

CHAPTER 129

(HB 67)

AN ACT relating to schools and declaring an emergency.

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

➔Section 1. KRS 160.145 is amended to read as follows:

(1) As used in this section:

(a) *"Commercial or local government affiliation" means:*

1. *Having an ownership interest in, being employed by, or being a customer or client of a commercial business or activity; or*
2. *An association with a city, county, consolidated local government, urban-county government, charter county government, or unified local government;*

(b) "Family member" means:

1. A parent, brother, sister, son, daughter, aunt, uncle, *cousin, nephew, niece*, or grandparent *related to the student by consanguinity, affinity, or adoption; or*
2. *An adult that resides in the same household as the student;*

(c) ~~(b)~~ "Parent" means a parent, legal guardian, *a person acting as a parent in the absence of a parent or guardian*, or other *individual* ~~person~~ or agency responsible for *the* ~~a~~ student;

(d) *"Private electronic communication" means electronic communication that involves direct one-on-one or group conversations that are only accessible to the participants;*

(e) *"Qualified school volunteer" means an adult who:*

1. *Is not:*
 - a. *A school district employee; or*
 - b. *Enrolled in the school district; and*
2. *Has served the school or school district at any point during the current school year:*
 - a. *As a student teacher, a nonfaculty coach or assistant coach, a nonfaculty sponsor of an extracurricular program or activity, or a school-sponsored academic tutor; or*
 - b. *In a nonfaculty student services role designated as a qualified school volunteer by the local board of education;*

(f) ~~(e)~~ "School district employee ~~or volunteer~~":

1. Means a school administrator, classified *employee*, ~~or~~ certified employee ~~of a school district, school volunteer~~, *contractor hired by the district to provide direct services to students, or compensated nonfaculty coach or assistant coach;*
2. *Includes any Kentucky Department of Education or educational cooperative employee who is assigned to a school or area technology center within the school district on a full-time basis and granted official access as a user of the traceable communication system* ~~student teacher, or sponsor of an extracurricular program or activity~~; *and*
3. *Does not include any student enrolled in the district;*

(g) ~~(d)~~ "Traceable communication system" means one (1) or more electronic school notification and communication programs or applications that:

1. Are designated by a local board of education in accordance with subsection (2) of this section;
2. Trace all communications sent to or by a student; and
3. Provide parents an opportunity to access and review those communications; and

- (h)(e) "Unauthorized electronic communication":
1. Means *private* ~~an~~ electronic communication with a student *enrolled in a school district* by ~~the~~ ~~school district's~~ ~~district~~ employee or *qualified school* volunteer who is not the student's family member that occurs outside of a designated traceable communication system and without prior written parental consent; ~~and~~
 2. Includes any *private electronic communication with a student or students enrolled in the school district through a* personal email account, text messaging, social media, or other *private* electronic ~~notification and~~ communication *program* ~~programs~~ outside of the traceable communication system; ~~and~~
 3. *Does not include:*
 - a. *Virtual school instruction, including nontraditional instruction, online course instruction, and home-health instruction;*
 - b. *Academic feedback mechanisms;*
 - c. *Electronic translation services;*
 - d. *Electronic communication with any telephone number provided by a parent for the purpose of school communication with that parent;*
 - e. *Electronic communication in which a parent of the student is included as a recipient or participant;*
 - f. *Electronic communication between two (2) or more school district employees or qualified school volunteers and one (1) or more students that is in direct relation to an academic, athletic, or extracurricular purpose;*
 - g. *Electronic communication between a school resource officer or director of pupil personnel and a student in which the principal, vice principal, or a school-based mental health services provider, as defined by KRS 158.4416, is included as a recipient that is in direct relation to the safety, engagement, or attendance of a student;*
 - h. *Voice communication on an official telephone number affiliated with the school or school district;*
 - i. *Social media posts and comments that are not private electronic communication;*
 - j. *Electronic communication related to commercial products or services with a telephone number, email address, or other electronic account affiliated with a lawful commercial business; or*
 - k. *Secure messaging for healthcare providers.*
- (2) Each local board of education shall designate a traceable communication system ~~to be the exclusive means~~ for ~~a~~ school district *employees and qualified school volunteers* ~~employee or volunteer~~ to communicate electronically with students *enrolled in the school district*. The principal of each public school shall provide parents written or electronic notification within the first ten (10) days of the school year of each electronic school notification and communication program designated within the traceable communication system. The notification shall include instructions for parents to access and review communications sent through each electronic school notification and communication program.
- (3) (a) ~~Except as provided in subsections (4) and (5) of this section,~~ A school district employee or *qualified school* volunteer shall not *engage in unauthorized electronic communication* ~~communicate electronically with a student:~~
1. ~~Outside of the traceable communication system designated by the local board of education; or~~
 2. ~~Through an unauthorized electronic communication program or application.~~
- (b) A school district employee that violates paragraph (a) of this subsection *may* ~~shall~~ be subject to disciplinary action in accordance with:
1. For certified employees, KRS 161.120 and 161.790; or
 2. For classified employees, KRS 161.011(7).

- (c) A *qualified* school volunteer that violates paragraph (a) of this subsection ~~may~~~~shall~~ be prohibited *by the school district* from future school volunteer opportunities.
- (4) A parent may submit written consent to authorize a designated school district employee or *qualified school* volunteer who is not a family member to *participate in private electronic communication*~~communicate electronically~~ with his or her child outside of the traceable communication system. The written consent:
- (a) Shall be filed in the administrative office of the student's school;
- (b) *Shall be submitted to the administrative office of the school* prior to any *private* electronic communication being sent from a school district employee or *qualified school* volunteer to a student outside of the traceable communication system;
- (c)~~(b)~~ Shall designate ~~each~~~~a single,~~ specific school district employee or *qualified school* volunteer~~per each consent form~~ that may *participate in private electronic communication*~~communicate~~ with the student outside of the traceable communication system and shall not be transferable to any other school district employee or *qualified school* volunteer;
- (d)~~(c)~~ May be revoked by ~~the~~~~a~~ parent *who filed the consent* at any time. *Upon notice of a revocation, the administrative office shall promptly notify the school district and each school district employee and qualified school volunteer subject to the revocation;*
- (e)~~(d)~~ May establish terms limiting electronic communication with a student, including ~~a term requiring that a parent be included as a direct party to all electronic communications sent to the student outside of the traceable communication system or~~ establishing an expiration for the term of the consent. Any electronic communication with ~~the~~~~a~~ student *enrolled in the school district* outside of the traceable communication system *under this subsection* shall comply with all terms of the written consent;~~and~~
- (f) *Shall not be rejected or denied by the school or school district unless the written consent fails to properly identify the applicable student, school district employee, or qualified school volunteer. Upon receipt of the written consent, the administrative office shall deliver a copy of the written consent to the school district and the designated school district employee or qualified school volunteer;*
- (g) *Shall not be compelled as a requirement for a student to participate in an academic, athletic, or extracurricular opportunity; and*
- (h)~~(e)~~ Shall not authorize a school district employee *or qualified school volunteer* to engage in inappropriate or sexual electronic communication with a student or be used as a basis of a defense for a school district employee *or qualified school volunteer* that engages in inappropriate or sexual electronic communication *with a student or students.*
- (5) Notwithstanding subsections (2) and (3) of this section, this section shall not restrict any *private* electronic communications:
- (a) Between a student and his or her family member who is a school district employee or *qualified school* volunteer;
- (b) *Between a student and a school district employee or qualified school volunteer who reasonably believes an emergency exists that creates an imminent risk to any person or property, provided the school district employee promptly discloses the private electronic communication to his or her immediate supervisor after the fact in accordance with subsection (7) of this section;*
- (c) *During and in direct relation to a school-sanctioned field trip the student has parental consent to attend;*
- (d) *During and in direct relation to work-based learning experiences; or*
- (e) *That are directly related to a commercial or local government affiliation that has been previously disclosed in accordance with subsection (6) of this section.*
- (6) *A school district employee or qualified school volunteer may submit a written disclosure notifying the school district of a commercial or local government affiliation that could reasonably result in private electronic communication with a student outside of the traceable communication system. Upon filing the written disclosure, subsequent private electronic communication directly related to the disclosed*

commercial or local government affiliation is no longer subject to the restrictions of subsections (2) and (3) of this section in accordance with paragraph (5)(e) of this section.

- (7) (a) A school district employee or *qualified school* volunteer that *participated in unauthorized electronic communication subject to subsection (2) and (3) of this section or reasonably believes*~~receives a report alleging~~ that another school district employee or *qualified school volunteer* participated in unauthorized electronic communication *that is subject to subsections (2) and (3) of this section that has not been previously reported* shall immediately notify the supervising principal or *applicable supervisor*. If the subject of the report is the principal or *a district-wide employee*, the *reporting employee or volunteer* shall immediately notify the superintendent of the school district. If the subject of the report is the superintendent or *a Kentucky Department of Education employee assigned to a school or area technology center within the school district on a full-time and continuing basis*, the *reporting employee or volunteer* shall immediately notify the commissioner of education and the chair of the local board of education.
- (b) A school district employee that violates paragraph (a) of this subsection ~~may~~~~shall~~ be subject to disciplinary action in accordance with:
1. For certified employees, KRS 161.120 and 161.790; or
 2. For classified employees, KRS 161.011(7).
- (8)~~(7)~~ (a) Upon receipt of a report alleging that a school district employee or *qualified school* volunteer *violated subsection (2) or (3) of this section*~~participated in unauthorized electronic communication~~, the commissioner of education, a principal, or a superintendent shall immediately:
1. Notify the parent of each student that is an alleged party to the unauthorized electronic communications; and
 2.
 - a. If the individual that is the subject of the report is a certified employee:
 - i. Notify the Education Professional Standards Board, which shall promptly investigate all allegations received under this subsection and proceed with appropriate disciplinary actions in accordance with KRS 161.120; and
 - ii. Investigate the underlying allegations and proceed with appropriate disciplinary actions in accordance with KRS 161.790;
 - b. If the individual that is the subject of the report is a classified employee, investigate the underlying allegations and proceed with appropriate disciplinary actions in accordance with KRS 161.011(7);~~and~~
 - c. If the individual that is the subject of the report is a *qualified school*~~or district~~ volunteer, the school or district shall investigate the underlying allegations and, if substantiated, the *qualified school* volunteer ~~may~~~~shall~~ be prohibited from future school and district volunteer opportunities; *and*
 - d. *Notwithstanding any statute to the contrary, notify the parent of each student that is an alleged party to the unauthorized electronic communication of each material phase of the investigation and disciplinary action under this subparagraph, including but not limited to a written summary of the results of an investigation and the final outcome of the disciplinary action.*
- (b) A principal or superintendent who violates paragraph (a) of this subsection shall be subject to disciplinary action in accordance with KRS 156.132 and 161.120.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 160 IS CREATED TO READ AS FOLLOWS:

- (1) *Each local board of education, with the assistance of the district superintendent and district finance officer, shall establish a budget for each fiscal year as follows:*
- (a) *On or before January 31, the superintendent shall submit to the local board for review at a public meeting a draft budget that provides line item estimated revenues and proposed expenditures for the subsequent fiscal year;*
 - (b) *On or before May 31:*

1. *And at least two (2) weeks prior to the public meeting required by subparagraph 2. of this paragraph, the superintendent shall submit to the local board a complete proposed tentative budget for the local board's consideration; and*
 2. *At a public meeting of the local board:*
 - a. *The local board shall review the proposed tentative budget; and*
 - b. *After any discussion or amendment, the local board shall adopt a tentative budget for the subsequent fiscal year; and*
- (c) *On or before September 30:*
1. *And at least two (2) weeks prior to the meeting required by subparagraph 2. of this paragraph, the superintendent shall:*
 - a. *Submit to the local board a complete proposed working budget for the local board's consideration;*
 - b. *Submit to the local board a report explaining:*
 - i. *The projected revenues from the various taxes levied by the district;*
 - ii. *The appropriations that the district expects to receive from state and federal sources;*
 - iii. *The projected expenditures for personnel, transportation, maintenance, and materials for the operation of the district;*
 - iv. *Any one (1) time major expenses expected for the year, including those for special projects or programs;*
 - v. *The projected revenues and expenditures associated with restricted funds, including facilities funds;*
 - vi. *The costs associated with debts incurred by the district; and*
 - vii. *How the minimum reserve required in subsection (2) of this section shall be maintained; and*
 - c. *Deliver the items in subdivisions a. and b. of this subparagraph in a digital format to local board members. However, if a local board member requests the items also be delivered in physical format, the superintendent shall provide those within one (1) business day of the request in the format requested;*
 2. *At a public meeting of the local board:*
 - a. *The superintendent shall present to the local board:*
 - i. *The proposed working budget; and*
 - ii. *The report required in subparagraph 1.b. of this paragraph;*
 - b. *The local board shall review the proposed working budget; and*
 - c. *After any discussion or amendment, the local board shall adopt a working budget for the fiscal year; and*
 3. *The local board shall submit to the Kentucky Board of Education the adopted working budget for final approval.*
- (2) *A superintendent shall not propose and a local board of education shall not adopt a draft, tentative, or working budget that does not include a minimum reserve of at least two percent (2%) of the total budget.*

➔Section 3. KRS 160.431 is amended to read as follows:

- (1) The local district superintendent shall appoint a finance officer who shall be responsible for the cash, investment, and financial management of the school district.

- (2) (a) A person initially employed as a school finance officer on or after July 1, 2015, shall obtain certification from the Department of Education prior to holding the position and entering the duties of the position of school finance officer.
- (b) The Kentucky Board of Education shall promulgate administrative regulations to prescribe the criteria and procedures to be used in the certification process for a school finance officer.
- (c) The administrative regulations promulgated under this subsection shall specify:
1. The initial qualification requirements for school finance officer certification;
 2. The certification application and appeal process; and
 3. The certification renewal process.
- (3) The school finance officer shall be required to complete forty-two (42) hours of continuing education every two (2) years from a provider approved by the Department of Education. The Kentucky Board of Education shall promulgate administrative regulations to identify and prescribe the criteria for fulfilling the requirements of this subsection. The administrative regulations shall specify:
- (a) The topics of continuing education;
 - (b) Qualifications for continuing education providers;
 - (c) Consequences for failure to meet the continuing education requirement; and
 - (d) Requirements for reinstatement of school finance officer certification.
- (4) (a) The finance officer shall present a detailed monthly financial report for board approval to include the previous month's revenues and expenditures of the district. The monthly report shall be posted on the district's Web site for a minimum of six (6) months after its approval.
- (b) Within six (6) months following the end of each fiscal year, the finance officer shall submit to the Kentucky Department of Education a detailed annual financial report to include the district's total assets, liabilities, revenues, and expenditures. The annual report shall be posted on the district's **financial disclosure website required in Section 4 of this Act**~~{Web site}~~ and department's **website**~~{Web site}~~ for a minimum of two (2) years.
- (c) 1. The Department of Education shall review each district's annual financial report and shall provide, within two (2) months of receipt, the local board of education a written report indicating the financial status of the district. The department's written report shall be posted on the department's **website**~~{Web site}~~ and the **district financial disclosure website required in Section 4 of this Act**~~{district's Web site}~~ for a minimum of two (2) years.
2. The commissioner of education shall annually present to the Interim Joint Committee on Education a copy of the department's written report for each district.
- (d) Nothing in this subsection shall lessen the obligation of a school district to publish its financial statements in accordance with KRS 160.463.

➔Section 4. KRS 160.463 is amended to read as follows:

- (1) ***The local board of education of each school district shall direct its superintendent to publish on the school district's main website a link to a district financial disclosure website that contains:***
- (a) ***The following financial reports to be published monthly for the previous month:***
1. ***The accounts payable invoice vendor report;***
 2. ***The accounts payable check reconciliation report;***
 3. ***The balance sheet;***
 4. ***The vendor payment report from the start of the fiscal year to the date of the report;***
 5. ***The monthly financial report required under Section 3 of this Act; and***
 6. ***If the school district's budget reserve is below four percent (4%) of the total budget:***
 - a. ***A summary of any purchases made through a district procurement card; and***
 - b. ***Credit card statements;***

(b) *The following:*

1. *The employment contract of the superintendent, including any appendices;*
2. *Within five (5) days of approval by the local board of education, any amendments to the contract of the superintendent;*
3. *A link to the Kentucky Department of Education's website on school district personnel information, including superintendent compensation; and*
4. *Upon separation of the superintendent:*
 - a. *The gross salary paid to the superintendent during the superintendent's final fiscal year;*
 - b. *The total sick leave days accumulated by the superintendent immediately prior to separation and the amount paid to the superintendent for the accumulated sick leave days upon separation; and*
 - c. *The total annual and personal days accumulated by the superintendent immediately prior to separation and the amount paid to the superintendent for the accumulated annual and personal leave days upon separation;*

(c) *The following annual reports:*

1. *By January 1 of each year, a report detailing any other compensation provided to the superintendent during the past year beyond what is reported under paragraph (b) of this subsection;*
2. *Upon receipt by the district under KRS 156.275, the district's independent financial audit report; and*
3. *Upon adoption under Section 2 of this Act, the district's working budget; and*

(d) *The reports required under Section 3 of this Act.*

- (2) (a) The ~~local~~^{school} board of *education of* each ~~school district~~^{public school system} shall direct its superintendent to publish the complete annual financial statement and the school report card annually:

1. ~~(a)~~ In the newspaper of the largest general circulation in the county;
2. ~~(b)~~ Electronically on a ~~website~~^{Web site} of the school district; or
3. ~~(c)~~ By printed copy at a prearranged site at the main branch of the public library within the school district.

- ~~(b)(2)~~ If publication on a ~~website~~^{Web site} of the school district or by printed copy at the public library is chosen, the superintendent shall be directed to publish notification in the newspaper of the largest circulation in the county as to the location where the document can be viewed by the public.

- ~~(c)(3)~~ The notification shall include the address of the library or the electronic address of the ~~website~~^{Web site} where the documents can be viewed.

- ~~(d)(4)~~ Each system's financial statements shall be prepared and presented on a basis consistent with that of the other systems.

➔Section 5. KRS 157.440 is amended to read as follows:

- (1) (a) Notwithstanding any statutory provisions to the contrary, effective for school years beginning after July 1, 1990, the board of education of each school district may levy an equivalent tax rate as defined in ~~subsection (9)(a) of~~ KRS 160.470(8)(a) which will produce up to fifteen percent (15%) of those revenues guaranteed by the program to support education excellence in Kentucky. The levy for the 1990-91 school year shall be made no later than October 1, 1989, and no later than October 1, 1990, for the 1991-92 school year, and by October 1 of each odd-numbered year thereafter. Effective with the 1990-91 school year, revenue generated by this levy shall be equalized at one hundred fifty percent (150%) of the statewide average per pupil assessment.
- (b) To participate in the Facilities Support Program of Kentucky, the board of education of each school district shall commit at least an equivalent tax rate of five cents (\$0.05) to debt service, new facilities, or

major renovations of existing school facilities, or the purchase of land if approved by the commissioner of education as provided in KRS 157.420(4)(b). The five cents (\$0.05) shall be in addition to the thirty cents (\$0.30) required by KRS 160.470(8)~~(9)~~ and any levy pursuant to paragraph (a) of this subsection. The levy shall be made no later than October 1 of each odd-numbered year. Eligibility for equalization funds for the biennium shall be based on the district funds committed to debt service on that date. The five cents (\$0.05) shall be equalized at one hundred fifty percent (150%) of the statewide average per pupil assessment. The equalization funds shall be committed to debt service to the greatest extent possible, but any excess equalization funds not needed for debt service shall be deposited to a restricted building fund account. The funds may be escrowed for future debt service or used to address categorical priorities listed in the approved facilities plan pursuant to KRS 157.420.

- (c) The board of education of each school district may contribute the levy equivalent tax rate of five cents (\$0.05) and equalization funds for energy conservation measures under guaranteed energy savings contracts pursuant to KRS 45A.345, 45A.352, and 45A.353. Use of these funds, as provided under KRS 45A.353, 56.774, and 58.600 shall be based on the following guidelines:
1. Energy conservation measures shall include facility alteration;
 2. Energy conservation measures shall be identified in the district's approved facility plan pursuant to KRS 157.420;
 3. The current facility systems are consuming excess maintenance and operating costs;
 4. The savings generated by the energy conservation measures are guaranteed;
 5. The levy equivalent tax rate of five cents (\$0.05) and equalization funds contributed to the energy conservation measures shall be defined as capital cost avoidance as provided in KRS 45A.345(2) and shall be subject to the restrictions on usage as specified in KRS 45A.352(9); and
 6. The equipment that is replaced has exceeded its useful life as determined by a life cycle cost analysis.
- (d) The rate levied by a district board of education under the provisions of this subsection shall not be subject to the public hearing provisions of KRS 160.470(6)~~(7)~~ or to the recall provisions of KRS 160.470(7)~~(8)~~.
- (e) A school district which is at or above the equivalent tax rates permitted under the provisions of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts ch. 476, shall not be required to levy an equivalent tax rate which is lower than the rate levied during the 1989-90 school year.
- (2) (a) A district may exceed the maximum provided by subsection (1) of KRS 160.470 provided that, upon request of the board of education of the district, the county board of elections shall submit to the qualified voters of the district, in the manner of submitting and voting as prescribed in paragraph (b) of this subsection, the question whether a rate which would produce revenues in excess of the maximum provided by subsection (1) of KRS 160.470 shall be levied. The rate that may be levied under this section may produce revenue up to no more than thirty percent (30%) of the revenue guaranteed by the program to support education excellence in Kentucky plus the revenue produced by the tax authorized by this section. Revenue produced by this levy shall not be equalized with state funds. If a majority of those voting on the question favor the increased rate, the tax levying authority shall, when the next tax rate for the district is fixed, levy a rate not to exceed the rate authorized by the voters.
- (b) The election shall be held not less than fifteen (15) or more than thirty (30) days from the time the request of the board is filed with the county clerk, and reasonable notice of the election shall be given. The election shall be conducted and carried out in the school district in all respects as required by the general election laws and shall be held by the same officers as required by the general election laws. The expense of the election shall be borne by the school district.
- (3) For the 1966 tax year and for all subsequent years for levies which were approved prior to December 8, 1965, no district board of education shall levy a tax at a rate under the provisions of this section which exceeds the compensating tax rate as defined in KRS 132.010, except as provided in subsection (4) of this section and except that a rate which has been approved by the voters under this section but which was not levied by the district board of education in 1965 may be levied after it has been reduced to the compensating tax rate as defined in KRS 132.010, and except that in any school district where the rate levied in 1965 was less than the maximum rate which had been approved by the voters, the compensating tax rate shall be computed and may

be levied as though the maximum approved rate had been levied in 1965 and the amount of revenue which would have been produced from such maximum levy had been derived therefrom.

- (4) Notwithstanding the limitations contained in subsection (3) of this section, no tax rate shall be set lower than that necessary to provide such funds as are required to meet principal and interest payments on outstanding bonded indebtedness and payments of rentals in connection with any outstanding school revenue bonds issued under the provisions of KRS Chapter 162.
- (5) The chief state school officer shall certify the compensating tax rate to the levying authorities.

➔Section 6. KRS 160.390 is amended to read as follows:

- (1) The superintendent shall devote himself exclusively to his duties. He shall exercise general supervision of the schools of his district, examine their condition and progress, and keep himself informed of the progress in other districts. He shall prepare or have prepared all budgets, salary schedules, and reports required of his board by *statute or* the Kentucky Board of Education. He shall advise himself of the need of extension of the school system of the district, shall receive and examine reports from teachers and other school officers, and shall make reports from time to time as required by the rules of his board or as directed by the board. He shall be responsible to the board for the general condition of the schools. He shall be responsible for all personnel actions including hiring, assignments, transfer, dismissal, suspension, reinstatement, promotion, and demotion and reporting the actions to the local board.
- (2) All personnel actions by the superintendent as described in subsection (1) *of this section* shall be recorded in the minutes of the local board of education at the next meeting after the action is taken and shall not be effective prior to receipt of written notice of the personnel action by the affected employee from the superintendent.

➔Section 7. KRS 160.460 is amended to read as follows:

- (1) All school taxes shall be levied by the board of education of each school district. The tax-levying authority shall levy an ad valorem tax within the limits prescribed in KRS 160.470, which will obtain for the school district the amount of money needed as shown in the district's *working*~~[general school]~~ budget submitted under *Section 2 of this Act*~~[the provisions of KRS 160.470]~~.
- (2) The tax-levying authority shall make an annual school levy not later than July 1. The school levy shall not be made until the *working*~~[general school]~~ budget has been received and approved by the Kentucky Board of Education. The failure of the authority to make the levy by the date prescribed shall not invalidate any levy made thereafter.
- (3) All school taxes shall be levied on all property subject to local taxation in the jurisdiction of the tax-levying authority. If the school levy is to be made upon the city assessment, which is hereby authorized for independent school districts embraced by designated cities, the clerk of the city shall furnish to the school district or districts which the city embraces, the assessed valuation of property subject to local taxation in the school district, as determined by its tax assessor. If the school levy is to be made upon the county assessment the county clerk shall furnish to the proper school district or districts the assessed valuation of property subject to local taxation in the district or districts, as certified by the Kentucky Department of Revenue. No later than July 1, 1994, all real property located in the state and subject to local taxation shall be assessed at one hundred percent (100%) of fair cash value.
- (4) As used in this section, "designated city" means a city classified as a city of the first, second, third, or fourth class as of January 1, 2014, under the city classification system in effect prior to January 1, 2015. The Department of Education shall, on or before January 1, 2015, create an official registry listing the cities that qualify as a "designated city" under this section and shall publish that registry on its *website*~~[Web site]~~.

➔Section 8. KRS 160.470 is amended to read as follows:

- (1) (a) Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the general tax rate that could have been levied in the preceding year to the preceding year's assessment, except as provided in subsections *(8) and (9)*~~[(9) and (10)]~~ of this section and KRS 157.440.

- (b) If an election is held as provided for in KRS 132.017 and the question should fail, such failure shall not reduce the "...general tax rate that could have been levied in the preceding year...", referred to in subsection (1)(a) of this section, for purposes of computing the general tax rate for succeeding years.

In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

- (2) No district board of education shall levy a general tax rate within the limits imposed in subsection (1) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in subsections ~~(8) and (9)~~~~(9) and (10)~~ of this section, KRS 157.440, and KRS 157.621, until the district board of education has complied with the provisions of subsection ~~(6)~~~~(7)~~ of this section.
- (3) Upon receipt of property assessments from the Department of Revenue, the commissioner of education shall certify the following to each district board of education:
- (a) The general tax rate that a district board of education could levy under the provisions of subsection (1) of this section, and the amount of revenue expected to be produced;
 - (b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate the amount of revenue expected to be produced;
 - (c) The general tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, and the amount of revenue expected to be produced.
- (4) Upon completion of action on property assessment data, the Department of Revenue shall submit certified property assessment data as required in KRS 133.125 to the chief state school officer.
- (5) Within thirty (30) days after the district board of education has received its assessment data, the rates levied shall be forwarded to the Kentucky Board of Education for its approval or disapproval. The failure of the district board of education to furnish the rates within the time prescribed shall not invalidate any levy made thereafter.
- ~~(6) (a) Each district board of education shall, on or before January 31 of each calendar year, formally and publicly examine detailed line item estimated revenues and proposed expenditures for the subsequent fiscal year. On or before May 30 of each calendar year, each district board of education shall adopt a tentative working budget which shall include a minimum reserve of two percent (2%) of the total budget.~~
- ~~(b) Each district board of education shall submit to the Kentucky Board of Education no later than September 30, a close estimate or working budget which shall conform to the administrative regulations prescribed by the Kentucky Board of Education.~~
- ~~(7) (a)~~ (a) Except as provided in subsections ~~(8) and (9)~~~~(9) and (10)~~ of this section and KRS 157.440, a district board of education proposing to levy a general tax rate within the limits of subsection (1) of this section which exceed the compensating tax rate defined in KRS 132.010 shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.
- (b) The district board of education shall advertise the hearing by causing the following to be published at least twice for two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches:
1. The general tax rate levied in the preceding year, and the revenue produced by that rate;
 2. The general tax rate for the current year, and the revenue expected to be produced by that rate;
 3. The compensating general tax rate, and the revenue expected from it;
 4. The revenue expected from new property and personal property;
 5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
 6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;

7. The purpose of the hearing; and
 8. A statement to the effect that the General Assembly has required publication of the advertisement and the information contained herein.
- (c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.
- (d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for testimony.
- ~~(7)(8)~~ (a) That portion of a general tax rate, except as provided in subsections **(8) and (9)**~~(9) and (10)~~ of this section, KRS 157.440, and KRS 157.621, levied by an action of a district board of education which will produce, respectively, revenue from real property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, shall be subject to a recall vote or reconsideration by the district board of education as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.
- (b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, except as provided in subsections **(8) and (9)**~~(9) and (10)~~ of this section and KRS 157.440, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, cause the following to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches:
1. The fact that the district board of education has adopted such a rate;
 2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 is subject to recall; and
 3. The name, address, and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.
- ~~(8)(9)~~ (a) Notwithstanding any statutory provisions to the contrary, effective for school years beginning after June 30, 1990, the board of education of each school district shall levy a minimum equivalent tax rate of thirty cents (\$0.30) for general school purposes. Equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Department of Revenue. School districts collecting school taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.633, or 160.635 to 160.648 for less than twelve (12) months during a school year shall have included in income collected under this section the pro rata tax collection for twelve (12) months.
- (b) Failure of a board to comply with paragraph (a) of this subsection may constitute a forfeiture of office by its members pursuant to KRS 415.050 and 415.060.
- ~~(9)(10)~~ A district board of education may levy a general tax rate that will produce revenue from real property, exclusive of revenue from new property, that is four percent (4%) over the amount of the revenue produced by the compensating tax rate as defined in KRS 132.010.

➔Section 9. KRS 160.473 is amended to read as follows:

- (1) In the event that a general tax rate applicable to real property levied by a district board of education will produce a percentage increase in revenue from personal property less than the percentage increase in revenue from real property, the district board of education may levy a general tax rate applicable to personal property which will produce the same percentage increase in revenue from personal property as the percentage increase in revenue from real property; however, in no event shall the general tax rate levied by the district board of education applicable to personal property exceed the prior year general tax rate applicable to personal property levied by the respective district board of education.

- (2) The general tax rate applicable to personal property levied by a district board of education under the provisions of subsection (1) of this section shall not be subject to the public hearing provisions of KRS 160.470(6)(7) and to the recall provisions of KRS 160.470(7)(8).

→Section 10. KRS 160.530 is amended to read as follows:

The money collected by taxation under the provisions of KRS 160.460 to 160.520 and other school money shall be expended by the board of education in accordance with the *working* ~~recommendations contained in the~~ budget submitted to *and approved by* the Kentucky Board of Education.

→Section 11. KRS 160.550 is amended to read as follows:

- (1) No superintendent shall recommend and no board member shall knowingly vote for an expenditure in excess of the income and revenue of any year, as shown by the *working* budget adopted by the board and approved by the Kentucky Board of Education, except for a purpose for which bonds have been voted or in case of an emergency declared by the Kentucky Board of Education.
- (2) Any school district having authorized an expenditure in violation of subsection (1) of this section may be so certified at any time by the Kentucky Board of Education. A district so certified shall thereafter, any contrary statutory provisions notwithstanding, make no expenditure of money, give no authorization involving the expenditure of money, and make no employment, purchase, or contract, unless the chief state school officer has approved in writing, as fiscally sound and necessary, the expenditure, authorization, employment, purchase, or contract. Any expenditure, authorization, employment, purchase, or contract made in violation of this subsection shall be void.
- (3) Any school district subject to the provisions of subsection (2) of this section shall so remain until such time as the Kentucky Board of Education has approved, in conformity with *Section 2 of this Act* ~~KRS 160.470~~, a *working* budget for the district for a succeeding fiscal year.
- (4) In addition to the penalties set forth in KRS 160.990, any person who knowingly expends or authorizes the expenditure of school district funds or who knowingly authorizes or executes any employment, purchase, or contract, in violation of this section, shall be jointly and severably liable in person and upon any official bond he has given to such district to the extent of any payments on the void claim. For purposes of this section, "knowingly" shall mean a person acts with respect to conduct or to a circumstance described by a statute defining an offense when he is aware that his conduct is of that nature or that the circumstance exists.

→Section 12. KRS 424.250 is amended to read as follows:

At the same time that copies of the budget of a school district are filed with the clerk of the tax levying authority for the district, as provided in *Section 2 of this Act* ~~KRS 160.470~~, the board of education of the district shall cause the budget to be advertised for the district by publishing a copy of the budget in a newspaper and on the district's website.

→Section 13. Upon the effective date of this Act, the school board of each school district shall direct its superintendent publish on the district financial disclosure website required in Section 4 of this Act the most recent information available to the district for the items listed in subsection (1) of Section 4 of this Act.

→Section 14. If a school district volunteer was prohibited from future school volunteer opportunities pursuant to subsection (3)(c) of KRS 160.145 prior to the effective date of this Act, a school district may permit that person to participate in future school volunteer opportunities.

→Section 15. Whereas it is critical to ensure that parents, schools, and school districts have clarity on lawful electronic communication with students, an emergency is declared to exist, and Sections 1 and 14 of this Act take effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor April 13, 2026.