all administrative regulations necessary under applicable state laws to protect, develop, and maintain the health, personal dignity, integrity, and sufficiency of the individual citizens of the Commonwealth and necessary to operate the programs and fulfill the responsibilities vested in the cabinet. The secretary shall promulgate, administer, and enforce those administrative regulations necessary to implement programs mandated by federal law, or to qualify for the receipt of federal funds and necessary to cooperate with other state and federal agencies for the proper administration of the cabinet and its programs.

- (2) The secretary may utilize the Public Health Services Advisory Council to review and make recommendations on contemplated administrative regulations relating to initiatives of the Department for Public Health. No administrative regulations issued under the authority of the cabinet shall be filed with the Legislative Research Commission unless they are issued under the authority of the secretary, and the secretary shall not delegate that authority.

- (3) (a) Except as otherwise provided by law, the secretary shall have authority to establish by administrative regulation a schedule of reasonable fees. ~~but in no event shall~~ The total fees for permitting and inspection:

- 1. *Shall be the total of the operational and administrative costs of the programs to the cabinet and to agencies as defined in Section 1 of this Act;*
- 2. *Beginning on the effective date of this Act until December 31, 2020, shall not increase more than twenty-five percent (25%) of the fee amount on the effective date of this Act; and*
- 3. *Beginning on or after January 1, 2021, shall not increase more than five percent (5%) for each year thereafter.*

- (b) *The fees shall* ~~increase more than five percent (5%) per year, to~~ cover the costs of annual inspections of efforts regarding compliance with program standards administered by the cabinet.

- (c) All fees collected for inspections shall be deposited in the State Treasury and credited to a revolving fund account to be used for administration of those programs of the cabinet. The balance of the account shall lapse to the general fund at the end of each biennium. Fees shall not be charged for investigation of complaints.

➔Section 5. KRS 211.180 is amended to read as follows:

- (1) The cabinet shall enforce the administrative regulations promulgated by the secretary of the Cabinet for Health and Family Services for the regulation and control of the matters set out below and shall formulate, promote,

establish, and execute policies, plans, and comprehensive programs relating to all matters of public health, including but not limited to the following matters:

- (a) Detection, prevention, and control of communicable diseases, chronic and degenerative diseases, dental diseases and abnormalities, occupational diseases and health hazards peculiar to industry, home accidents and health hazards, animal diseases which are transmissible to man, and other diseases and health hazards that may be controlled;
 - (b) The adoption of regulations specifying the information required in and a minimum time period for reporting a sexually transmitted disease. In adopting the regulations the cabinet shall consider the need for information, protection for the privacy and confidentiality of the patient, and the practical ability of persons and laboratories to report in a reasonable fashion. The cabinet shall require reporting of physician-diagnosed cases of acquired immunodeficiency syndrome based upon diagnostic criteria from the Centers for Disease Control and Prevention of the United States Public Health Service. No later than October 1, 2004, the cabinet shall require reporting of cases of human immunodeficiency virus infection by reporting of the name and other relevant data as requested by the Centers for Disease Control and Prevention and as further specified in KRS 214.645. Nothing in this section shall be construed to prohibit the cabinet from identifying infected patients when and if an effective cure for human immunodeficiency virus infection or any immunosuppression caused by human immunodeficiency virus is found or a treatment which would render a person noninfectious is found, for the purposes of offering or making the cure or treatment known to the patient;
 - (c) The control of insects, rodents, and other vectors of disease; the safe handling of food and food products; the safety of cosmetics; the control of narcotics, barbiturates, and other drugs as provided by law; the sanitation of schools, industrial establishments, and other public and semipublic buildings; the sanitation of state and county fairs and other similar public gatherings; the sanitation of public and semipublic recreational areas; the sanitation of public rest rooms, trailer courts, hotels, tourist courts, and other establishments furnishing public sleeping accommodations; the review, approval, or disapproval of plans for construction, modification, or extension of equipment related to food-handling in food-handling establishments; the licensure of hospitals; and the control of ~~such~~ other factors, not assigned by law to another agency, as may be necessary to insure a safe and sanitary environment;
 - (d) The construction, installation, and alteration of any on-site sewage disposal system, except for a system with a surface discharge;
 - (e) Protection and improvement of the health of expectant mothers, infants, preschool, and school-age children; and
 - (f) Protection and improvement of the health of the people through better nutrition.
- (2) (a) The secretary shall have authority by regulation to establish a schedule of reasonable fees. ~~It shall not exceed the costs of the program to the cabinet to cover inspector hours, but in no event shall~~ The total fees for permitting and inspection:
1. *Shall be the total of the operational and administrative costs of the programs to the cabinet and to agencies as defined in Section 1 of this Act;*
 2. *Beginning on the effective date of this Act until December 31, 2020, shall not increase more than twenty-five percent (25%) of the fee amount on the effective date of this Act; and*
 3. *Beginning on or after January 1, 2021, shall not increase more than five percent (5%) for each year thereafter.*
- (b) *The fees shall include* ~~increase more than five percent (5%) per year,~~ travel pursuant to state regulations for travel reimbursement, to cover the costs of inspections of manufacturers, retailers, and distributors of consumer products as defined in the Federal Consumer Product Safety Act, 15 U.S.C. secs. 2051 et seq.; 86 Stat. 1207 et seq. or amendments thereto, and of youth camps for the purpose of determining compliance with the provisions of this section and the regulations adopted by the secretary pursuant thereto.
 - (c) Fees collected by the secretary shall be deposited in the State Treasury and credited to a revolving fund account for the purpose of carrying out the provisions of this section. The balance of the account shall lapse to the general fund at the end of each biennium.

- (3) Any administrative hearing conducted under authority of this section shall be conducted in accordance with KRS Chapter 13B.

➔Section 6. KRS 211.357 is amended to read as follows:

- (1) The cabinet shall establish a program to certify persons as installers of on-site sewage disposal systems. A master plumber licensed pursuant to KRS Chapter 318 or a person who provides written verification from the local health department in the county in which the work was completed that he installed five (5) lateral fields and septic tank systems prior to July 13, 1984, and that these installations had been inspected by a certified inspector and passed inspection, shall be certified automatically.
- (2) The cabinet shall establish as a part of the certification program referenced in subsection (1) of this section a means of issuing a probationary certification for installers of on-site sewage disposal systems. This probationary certification shall automatically be converted to a full certification at the time that the holder of the probationary certificate has installed five (5) lateral fields and septic tank systems and has provided written verification from the local health department in the county in which the work was completed that these installations have been inspected by a certified inspector and passed the inspection. The cabinet shall issue a full certificate to the holder of the probationary certificate no later than sixty (60) days after receipt of verification. In order to be issued a probationary certification, eligible persons shall certify in writing that they will make installations in accordance with requirements set forth by the Cabinet for Health and Family Services.
- (3) The cabinet may promulgate administrative regulations to establish a fee that:
- (a) Shall ~~not exceed~~ **be the total of the operational and administrative costs of the programs to the cabinet and to agencies as defined in Section 1 of this Act;**
 - (b) **Beginning on the effective date of this Act until December 31, 2020, shall not increase more than twenty-five percent (25%) of the fee amount on the effective date of this Act; and**
 - (c) **Beginning on or after January 1, 2021, shall not increase more than five percent (5%) for each year thereafter; and** ~~[, but in no event shall the total fees for permitting and inspection increase more than five percent (5%) per year, that]~~
 - (d) Shall be paid by persons certified as installers, except master plumbers licensed pursuant to KRS Chapter 318.
- (4) The cabinet may revoke or suspend any certification issued pursuant to this section upon proof that the certified person has:
- (a) Knowingly violated the provisions of this chapter or the regulations of the cabinet;
 - (b) Practiced fraud or deception in applying for or obtaining a certificate;
 - (c) Is incompetent to install on-site sewage disposal systems;
 - (d) Permitted the certification to be used directly or indirectly by another to install on-site sewage disposal systems; or
 - (e) Is guilty of other unprofessional or dishonorable conduct of a character likely to deceive or defraud the public.
- (5) Upon appeal of any decision to revoke or suspend a certification, an administrative hearing shall be conducted in accordance with KRS Chapter 13B.
- (6) Nothing in this section shall be construed to condone the installation of on-site sewage disposal systems contrary to specifications for these systems established by the cabinet.

➔Section 7. KRS 211.976 is amended to read as follows:

- (1) (a) All persons proposing to engage in business for the purposes of this chapter shall file an application for licensing on forms provided by the cabinet with information specifying that waste hauling is restricted to household sewage or sludge only; commercial or industrial sanitary sewage or sludge only; grease trap sewage or sludge only; or combinations of the above. Other information deemed necessary, as well as the required fee, shall accompany the application.
- (b) The secretary may promulgate administrative regulations to establish a fee schedule that:

1. Shall ~~[not exceed the]~~ **be the total of the operational and administrative costs of the programs to the cabinet and to agencies as defined in Section 1 of this Act;**
 2. **Beginning on the effective date of this Act until December 31, 2020, shall not increase more than twenty-five percent (25%) of the fee amount on the effective date of this Act; and**
 3. **Beginning on or after January 1, 2021, shall not increase more than five percent (5%) for each year thereafter**~~[, but in no event shall the total fees for permitting and inspection increase more than five percent (5%) per year].~~
- (2) If the cabinet, after any investigation it deems necessary, finds that the applicant has the qualifications, experience, reputation, and approved site for disposal necessary to perform the service in an acceptable manner and not detrimental to the environment or to public health, it shall issue or cause to be issued a license for the said business. This license is not transferable. The application for license shall be made to the cabinet prior to March 1 of each year, and shall be accompanied by a surety bond tendered by a company registered in the Commonwealth of Kentucky, to indemnify persons for whom service and maintenance work is performed, if faulty, and to guarantee disposal of sewage sludge in an approved manner; or with sureties, form and sufficiency acceptable to the cabinet. The amount of the bond shall be established by administrative regulation promulgated by the cabinet. The cabinet shall be the obligee, and the bond shall be for the benefit and purpose to protect all persons and the environment damaged by faulty workmanship in the servicing or maintaining of sewage pretreatment units, grease traps, or holding tanks, or in the disposal of sewage sludge, and shall guarantee the appearance of the licensee to answer any summons within thirty (30) days of notice to the bonding company of the issuance of summons. Bonds shall be conditioned upon the performance of the services in a workmanlike manner, and in a manner which will not create a public health hazard nor damage the environment.

➔Section 8. KRS 217.125 is amended to read as follows:

- (1) The authority to promulgate regulations for the efficient administration and enforcement of KRS 217.005 to 217.215 is hereby vested in the secretary. The secretary may make the regulations promulgated under KRS 217.005 to 217.215 consistent with those promulgated under the federal act and the Fair Packaging and Labeling Act. Regulations promulgated may require permits to operate and include provisions for regulating the issuance, suspension, and reinstatement of permits. The authority to promulgate regulations pursuant to KRS 217.005 to 217.205 is restricted to the Cabinet for Health and Family Services.
- (2) No person shall operate a food processing establishment, food storage warehouse, salvage distributor, or salvage processing plant without having obtained an annual permit to operate from the cabinet. An application for the permit to operate shall be made to the cabinet upon forms provided by it and shall be accompanied by the required fee as shall be provided by regulation. The secretary shall promulgate administrative regulations to establish a fee schedule not to exceed costs of the program to the cabinet. Fees collected by the cabinet shall be deposited in the State Treasury and credited to a revolving fund account for use by the cabinet in carrying out the provisions of KRS 217.025 to 217.390 and the regulations adopted by the secretary pursuant thereto. The balance of the account shall lapse to the general fund at the end of each biennium.
- (3) No person shall operate a retail food establishment without having obtained a permit to operate from the cabinet. An application for a permit to operate any retail food establishment shall be made to the cabinet upon forms provided by it and shall contain the information the cabinet may reasonably require.
- (4) (a) Except as otherwise provided in subsection (11) of this section, each application for a temporary food service establishment or for an annual permit to operate a retail food establishment shall be accompanied by the required fee. The secretary shall promulgate administrative regulations to establish a fee schedule not to exceed costs to the cabinet.~~[, but in no event shall]~~
- (b) The total fees for permitting and inspection:
 1. **Shall be the total of the operational and administrative costs of the programs to the cabinet and to agencies as defined in Section 1 of this Act;**
 2. **Beginning on the effective date of this Act until December 31, 2020, shall not increase more than twenty-five percent (25%) of the fee amount on the effective date of this Act; and**
 3. **Beginning on or after January 1, 2021, shall not increase more than five percent (5%) for each year thereafter**~~[increase more than five percent (5%) per year].~~

- (5) Except as otherwise provided in subsection (11) of this section, each application for a farmers market temporary food service establishment shall be accompanied by the required fee of at least fifty dollars (\$50). The secretary shall establish a fee schedule by promulgation of administrative regulation. Fees collected by the cabinet shall be used to carry out duties related to farmers market temporary food service establishments, including but not limited to inspections and the issuance of permits.
- (6) An applicant for a permit to operate a farmers market temporary food service establishment must provide documentation of successful completion of a food safety training program offered by either the state, a local health department, or other entity approved by the cabinet to conduct food safety training. Each certification of food safety training shall expire after a period of twenty-four (24) months from the date of issuance. Permits issued shall be posted in a conspicuous place in the establishment, and a person who has completed the food safety training for farmers market temporary food service establishments shall be present at all times during the operation of the establishment.
- (7) Upon expiration of a temporary food service establishment permit, any subsequent permits shall not be issued to the same operator to operate at the same location until a period of thirty (30) days has elapsed.
- (8) Upon receipt of an application for a permit to operate a food processing establishment, food storage warehouse, salvage distributor, or salvage processing plant or a retail food establishment accompanied by the required fee, the cabinet shall issue a permit if the establishment meets the requirements of KRS 217.005 to 217.215 and regulations adopted by the cabinet. Retail food establishments holding a valid and effective permit on January 1, 1973, even though not fully meeting the construction requirements of KRS 217.005 to 217.215 and the regulations adopted pursuant thereto, may continue to be eligible for permit renewal if in good repair and capable of being maintained in a safe and sanitary manner.
- (9) Permits shall not be issued to operate a temporary food service establishment and a farmers market temporary food service establishment simultaneously at the same location and by the same operator.
- (10) In all instances of permit issuance for either a temporary food service establishment permit or a farmers market temporary food service establishment permit, any subsequent permits shall not be issued until a period of thirty (30) days has elapsed.
- (11) Private, parochial, and public school cafeterias or lunchroom facilities through the twelfth grade, charitable food kitchens, and all facilities operated by the Cabinet for Health and Family Services or Department of Corrections shall be exempt from the payment of fees, but shall comply with all other provisions of KRS 217.005 to 217.215 and the state retail food establishment code. For this subsection, the term "charitable food kitchens" means a not-for-profit, benevolent food service establishment where more than one-half (1/2) of the employees are volunteers.
- (12) Each annual permit to operate a food processing establishment, food storage warehouse, salvage distributor, or salvage processing plant or a retail food establishment, unless previously suspended or revoked, shall expire on December 31 following its date of issuance, and be renewable annually upon application accompanied by the required fee, except as otherwise provided in subsection (11) of this section, and if the establishment is in compliance with KRS 217.005 to 217.215 and regulations of the cabinet.
- (13) Each permit to operate a food processing establishment, food storage warehouse, salvage distributor, salvage processing plant, or a retail food establishment shall be issued only for the premises and person named in the application and shall not be transferable. Permits issued shall be posted in a conspicuous place in the establishment.

➔Section 9. KRS 217.811 is amended to read as follows:

- (1) The cabinet shall promulgate administrative regulations to establish a fee ~~[not to exceed the]~~*that*:
 - (a) *Shall be the total of the operational and administrative costs of the programs to the cabinet and to agencies as defined in Section 1 of this Act;*
 - (b) *Beginning on the effective date of this Act until December 31, 2020, shall not increase more than twenty-five percent (25%) of the fee amount on the effective date of this Act; and*
 - (c) *Beginning on or after January 1, 2021, shall not increase more than five percent (5%) for each year thereafter.* ~~[of the program, but in no event shall an increase be more than five percent (5%) per year.]~~
- (2) ~~The fee [that]~~ shall be paid with each application for permit to operate a vending machine company for each vending machine commissary plus a fee for the total number of vending machines operated by the applicant.

- (3) Vending machines dispensing only bottled or canned soft drinks; prepackaged nonpotentially hazardous food; chewing gum, nuts, and/or candies shall be exempt from the permit and fee requirements of KRS 217.808 to 217.812.

➔Section 10. KRS 212.725 is amended to read as follows:

- (1) If, after the establishment of the public health taxing district, as provided in KRS 212.720, the tax-levying authorities of the district, in the opinion of the county or city-county board of health, do not appropriate an amount sufficient to meet the public health needs of the county or the city-county health department or do not appropriate an amount sufficient to meet the standards prescribed by the Cabinet for Health and Family Services for health departments, the county or city-county board of health, acting as the governing body of the taxing district, shall with the approval of the Cabinet for Health and Family Services, impose by resolution a special ad valorem public health tax in ~~an~~~~such~~ amount that it deems sufficient.
- (2) **The special ad valorem public health tax shall~~[-but]~~ not be:**
- (a) **Subject to the provisions of KRS 132.023; or**
- (b) **Levied in an amount that is** in excess of:
1. The maximum amount approved by the electorate as provided for in KRS 212.720; **or**
 2. **Ten cents (\$0.10) per one hundred dollars (\$100) of full value assessed valuation.**
- (3) The fiscal court shall upon receipt of a duly certified copy of said resolution, include in the next county ad valorem tax levy said special public health tax imposed by the county or city-county board of health which shall be in addition to all other county ad valorem taxes.
- (4) ~~The~~~~Said~~ special public health tax shall be collected in the same manner as are other county ad valorem taxes and turned over to the county or city-county board of health.
- (5) **Moneys derived from the special ad valorem public health tax:**
- (a) ~~Shall~~~~to~~ be used~~[-solely]~~ for the maintenance and operation of the county or city-county health department;
- (b) **May be expended for the construction, alteration, or modification of a public health center or other suitable housing facility for the county or city-county health department; and**
- (c) **May be expended for funding for full-time equivalent foundational public health service providers as permitted by subsection (3) of Section 2 of this Act.**

➔Section 11. KRS 212.755 is amended to read as follows:

- (1) If, after the establishment of the public health taxing district as provided for in this section and KRS 212.750, the tax-levying authorities of the district, in the opinion of the county or city-county board of health or urban-county department of health, do not appropriate an amount sufficient to meet the public health needs of the county or the city-county health department or urban-county department of health or do not appropriate an amount sufficient to meet the standards prescribed by the Cabinet for Health and Family Services for local health departments, the county or city-county board of health or urban-county department of health, acting as the governing body of the taxing district shall, with the approval of the Cabinet for Health and Family Services, request the fiscal court or urban-county government to impose by resolution a special ad valorem public health tax in an amount that it deems sufficient.
- (2) **The special ad valorem public health tax shall~~[-but]~~ not be:**
- (a) **Subject to the provisions of KRS 132.023; or**
- (b) **Levied in an amount that is** in excess of ten cents (\$0.10) per one hundred dollars (\$100) of full value assessed valuation.
- (3) The fiscal court or urban-county government may, upon receipt of a duly certified copy of the resolution, include in the next county ad valorem tax levy the special public health tax imposed by the county or city-county board of health or urban-county department of health, which shall be in addition to all other county ad valorem taxes.
- (4) If levied by the fiscal court or urban-county government, the special public health tax shall be collected in the same manner as are other county ad valorem taxes and turned over to the county or city-county board of health or urban-county department of health.

(5) ***Moneys derived from the special ad valorem public health tax:***

- (a) *Shall* ~~to~~ be used ~~solely~~ for the maintenance and operation of the county, city-county, or district health department or urban-county department of health;
- (b) *May be expended for the construction, alteration, or modification of a public health center or other suitable housing facility for the county or city-county health department or urban-county department of health; and*
- (c) *May be expended for funding for full-time equivalent foundational public health service providers as permitted by subsection (3) of Section 2 of this Act* ~~and as provided in KRS 212.740.~~

~~(2) Public health taxing districts organized pursuant to the provisions of KRS 212.720 to 212.740 or organized pursuant to this section and KRS 212.750 shall not be subject to the provisions of the compensating tax rate as defined by KRS 132.010 nor to Chapter 2, 1965 First Extraordinary Session of the General Assembly; provided, however, that no public health taxing district shall impose a rate higher than ten cents (\$0.10) per one hundred dollars (\$100) of full value assessed valuation.~~

➔Section 12. KRS 212.750 is amended to read as follows:

- (1) It is the intent of this section and KRS 212.755, inter alia, to create a public health taxing district via operation of law in every county of the Commonwealth that has not heretofore created same except in counties containing cities of the first class or a consolidated local government.
- (2) In all counties where a county or city-county health department or urban-county department of health has been established, except in counties containing a city of the first class or a consolidated local government, and a public health taxing district has not been established pursuant to the provisions of KRS 212.720, **212.722, and Section 10 of this Act** ~~to 212.740~~, a public health taxing district is hereby declared to be created upon June 13, 1968, or upon the creation of an urban-county department of health. The members of the county or city-county board of health or urban-county department of health shall, by virtue of their office, constitute and be the governing body of the public health taxing district and shall perform the duties attendant thereto in addition to their duties as members of the county or city-county board of health or urban-county department of health. The officers of the county or city-county board of health or urban-county department of health shall be the officers of the public health taxing district.
- (3) Nothing in this section and KRS 212.755 shall in any way abridge the rights of two (2) or more counties from establishing a district health department.

➔Section 13. KRS 65.060 is amended to read as follows:

As used in KRS 65.008, 65.009, 65.065 and 65.070, the term "district" shall mean and the provisions of KRS 65.008, 65.009, 65.065 and 65.070 shall apply to any board, commission, or special district created pursuant to the following statutes: KRS 39F.020, 39F.160; KRS 65.160, 65.162, 65.210 to 65.300, 65.510 to 65.650; KRS 74.010 to 74.415; KRS 75.010 to 75.260; KRS 76.005 to 76.210, 76.241 to 76.273, 76.274 to 76.279, 76.295 to 76.420, 76.600 to 76.640; KRS 77.005 to 77.305; KRS 80.262 to 80.610; KRS 91A.350 to 91A.390; KRS 96A.010 to 96A.230; KRS 104.450 to 104.680; KRS 107.310 to 107.500; KRS 108.010 to 108.070, 108.080 to 108.180; KRS 109.056, 109.059, 109.115 to 109.190; KRS 147.610 to 147.705; KRS 147A.050 to 147A.120; KRS 154.50-301 to 154.50-346; KRS 164.605 to 164.675; KRS 173.450 to 173.650, 173.710 to 173.800; KRS 179.700 to 179.735; KRS 183.132 to 183.160; KRS 184.010 to 184.300; KRS 210.460 to 210.480; KRS 212.720 to **Section 11 of this Act** ~~212.760~~; KRS 216.310 to 216.360; KRS 220.010 to 220.613; KRS 262.100 to 262.660, 262.700 to 262.990; KRS 266.010 to 266.990; KRS 267.010 to 267.990; KRS 268.010 to 268.990; or KRS 273.405 to 273.453.

➔Section 14. KRS 65.180 is amended to read as follows:

As used in KRS 65.182 to 65.190, unless the context otherwise requires, the word "taxing district" shall mean, and the provisions of KRS 65.182 to 65.190 shall apply to, any special district authorized by statute to levy ad valorem taxes within the meaning of Section 157 of the Constitution of Kentucky or to levy ad valorem taxes under the provisions of KRS 68.602 and governed by the following statutes: KRS 65.182, 75.010 to 75.260, 107.310 to 107.500, 108.080 to 108.180, 109.115 to 109.190, 173.450 to 173.650, 173.710 to 173.800, 179.700 to 179.990, 212.720 to **Section 11 of this Act** ~~212.760~~, 216.310 to 216.360, 266.010 to 266.990, and 268.010 to 268.990.

➔Section 15. KRS 65.900 is amended to read as follows:

As used in KRS 65.905 to 65.925, unless the context requires otherwise:

- (1) "City" means every city organized and governed under the mayor-alderman form of government pursuant to KRS Chapter 83, every city organized and governed under the mayor-council form of government pursuant to KRS Chapter 83A, every city organized and governed under the commission form of government pursuant to KRS Chapter 83A, every city organized and governed under the city manager form of government pursuant to KRS Chapter 83A, every consolidated local government organized and governed under the consolidated local government form of government pursuant to KRS Chapter 67C, and every urban-county government organized and governed under the urban-county form of government pursuant to KRS Chapter 67A.
- (2) "County" means any of Kentucky's one hundred twenty (120) counties.
- (3) "Special district" means any district with ad valorem taxing powers including, but not limited to, those specified in the following KRS statutes: KRS 75.010 to 75.260, KRS 76.274 to 76.279, KRS 104.450 to 104.680, KRS 107.310 to 107.500, KRS 108.080 to 108.180, KRS 109.115 to 109.190, KRS 147.610 to 147.710, KRS 164.605 to 164.675, KRS 173.450 to 173.650, KRS 173.710 to 173.800, KRS 179.700 to 179.990, KRS 210.370 to 210.480, KRS 212.720 to *Section 11 of this Act* ~~[212.760]~~, KRS 216.310 to 216.360, KRS 220.010 to 220.613, KRS 262.010 to 262.660, KRS 262.700 to 262.990, KRS 266.010 to 266.990, KRS 268.010 to 268.990, and KRS 269.100 to 269.270.
- (4) "Local government" includes:
 - (a) For fiscal periods ending prior to July 1, 2014, cities, counties, consolidated local governments, urban-county governments, and special districts; and
 - (b) For fiscal periods beginning on and after July 1, 2014, cities, counties, consolidated local governments, and urban-county governments.
- (5) "Lease-purchase agreement" means an agreement to lease or to lease and purchase major items of property, equipment, or services estimated to cost fifty thousand dollars (\$50,000) or more, and two hundred thousand dollars (\$200,000) or more for the construction or installation of a building or a utility.

➔Section 16. The following KRS sections are repealed:

212.740 Expenditures of special health tax moneys.

212.760 Public health taxing districts exempt from compensating tax rate.

➔Section 17. Whereas the continuing increase in health care costs is a burden on Kentucky agencies and consumers, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon otherwise becoming law.

Signed by Governor March 17, 2020.