

141.516 Audit of account-granting organization by department -- Notice of violation -- Revocation of certificate. (See LRC Note below)

- (1) The department may conduct an audit of an AGO or contract for the auditing of an AGO.
- (2)
 - (a) In the event that the department determines that there has been a violation of KRS 141.500 to 141.528 by an AGO, the department shall send written notice to the AGO.
 - (b) The AGO that receives written notice of a violation will have sixty (60) days from receipt of notice to correct the violation identified by the department.
 - (c) If the AGO fails or refuses to comply after sixty (60) days, the department may revoke the AGO's certification to participate in the EOA program.
- (3) An AGO whose certificate has been revoked under this section:
 - (a) May appeal the revocation of its certification to the Board of Tax Appeals pursuant to KRS 49.220;
 - (b) Shall continue administering EOAs that were donated prior to the date of notice stated on the revocation;
 - (c) Shall not accept any further contributions for the purpose of funding EOAs on or after the date of notice stated on the revocation; and
 - (d) Shall refund any contributions that were received for the purpose of funding EOAs on or after the date of notice stated on the revocation.

Effective: June 29, 2021

History: Created 2021 Ky. Acts ch. 167, sec. 13, effective June 29, 2021.

Legislative Research Commission Note (12/15/2022). On December 15, 2022, the Kentucky Supreme Court ruled that the Education Opportunity Account Act, KRS 141.500 to 141.528, as enacted in 2021 HB 563 (2021 Ky. Acts ch. 167), "violates the proscription in Section 184 of the Kentucky Constitution on the raising or collecting of 'sum[s]' for 'education other than in common schools.'" *Commonwealth ex rel. Cameron v. Johnson, et al.*, 2021-SC-0518-TG.

Legislative Research Commission Note (9/17/2021). 2021 Ky. Acts ch. 185 reorganized part of the Public Protection Cabinet to abolish the Kentucky Claims Commission, establish the Office of Claims and Appeals, and attach the Board of Claims, Board of Tax Appeals, and Crime Victims Compensation Board to the office. A reference to the Kentucky Claims Commission in this statute should have been changed to Board of Tax Appeals in codification to conform, but was inadvertently omitted. The Reviser of Statutes has made the conforming correction under the authority of KRS 7.136(2).