

1 AN ACT relating to the reorganization of the Finance and Administration Cabinet.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) The Office of the Inspector General is established within the Office of the*
6 *Secretary of the Finance and Administration Cabinet and shall be responsible for*
7 *conducting various investigations within the executive branch in accordance with*
8 *KRS 45.131.*

9 *(2) The Division of Special Investigations is established within the Office of the*
10 *Inspector General and shall be headed by a director appointed by the secretary*
11 *pursuant to KRS 12.050, who shall report to the executive director of the office.*
12 *The division shall investigate alleged violations of the tax laws and recommend*
13 *criminal prosecution of the laws when warranted.*

14 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 42 IS CREATED TO
15 READ AS FOLLOWS:

16 *(1) The Office of Legislative and Intergovernmental Affairs is established within the*
17 *Finance and Administration Cabinet to provide executive direction and*
18 *coordination of the cabinet's legislative priorities.*

19 *(2) The Office of Legislative and Intergovernmental Affairs, in close communication*
20 *with the secretary, shall:*

21 *(a) Proactively pursue the goals of the cabinet by working with members of the*
22 *General Assembly and the staff of the Legislative Research Commission;*

23 *(b) Oversee all public information issues;*

24 *(c) Manage requests for information; and*

25 *(d) Prepare press releases, respond to press inquiries, and coordinate the*
26 *publication of newsletters, reports, Web site information, and other*
27 *statewide communications of the Finance and Administration Cabinet.*

1 ➔Section 3. KRS 12.020 is amended to read as follows:

2 Departments, program cabinets and their departments, and the respective major
3 administrative bodies that they include are enumerated in this section. It is not intended
4 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
5 bureau, interstate compact, commission, committee, conference, council, office, or any
6 other form of organization shall be included in or attached to the department or program
7 cabinet in which they are included or to which they are attached by statute or statutorily
8 authorized executive order; except in the case of the Personnel Board and where the
9 attached department or administrative body is headed by a constitutionally elected officer,
10 the attachment shall be solely for the purpose of dissemination of information and
11 coordination of activities and shall not include any authority over the functions,
12 personnel, funds, equipment, facilities, or records of the department or administrative
13 body.

14 I. Cabinet for General Government - Departments headed by elected officers:

- 15 (1) The Governor.
- 16 (2) Lieutenant Governor.
- 17 (3) Department of State.
- 18 (a) Secretary of State.
- 19 (b) Board of Elections.
- 20 (c) Registry of Election Finance.
- 21 (4) Department of Law.
- 22 (a) Attorney General.
- 23 (5) Department of the Treasury.
- 24 (a) Treasurer.
- 25 (6) Department of Agriculture.
- 26 (a) Commissioner of Agriculture.
- 27 (b) Kentucky Council on Agriculture.

- 1 (7) Auditor of Public Accounts.
- 2 II. Program cabinets headed by appointed officers:
- 3 (1) Justice and Public Safety Cabinet:
- 4 (a) Department of Kentucky State Police.
- 5 (b) Department of Criminal Justice Training.
- 6 (c) Department of Corrections.
- 7 (d) Department of Juvenile Justice.
- 8 (e) Office of the Secretary.
- 9 (f) Office of Drug Control Policy.
- 10 (g) Office of Legal Services.
- 11 (h) Office of the Kentucky State Medical Examiner.
- 12 (i) Parole Board.
- 13 (j) Kentucky State Corrections Commission.
- 14 (k) Office of Legislative and Intergovernmental Services.
- 15 (l) Office of Management and Administrative Services.
- 16 (m) Department for Public Advocacy.
- 17 (2) Education and Workforce Development Cabinet:
- 18 (a) Office of the Secretary.
- 19 1. Governor's Scholars Program.
- 20 2. Governor's School for Entrepreneurs Program.
- 21 (b) Office of Legal and Legislative Services.
- 22 1. Client Assistance Program.
- 23 (c) Office of Communication.
- 24 (d) Office of Budget and Administration.
- 25 1. Division of Human Resources.
- 26 2. Division of Administrative Services.
- 27 (e) Office of Technology Services.

- 1 (f) Office of Educational Programs.
- 2 (g) Office for Education and Workforce Statistics.
- 3 (h) Board of the Kentucky Center for Education and Workforce Statistics.
- 4 (i) Board of Directors for the Center for School Safety.
- 5 (j) Department of Education.
- 6 1. Kentucky Board of Education.
- 7 2. Kentucky Technical Education Personnel Board.
- 8 (k) Department for Libraries and Archives.
- 9 (l) Department of Workforce Investment.
- 10 1. Office for the Blind.
- 11 2. Office of Vocational Rehabilitation.
- 12 3. Office of Employment and Training.
- 13 a. Division of Grant Management and Support.
- 14 b. Division of Workforce and Employment Services.
- 15 c. Division of Unemployment Insurance.
- 16 (m) Foundation for Workforce Development.
- 17 (n) Kentucky Office for the Blind State Rehabilitation Council.
- 18 (o) Kentucky Workforce Investment Board.
- 19 (p) Statewide Council for Vocational Rehabilitation.
- 20 (q) Unemployment Insurance Commission.
- 21 (r) Education Professional Standards Board.
- 22 1. Division of Educator Preparation.
- 23 2. Division of Certification.
- 24 3. Division of Professional Learning and Assessment.
- 25 4. Division of Legal Services.
- 26 (s) Kentucky Commission on the Deaf and Hard of Hearing.
- 27 (t) Kentucky Educational Television.

- 1 (u) Kentucky Environmental Education Council.
- 2 (3) Energy and Environment Cabinet:
- 3 (a) Office of the Secretary.
- 4 1. Office of Legislative and Intergovernmental Affairs.
- 5 2. Office of General Counsel.
- 6 3. Office of Administrative Hearings.
- 7 4. Mine Safety Review Commission.
- 8 5. Kentucky State Nature Preserves Commission.
- 9 6. Kentucky Environmental Quality Commission.
- 10 7. Kentucky Public Service Commission.
- 11 (b) Department for Environmental Protection.
- 12 1. Office of the Commissioner.
- 13 2. Division for Air Quality.
- 14 3. Division of Water.
- 15 4. Division of Environmental Program Support.
- 16 5. Division of Waste Management.
- 17 6. Division of Enforcement.
- 18 7. Division of Compliance Assistance.
- 19 (c) Department for Natural Resources.
- 20 1. Office of the Commissioner.
- 21 2. Division of Technical and Administrative Support.
- 22 3. Division of Mine Permits.
- 23 4. Division of Mine Reclamation and Enforcement.
- 24 5. Division of Abandoned Mine Lands.
- 25 6. Division of Oil and Gas.
- 26 7. Division of Mine Safety.
- 27 8. Division of Forestry.

- 1 9. Division of Conservation.
- 2 10. Office of the Reclamation Guaranty Fund.
- 3 11. Kentucky Mining Board.
- 4 (d) Department for Energy Development and Independence.
- 5 1. Division of Efficiency and Conservation.
- 6 2. Division of Renewable Energy.
- 7 3. Division of Biofuels.
- 8 4. Division of Energy Generation Transmission and Distribution.
- 9 5. Division of Carbon Management.
- 10 6. Division of Fossil Energy Development.
- 11 (4) Public Protection Cabinet.
- 12 (a) Office of the Secretary.
- 13 1. Office of Communications and Public Outreach.
- 14 2. Office of Legal Services.
- 15 a. Insurance Legal Division.
- 16 b. Charitable Gaming Legal Division.
- 17 c. Alcoholic Beverage Control Legal Division.
- 18 d. Housing, Buildings and Construction Legal Division.
- 19 e. Financial Institutions Legal Division.
- 20 (b) Crime Victims Compensation Board.
- 21 (c) Board of Claims.
- 22 (d) Kentucky Board of Tax Appeals.
- 23 (e) Kentucky Boxing and Wrestling Authority.
- 24 (f) Kentucky Horse Racing Commission.
- 25 1. Division of Licensing.
- 26 2. Division of Incentives and Development.
- 27 3. Division of Veterinary Services.

- 1 4. Division of Security and Enforcement.
- 2 (g) Department of Alcoholic Beverage Control.
- 3 1. Division of Distilled Spirits.
- 4 2. Division of Malt Beverages.
- 5 3. Division of Enforcement.
- 6 (h) Department of Charitable Gaming.
- 7 1. Division of Licensing and Compliance.
- 8 2. Division of Enforcement.
- 9 (i) Department of Financial Institutions.
- 10 1. Division of Depository Institutions.
- 11 2. Division of Non-Depository Institutions.
- 12 3. Division of Securities.
- 13 (j) Department of Housing, Buildings and Construction.
- 14 1. Division of Fire Prevention.
- 15 2. Division of Plumbing.
- 16 3. Division of Heating, Ventilation, and Air Conditioning.
- 17 4. Division of Building Code Enforcement.
- 18 (k) Department of Insurance.
- 19 1. Property and Casualty Division.
- 20 2. Health and Life Division.
- 21 3. Division of Financial Standards and Examination.
- 22 4. Division of Agent Licensing.
- 23 5. Division of Insurance Fraud Investigation.
- 24 6. Consumer Protection Division.
- 25 7. Division of Kentucky Access.
- 26 (l) Office of Occupations and Professions.
- 27 (5) Labor Cabinet.

- 1 (a) Office of the Secretary.
- 2 1. Division of Management Services.
- 3 2. Office of General Counsel.
- 4 (b) Office of General Administration and Program Support for Shared
- 5 Services.
- 6 1. Division of Human Resource Management.
- 7 2. Division of Fiscal Management.
- 8 3. Division of Budgets.
- 9 4. Division of Information Services.
- 10 (c) Office of Inspector General for Shared Services.
- 11 (d) Department of Workplace Standards.
- 12 1. Division of Employment Standards, Apprenticeship, and
- 13 Mediation.
- 14 2. Division of Occupational Safety and Health Compliance.
- 15 3. Division of Occupational Safety and Health Education and
- 16 Training.
- 17 4. Division of Workers' Compensation Funds.
- 18 (e) Department of Workers' Claims.
- 19 1. Office of General Counsel for Workers' Claims.
- 20 2. Office of Administrative Law Judges.
- 21 3. Division of Claims Processing.
- 22 4. Division of Security and Compliance.
- 23 5. Division of Information and Research.
- 24 6. Division of Ombudsman and Workers' Compensation Specialist
- 25 Services.
- 26 7. Workers' Compensation Board.
- 27 8. Workers' Compensation Advisory Council.

- 1 9. Workers' Compensation Nominating Commission.
- 2 (f) Workers' Compensation Funding Commission.
- 3 (g) Kentucky Labor-Management Advisory Council.
- 4 (h) Occupational Safety and Health Standards Board.
- 5 (i) Prevailing Wage Review Board.
- 6 (j) Apprenticeship and Training Council.
- 7 (k) State Labor Relations Board.
- 8 (l) Employers' Mutual Insurance Authority.
- 9 (m) Kentucky Occupational Safety and Health Review Commission.
- 10 (6) Transportation Cabinet:
- 11 (a) Department of Highways.
 - 12 1. Office of Project Development.
 - 13 2. Office of Project Delivery and Preservation.
 - 14 3. Office of Highway Safety.
 - 15 4. Highway District Offices One through Twelve.
- 16 (b) Department of Vehicle Regulation.
- 17 (c) Department of Aviation.
- 18 (d) Department of Rural and Municipal Aid.
 - 19 1. Office of Local Programs.
 - 20 2. Office of Rural and Secondary Roads.
- 21 (e) Office of the Secretary.
 - 22 1. Office of Public Affairs.
 - 23 2. Office for Civil Rights and Small Business Development.
 - 24 3. Office of Budget and Fiscal Management.
 - 25 4. Office of Inspector General.
- 26 (f) Office of Support Services.
- 27 (g) Office of Transportation Delivery.

- 1 (h) Office of Audits.
- 2 (i) Office of Human Resource Management.
- 3 (j) Office of Information Technology.
- 4 (k) Office of Legal Services.
- 5 (7) Cabinet for Economic Development:
- 6 (a) Office of the Secretary.
- 7 1. Office of Legal Services.
- 8 2. Department for Business Development.
- 9 a. Office of Entrepreneurship.
- 10 i. Commission on Small Business Advocacy.
- 11 b. Office of Research and Public Affairs.
- 12 c. Bluegrass State Skills Corporation.
- 13 3. Office of Financial Services.
- 14 a. Kentucky Economic Development Finance Authority.
- 15 b. Division of Finance and Personnel.
- 16 c. Division of Network Administration.
- 17 d. Compliance Division.
- 18 e. Incentive Assistance Division.
- 19 (8) Cabinet for Health and Family Services:
- 20 (a) Office of the Secretary.
- 21 (b) Office of Health Policy.
- 22 (c) Office of Legal Services.
- 23 (d) Office of Inspector General.
- 24 (e) Office of Communications and Administrative Review.
- 25 (f) Office of the Ombudsman.
- 26 (g) Office of Policy and Budget.
- 27 (h) Office of Human Resource Management.

- 1 (i) Office of Administrative and Technology Services.
- 2 (j) Department for Public Health.
- 3 (k) Department for Medicaid Services.
- 4 (l) Department for Behavioral Health, Developmental and Intellectual
- 5 Disabilities.
- 6 (m) Department for Aging and Independent Living.
- 7 (n) Department for Community Based Services.
- 8 (o) Department for Income Support.
- 9 (p) Department for Family Resource Centers and Volunteer Services.
- 10 (q) Kentucky Commission on Community Volunteerism and Service.
- 11 (r) Kentucky Commission for Children with Special Health Care Needs.
- 12 (s) Governor's Office of Electronic Health Information.
- 13 (9) Finance and Administration Cabinet:
- 14 (a) **Office of the Secretary.**
- 15 **(b) Office of the Inspector General.**
- 16 **(c) Office of Legislative and Intergovernmental Affairs.**
- 17 **(d)** Office of General Counsel.
- 18 **(e)**~~(b)~~ Office of the Controller.
- 19 **(f)**~~(e)~~ Office of Administrative Services.
- 20 ~~(d) Office of Public Information.~~
- 21 **(g)**~~(e)~~ Office of Policy and Audit.
- 22 **(h)**~~(f)~~ Department for Facilities and Support Services.
- 23 **(i)**~~(g)~~ Department of Revenue.
- 24 **(j)**~~(h)~~ Commonwealth Office of Technology.
- 25 **(k)**~~(i)~~ State Property and Buildings Commission.
- 26 **(l)**~~(j)~~ Office of Equal Employment Opportunity and Contract
- 27 Compliance.

- 1 ~~(m)~~~~(k)~~ Kentucky Employees Retirement Systems.
- 2 ~~(n)~~~~(l)~~ Commonwealth Credit Union.
- 3 ~~(o)~~~~(m)~~ State Investment Commission.
- 4 ~~(p)~~~~(n)~~ Kentucky Housing Corporation.
- 5 ~~(q)~~~~(o)~~ Kentucky Local Correctional Facilities Construction Authority.
- 6 ~~(r)~~~~(p)~~ Kentucky Turnpike Authority.
- 7 ~~(s)~~~~(q)~~ Historic Properties Advisory Commission.
- 8 ~~(t)~~~~(r)~~ Kentucky Tobacco Settlement Trust Corporation.
- 9 ~~(u)~~~~(s)~~ Kentucky Higher Education Assistance Authority.
- 10 ~~(v)~~~~(t)~~ Kentucky River Authority.
- 11 ~~(w)~~~~(u)~~ Kentucky Teachers' Retirement System Board of Trustees.
- 12 ~~(x)~~~~(v)~~ Executive Branch Ethics Commission.

13 (10) Tourism, Arts and Heritage Cabinet:

- 14 (a) Kentucky Department of Travel and Tourism.
- 15 1. Division of Tourism Services.
- 16 2. Division of Marketing and Administration.
- 17 3. Division of Communications and Promotions.
- 18 (b) Kentucky Department of Parks.
- 19 1. Division of Information Technology.
- 20 2. Division of Human Resources.
- 21 3. Division of Financial Operations.
- 22 4. Division of Facilities Management.
- 23 5. Division of Facilities Maintenance.
- 24 6. Division of Customer Services.
- 25 7. Division of Recreation.
- 26 8. Division of Golf Courses.
- 27 9. Division of Food Services.

- 1 10. Division of Rangers.
- 2 11. Division of Resort Parks.
- 3 12. Division of Recreational Parks and Historic Sites.
- 4 (c) Department of Fish and Wildlife Resources.
- 5 1. Division of Law Enforcement.
- 6 2. Division of Administrative Services.
- 7 3. Division of Engineering.
- 8 4. Division of Fisheries.
- 9 5. Division of Information and Education.
- 10 6. Division of Wildlife.
- 11 7. Division of Public Affairs.
- 12 (d) Kentucky Horse Park.
- 13 1. Division of Support Services.
- 14 2. Division of Buildings and Grounds.
- 15 3. Division of Operational Services.
- 16 (e) Kentucky State Fair Board.
- 17 1. Office of Administrative and Information Technology Services.
- 18 2. Office of Human Resources and Access Control.
- 19 3. Division of Expositions.
- 20 4. Division of Kentucky Exposition Center Operations.
- 21 5. Division of Kentucky International Convention Center.
- 22 6. Division of Public Relations and Media.
- 23 7. Division of Venue Services.
- 24 8. Division of Personnel Management and Staff Development.
- 25 9. Division of Sales.
- 26 10. Division of Security and Traffic Control.
- 27 11. Division of Information Technology.

- 1 12. Division of the Louisville Arena.
- 2 13. Division of Fiscal and Contract Management.
- 3 14. Division of Access Control.
- 4 (f) Office of the Secretary.
 - 5 1. Office of Finance.
 - 6 2. Office of Research and Administration.
 - 7 3. Office of Governmental Relations and Tourism Development.
 - 8 4. Office of the Sports Authority.
 - 9 5. Kentucky Sports Authority.
- 10 (g) Office of Legal Affairs.
- 11 (h) Office of Human Resources.
- 12 (i) Office of Public Affairs and Constituent Services.
- 13 (j) Office of Creative Services.
- 14 (k) Office of Capital Plaza Operations.
- 15 (l) Office of Arts and Cultural Heritage.
- 16 (m) Kentucky African-American Heritage Commission.
- 17 (n) Kentucky Foundation for the Arts.
- 18 (o) Kentucky Humanities Council.
- 19 (p) Kentucky Heritage Council.
- 20 (q) Kentucky Arts Council.
- 21 (r) Kentucky Historical Society.
 - 22 1. Division of Museums.
 - 23 2. Division of Oral History and Educational Outreach.
 - 24 3. Division of Research and Publications.
 - 25 4. Division of Administration.
- 26 (s) Kentucky Center for the Arts.
 - 27 1. Division of Governor's School for the Arts.

- 1 (t) Kentucky Artisans Center at Berea.
- 2 (u) Northern Kentucky Convention Center.
- 3 (v) Eastern Kentucky Exposition Center.
- 4 (11) Personnel Cabinet:
 - 5 (a) Office of the Secretary.
 - 6 (b) Department of Human Resources Administration.
 - 7 (c) Office of Employee Relations.
 - 8 (d) Kentucky Public Employees Deferred Compensation Authority.
 - 9 (e) Office of Administrative Services.
 - 10 (f) Office of Legal Services.
 - 11 (g) Governmental Services Center.
 - 12 (h) Department of Employee Insurance.
 - 13 (i) Office of Diversity and Equality.
 - 14 (j) Center of Strategic Innovation.

15 III. Other departments headed by appointed officers:

- 16 (1) Council on Postsecondary Education.
- 17 (2) Department of Military Affairs.
- 18 (3) Department for Local Government.
- 19 (4) Kentucky Commission on Human Rights.
- 20 (5) Kentucky Commission on Women.
- 21 (6) Department of Veterans' Affairs.
- 22 (7) Kentucky Commission on Military Affairs.
- 23 (8) Office of Minority Empowerment.
- 24 (9) Governor's Council on Wellness and Physical Activity.

25 ➔Section 4. KRS 42.0145 is amended to read as follows:

- 26 (1) The Office of the Secretary of the Finance and Administration Cabinet shall consist
- 27 of the *Office of Inspector General*, Office of General Counsel, Office of

1 Administrative Services,~~Office of Public Information,~~ **Office of Legislative and**
 2 **Intergovernmental Affairs,** Office of Policy and Audit, and Office of Equal
 3 Employment Opportunity and Contract Compliance, each headed by an executive
 4 director who shall be appointed by the secretary with the approval of the Governor.
 5 The Office of the Secretary shall include a deputy secretary who shall be appointed
 6 by the secretary with the approval of the Governor. The deputy secretary shall be
 7 responsible to and have such authority to sign for the secretary as the secretary
 8 designates in writing.

9 (2) The secretary may organize the office into such additional administrative units as he
 10 deems necessary to perform the functions and fulfill the duties of the cabinet,
 11 subject to the provisions of KRS Chapter 12.

12 (3) All appointments under this chapter to positions not in the classified service shall be
 13 made pursuant to KRS 12.050, and such appointees shall be major assistants to the
 14 secretary and shall assist in the development of policy.

15 ➔Section 5. KRS 131.020 is amended to read as follows:

16 (1) The Department of Revenue, headed by a commissioner appointed by the secretary
 17 with the approval of the Governor, shall be organized into the following functional
 18 units:

19 (a) Office of the Commissioner~~of the Department of Revenue~~, which shall
 20 consist of:

21 1. **The Division of Protest Resolution, headed by a division director who**
 22 **shall report directly to the commissioner. The division shall administer**
 23 **the protest functions for the department from office resolution**
 24 **through court action**~~The Division of Special Investigations, headed by~~
 25 ~~a division director who shall report to the commissioner. The division~~
 26 ~~shall investigate alleged violations of the tax laws and recommend~~
 27 ~~criminal prosecution of the laws as warranted]; and~~

1 2. The Division of Taxpayer Ombudsman, headed by a division director
 2 who ~~is appointed by the secretary pursuant to KRS 12.050, and who~~
 3 shall report to the commissioner. The division shall perform those
 4 duties set out in KRS 131.083;

5 **(b) Office of Tax Policy and Regulation, headed by an executive director who**
 6 **shall report directly to the commissioner. The office shall be responsible**
 7 **for:**

- 8 **1. Providing oral and written technical advice on Kentucky tax law;**
- 9 **2. Drafting proposed tax legislation and regulations;**
- 10 **3. Testifying before legislative committees on tax matters;**
- 11 **4. Analyzing tax publications;**
- 12 **5. Providing expert witness testimony in tax litigation cases;**
- 13 **6. Providing consultation and assistance in protested tax cases; and**
- 14 **7. Conducting training and education programs;**

15 **(c)** Office of Processing and Enforcement, headed by an executive director who
 16 shall report directly to the commissioner. The office shall be responsible for
 17 processing documents, depositing funds, collecting debt payments, and
 18 coordinating, planning, and implementing a data integrity strategy. The office
 19 shall consist of the:

- 20 1. Division of Operations, which shall be responsible for opening all tax
 21 returns, preparing the returns for data capture, coordinating the data
 22 capture process, depositing receipts, maintaining tax data, and assisting
 23 other state agencies with similar operational aspects as negotiated
 24 between the department and the other agency;
- 25 2. Division of Collections, which shall be responsible for initiating all
 26 collection enforcement activity related to due and owing tax
 27 assessments, including protest resolution, and for assisting other state

1 agencies with similar collection aspects as negotiated between the
2 department and the other state agency; ***and***

3 3. Division of Registration and Data Integrity, which shall be responsible
4 for registering businesses for tax purposes, ensuring that the data entered
5 into the department's tax systems is accurate and complete, and assisting
6 the taxing areas in proper procedures to ensure the accuracy of the data
7 over time; ~~and~~

8 ~~4. Division of Protest Resolution, which shall be responsible for ensuring~~
9 ~~an independent review of tax disputes. The division shall administer the~~
10 ~~protest functions for the department from office resolution through court~~
11 ~~action;]~~

12 ~~(d)(e)]~~ Office of Property Valuation, ~~]. The Office of Property Valuation shall~~
13 ~~be]~~ headed by an executive director who shall report directly to the
14 commissioner. The office shall consist of the:

15 1. Division of Local Support, which shall be responsible for providing
16 supervision, assistance, and training to the property valuation
17 administrators and sheriffs within the Commonwealth;

18 2. Division of State Valuation, which shall be responsible for providing
19 assessments of public service companies and motor vehicles, and
20 providing assistance to property valuation administrators and sheriffs
21 with the administration of tangible and omitted property taxes within the
22 Commonwealth; and

23 3. Division of Minerals Taxation and Geographical Information System
24 Services, which shall be responsible for providing geographical
25 information system mapping support, ensuring proper filing of severance
26 tax returns, ensuring consistency of unmined coal assessments, and
27 gathering and providing data to properly assess minerals to the property

1 valuation administrators within the Commonwealth;

2 ~~(e)~~~~(d)~~ Office of Sales and Excise Taxes, headed by an executive director who
3 shall report directly to the commissioner. The office shall administer all
4 matters relating to sales and use taxes and miscellaneous excise taxes,
5 including but not limited to technical tax research, compliance, taxpayer
6 assistance, tax-specific training, and publications. The office shall consist of
7 the:

- 8 1. Division of Sales and Use Tax, which shall administer the sales and use
9 tax; and
- 10 2. Division of Miscellaneous Taxes, which shall administer various other
11 taxes, including but not limited to alcoholic beverage taxes; cigarette
12 enforcement fees, stamps, meters, and taxes; gasoline tax; bank
13 franchise tax; inheritance and estate tax; insurance premiums and
14 insurance surcharge taxes; motor vehicle tire fees and usage taxes; and
15 special fuels taxes;

16 ~~(f)~~~~(e)~~ Office of Income Taxation, headed by an executive director who shall
17 report directly to the commissioner. The office shall administer all matters
18 related to income and corporation license taxes, including technical tax
19 research, compliance, taxpayer assistance, tax-specific training, and
20 publications. The office shall consist of the:

- 21 1. Division of Individual Income Tax, which shall administer the following
22 taxes or returns: individual income, fiduciary, and employer
23 withholding; and
- 24 2. Division of Corporation Tax, which shall administer the corporation
25 income tax, corporation license tax, pass-through entity withholding,
26 and pass-through entity reporting requirements; and

27 ~~(g)~~~~(f)~~ Office of Field Operations, headed by an executive director who shall

1 report directly to the commissioner. The office shall manage the regional
2 taxpayer service centers and the field audit program.

3 (2) The functions and duties of the department shall include conducting conferences,
4 administering taxpayer protests, and settling tax controversies on a fair and
5 equitable basis, taking into consideration the hazards of litigation to the
6 Commonwealth of Kentucky and the taxpayer. The mission of the department shall
7 be to afford an opportunity for taxpayers to have an independent informal review of
8 the determinations of the audit functions of the department, and to attempt to fairly
9 and equitably resolve tax controversies at the administrative level.

10 (3) The department shall maintain an accounting structure for the one hundred twenty
11 (120) property valuation administrators' offices across the Commonwealth in order
12 to facilitate use of the state payroll system and the budgeting process.

13 (4) Except as provided in KRS 131.190(4), the department shall fully cooperate with
14 and make tax information available as prescribed under KRS 131.190(2) to the
15 Governor's Office for Economic Analysis as necessary for the office to perform the
16 tax administration function established in KRS 42.410.

17 (5) Executive directors and division directors established under this section shall be
18 appointed by the secretary with the approval of the Governor.

19 ➔Section 6. The following KRS section is repealed:

20 42.0173 Office of Public Information.

21 ➔Section 7. The General Assembly confirms Executive Order 2016-602, dated
22 August 12, 2016, to the extent it is not otherwise confirmed or superseded by this Act.