

36.088 Morale, welfare, and recreation facilities -- Nonappropriated fund instrumentality -- Administrative regulations -- Use of facilities and proceeds derived therefrom.

- (1) As used in this section, unless the context requires otherwise:
 - (a) "Morale, welfare, and recreation facility" means any post exchange, canteen, barber shop, fitness center, snack bar, transient housing, billeting operation, daycare, laundry, or similar facility, the purpose of which is to enhance the morale and welfare of military personnel;
 - (b) "Nonappropriated fund employee" means an employee of a nonappropriated fund instrumentality who is not an employee of the federal government or the Commonwealth of Kentucky; and
 - (c) "Nonappropriated fund instrumentality" means an enterprise operated exclusively with funds derived from sales or user fees, which receives no legislative appropriations for its operations.
- (2)
 - (a) The adjutant general is authorized to establish morale, welfare, and recreation facilities within the state as in his or her judgment may be necessary and proper for military purposes.
 - (b) Morale, welfare, and recreation facilities may be established at any property under the control of the Department of Military Affairs.
 - (c) As used in this subsection, "property under the control of the Department of Military Affairs" means any property on the facility installations stationing plan as maintained by the construction and facilities manager for the Kentucky National Guard, and includes all armories, training areas, ranges, and other facilities leased, licensed, or owned by the Department of Military Affairs.
- (3) Notwithstanding any other provision of law to the contrary, the adjutant general is authorized to establish a nonappropriated fund instrumentality for the purpose of operating the morale, welfare, and recreation facilities.
- (4) A nonappropriated fund instrumentality established under this section may:
 - (a) Contract for goods and services;
 - (b) Hire nonappropriated fund employees under terms and conditions as it may negotiate, subject only to applicable state and federal labor laws;
 - (c) Establish a system of bookkeeping, accounting, and auditing procedures for the proper handling of funds derived from its operations; and
 - (d) Perform any other action necessary to establish a board, corporation, or other entity for the purpose of operating the morale, welfare, and recreation facilities.
- (5) A nonappropriated fund instrumentality established under this section is solely responsible for its operations. No debt of the nonappropriated fund instrumentality is a debt of the Commonwealth. An action of the nonappropriated fund instrumentality is not an action of the Commonwealth, and shall not obligate the Commonwealth in any manner.
- (6) The adjutant general may promulgate administrative regulations for the operation of

morale, welfare, and recreation facilities and any nonappropriated fund instrumentality established under this section.

- (7) All proceeds derived from the operation of the morale, welfare, and recreation facilities within the state shall, after payment of operating expenses, notwithstanding any other provision of law to the contrary, be used exclusively to benefit the morale, welfare, and recreation facilities.
- (8) Use of the morale, welfare, and recreation facilities provided for in this section is limited to:
 - (a) Current and retired members of the Kentucky National Guard and their eligible dependents; and
 - (b) Civilian employees of the United States or the Commonwealth of Kentucky working under Department of Military Affairs management or in support of Department of Military Affairs activities.

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