

AN ACT relating to area development districts.

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

➔SECTION 1. A NEW SECTION OF KRS 147A.050 TO 147A.140 IS CREATED TO READ AS FOLLOWS:

*(1) The legislative body of a county, through the passage of an ordinance, may suspend the county's affiliation with an area development district. A county may again affiliate with the area development district upon the passage of a subsequent ordinance or repeal or amendment of the original ordinance suspending affiliation.*

*(2) The legislative body shall send written notification of the suspension of affiliation, or renewed affiliation and a copy of the ordinance by which it suspended or renewed its affiliation no later than fifteen (15) days after its final passage to the area development district to which the county is statutorily assigned and to the commissioner of the Department for Local Government.*

*(3) If a county suspends its affiliation with an area development district, then:*

*(a) Any state, federal, or other law or regulation requiring a county to perform a function with its assigned area development district shall continue in force until otherwise amended, repealed, or terminated by the appropriate body;*

*(b) Any contract to which the county is a party shall continue in force unless the county chooses to end its participation in the contract pursuant to terms agreed upon in the contract, unless an action by the county or other party causes its termination, or upon the expiration of the contract;*

*(c) Any calculations or triggering mechanisms that include the county, or the county's population, in conferring a status, privilege, or other measurement relative to the area development district shall, absent a statutory, federal, or contractual obligation, no longer be used in determining of the status,*

- privilege, or measurement relative to the area development district;
- (d) The county shall itself be deemed responsible and shall be authorized to perform any duty imposed or otherwise performed on the county's behalf by the area development district;
- (e) A county shall be vested with the authority to contract with another entity when that authority was vested in an area development district to act on the county's behalf;
- (f) Any representation on a board, commission, or other body a county may have that is allowed or required by virtue of a county being included within an area development district may continue, if permissive, at the county's discretion, and shall continue if otherwise required by law;
- (g) Any geographic designation or description of an area development district's boundaries shall still include the county that is statutorily assigned to the area development district; and
- (h) A county shall be responsible for satisfying any fiscal obligations encumbered by it during its affiliation with the area development district.

➔SECTION 2. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

No area development district as set out in KRS Chapter 147A shall serve as both fiscal agent and service provider for the distribution of funds from the Federal Workforce Investment Act of 1998, 20 U.S.C. secs. 9201 et seq. or the Federal Workforce Innovation and Opportunity Act of 2014, Pub. L. 113–128. An area development district serving as both fiscal agent and service provider on the effective date of this Act shall, within sixty (60) days of the effective date of this Act, consult with the cabinet and with local officials to make a determination of the capacity, if any, in which the area development district shall continue. Within sixty (60) days of the determination, the area development district shall terminate one (1) or both capacities pursuant to the

*terms of the contract or contracts constituting the agreement or agreements.*