

1 AN ACT relating to the United States Department of Veterans Affairs.

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

3 ➔Section 1. KRS 18A.150 is amended to read as follows:

- 4 (1) Any person who has served in the active military, military reserves, or National  
5 Guard and was discharged or released therefrom with an honorable discharge,  
6 discharge under honorable conditions, or a general discharge shall have five (5)  
7 points added to the veteran's entrance examination score for classified positions.  
8 Any current member of the active military, military reserves, or National Guard  
9 shall be entitled to the same number of points.
- 10 (2) Any person who has served in the active military, military reserves, or National  
11 Guard and was discharged or released therefrom with an honorable discharge,  
12 discharge under honorable conditions, or a general discharge, whom the ***United***  
13 ***States Department of Veterans Affairs***~~[Veterans Administration]~~ or any branch of  
14 the Armed Forces of the United States determines has service-connected  
15 disabilities, shall have ten (10) points added to the veteran's entrance examination  
16 score for a classified position.
- 17 (3) The spouse of a person who has served in the active military, military reserves, or  
18 National Guard, was discharged or released therefrom with an honorable discharge,  
19 discharge under honorable conditions, or a general discharge, would be eligible for  
20 a ten (10) point preference, and whose service-connected disability disqualifies the  
21 veteran for positions along the general line of the veteran's usual occupation shall  
22 have ten (10) preference points added to the spouse's entrance examination score for  
23 a classified position. In such a case, the spouse loses the right to preference if the  
24 disabled veteran recovers.
- 25 (4) Until remarriage, the surviving spouse of a person who has served in the active  
26 military, military reserves, or National Guard and was discharged or released  
27 therefrom with an honorable discharge, discharge under honorable conditions, or a

1 general discharge shall have ten (10) preference points added to the spouse's  
2 entrance examination score for a classified position. This includes the surviving  
3 spouse of any military personnel who died while in the Armed Forces, unless  
4 circumstances surrounding the death would have been cause for other than  
5 honorable or general discharge separation.

6 (5) A parent totally or partially dependent on a person who has served in the active  
7 military, military reserves, or National Guard and lost his or her life under  
8 honorable conditions while on active duty or active duty for training purposes or  
9 became permanently and totally disabled as a result of a service-connected disability  
10 shall have ten (10) preference points added to the parent's examination score for a  
11 classified position.

12 (6) The preference points granted by subsections (1) to (5) of this section shall be added  
13 to entrance examination scores for classified positions only if the score is  
14 determined by the secretary to be a passing score and after verification of the  
15 required service. The total of the entrance examination score and the preference  
16 points may exceed one hundred (100).

17 (7) (a) When a register certificate is transmitted to a state agency for employment  
18 consideration, that certificate shall clearly identify all individuals entitled to  
19 preference points under subsections (1) to (6) of this section, whether or not  
20 an examination is actually a part of the selection method. Regardless of the  
21 selection method used to fill a vacancy, these individuals shall be clearly  
22 identified.

23 (b) 1. If the number of individuals identified in paragraph (a) of this subsection  
24 is less than five (5), the employing agency shall offer an interview to all  
25 individuals identified in paragraph (a) of this subsection, including  
26 individuals presently employed by the Commonwealth of Kentucky and  
27 applying for another classified position within state government.

1           2. If the number of individuals identified in paragraph (a) of this subsection  
2           equals or exceeds five (5), the employing agency shall offer an interview  
3           to no fewer than five (5).

4           ➔Section 2. KRS 40.010 is amended to read as follows:

5           As used in this chapter, the following terms have the following respective meanings,  
6           unless another meaning is clearly required by the context:

- 7           (1) "Administrator" means the adjutant general of the Commonwealth;
- 8           (2) "Veteran" means a person who served in the active Armed Forces of the United  
9           States, during the Spanish American War, World War I, World War II, or the  
10          Korean conflict, for a period of ninety (90) days or more (exclusive of time spent  
11          AWOL; or in penal confinement as a result of a sentence imposed by court-martial;  
12          or in service for which no allowance is made according to KRS 40.040), with some  
13          portion of service within the respective hereinafter prescribed dates, who is still in  
14          the Armed Forces, or was released, separated, discharged, or retired therefrom  
15          under honorable conditions;
- 16          (3) "Duty in active Armed Forces" includes active duty, and any period of inactive duty  
17          training during which the individual concerned was disabled; and if a person in the  
18          active Armed Forces was released, separated, or discharged therefrom by reason of  
19          disability incurred in line of duty before serving as much as ninety (90) days, such  
20          person shall be qualified for entitlement to a bonus payment under this chapter,  
21          notwithstanding failure to remain in service for the minimum time otherwise  
22          prescribed;
- 23          (4) "Armed Forces" means the United States Army, Navy, Marine Corps, Air Force,  
24          and Coast Guard, including the reserve components thereof on active duty;
- 25          (5) "Qualified veteran" means a person answering to the specifications set forth in  
26          subsections (2) and (3), and who
- 27          (a) Was a resident of the Commonwealth at the time of entry into active service in

- 1           the Armed Forces and for at least six (6) months prior thereto; and
- 2           (b) Who has not received a bonus or like compensation from another state; and
- 3           (c) Who is not subject to the forfeiture provisions of this chapter;
- 4       (6) "Resident of the Commonwealth at the time of entry into the active service" means
- 5           any person who gave the Commonwealth of Kentucky, or any specific place in this
- 6           Commonwealth, as his or her place of residence at such time of entry, without
- 7           regard to the place of enlistment, commission, or induction. Conclusive and
- 8           exclusive evidence of such giving of place of residence shall be the official records
- 9           on file in the Department of Defense of the United States, or any official record
- 10          thereof in the files of the United States Department of Veterans Affairs [~~Veterans~~
- 11          ~~Administration of the United States~~]; but if it be shown to the satisfaction of the
- 12          administrator that for any reason no such record was made, or that the same has
- 13          been lost, misplaced, or destroyed, or that an authenticated copy thereof cannot be
- 14          obtained within a reasonable time, other evidence of bona fide residence may be
- 15          accepted if deemed sufficient by the administrator;
- 16       (7) "Resident," in any context other than as in subsection (6), means a legal resident as
- 17          determined by generally established principles of law, as may be defined, and
- 18          subject to proof, according to such regulations as the administrator may promulgate;
- 19       (8) "Beneficiary" means, in this order, widow, child or children (sharing equally),
- 20          mother, father, and no other;
- 21       (9) (a) "Widow" means a woman who was the wife of a veteran at the time of his
- 22                  death, and who had not deserted him (except where there was a separation
- 23                  which was due to the misconduct of, or procured by, the veteran without the
- 24                  fault of the wife), and who had not remarried, (unless the purported
- 25                  remarriage was void or had been annulled);
- 26       (b) The term "widow" also includes "widower" in the case of a man who was the
- 27          husband of a female veteran at the time of her death;

- 1 (10) "Child" means a person:
- 2 (a) Who is under the age of eighteen (18); or
- 3 (b) Who, before attaining the age of eighteen (18) years, became permanently
- 4 incapable of self-support; or
- 5 (c) Who, after attaining the age of eighteen (18) years and until completion of
- 6 education or training (but not after attaining the age of twenty-one (21) years)
- 7 is pursuing a course of instruction at a bona fide educational institution; and
- 8 who, in relationship to the veteran, is a child born in lawful wedlock; a legally
- 9 adopted child; a stepchild who is a member of a veteran's household or was a
- 10 member at the time of the veteran's death; or a child born out of wedlock, but,
- 11 as to the alleged father, only if acknowledged in writing signed by him, or if
- 12 he had, before his death, been judicially decreed to be the father of such child;
- 13 (11) "Mother" means a mother, a mother through adoption, or a woman who for a period
- 14 of not less than one (1) year stood in the relationship of a mother to a qualified
- 15 veteran before his or her entry into active service in the Armed Forces, or if two (2)
- 16 persons stood in such relationship for one (1) year or more, the person who last
- 17 stood in such relationship before the veteran's last entry into active service in the
- 18 Armed Forces;
- 19 (12) "Father" means a father, a father through adoption, or a man who for a period of not
- 20 less than one (1) year stood in the relationship of a father to a qualified veteran
- 21 before his or her entry into active service in the Armed Forces, or if two (2) persons
- 22 stood in such relationship for one (1) year or more, the person who last stood in
- 23 such relationship before the veteran's last entry into active service in the Armed
- 24 Forces;
- 25 (13) "In the continental United States" means any place in the District of Columbia and
- 26 the states of the United States which are on the North American continent,
- 27 exclusive of Alaska;

- 1 (14) "Outside the continental United States" means any place elsewhere than as defined  
2 in subsection (13);
- 3 (15) "Spanish-American War":
- 4 (a) Means the period beginning on April 21, 1898, and ending on July 4, 1902;
- 5 (b) Includes the Philippine Insurrection and the Boxer Rebellion; and
- 6 (c) In the case of a veteran who served with the United States military forces  
7 engaged in hostilities in the Moro Province, means the period beginning on  
8 April 21, 1898, and ending on July 15, 1903;
- 9 (16) "World War I":
- 10 (a) Means the period beginning on April 6, 1917, and ending on November 11,  
11 1918; and
- 12 (b) In the case of a veteran who served with the United States military forces in  
13 Russia, means the period beginning on April 6, 1917, and ending on April 1,  
14 1920; and
- 15 (c) Any service between April 6, 1917, and July 1, 1921, if some part thereof was  
16 between April 6, 1917, and November 11, 1918, both dates being inclusive;
- 17 (17) "World War II" means the period beginning December 7, 1941, and ending  
18 December 31, 1946;
- 19 (18) "Korean conflict" means the period beginning on June 27, 1950, and ending January  
20 31, 1955;
- 21 (19) "Bonus" and "veterans' bonus" means the compensation authorized by this chapter;
- 22 (20) "Bonus claim" means a claim or potential claim for a veterans' bonus;
- 23 (21) "Claimant" means one who seeks to obtain payment of a bonus claim.
- 24 ➔Section 3. KRS 40.080 is amended to read as follows:
- 25 (1) All facts material to determining whether the claimant is entitled to receive a  
26 veterans' bonus shall be evidenced:
- 27 (a) In any case where the same are shown in the official records of the

1 Department of Defense, Department of Veterans Affairs [~~Veterans~~  
 2 ~~Administration~~], or any other department, bureau, or agency of the United  
 3 States, by an authenticated copy of the record, or a certificate made by an  
 4 authorized person in the department, bureau, or agency concerned, or by a  
 5 written communication signed by such authorized person;

6 (b) In any case where the same are shown in any public record of the  
 7 Commonwealth or of any public body in the Commonwealth, by a copy of the  
 8 record, or the material part thereof, attested by the clerk or comparable officer;

9 (c) In any case where the same are shown in an instrument of writing, by  
 10 tendering the instrument, or a photostat copy, or a copy authenticated in a  
 11 manner acceptable to the administrator;

12 (d) Otherwise by affidavit.

13 (2) No claimant shall be entitled to an oral hearing as a matter of right; but the  
 14 administrator may in his discretion order a hearing in any case presenting unusual  
 15 circumstances, or where it appears that documentary evidence of any material fact  
 16 cannot reasonably be obtained, or where the claim cannot otherwise adequately be  
 17 determined. If a hearing is ordered, it shall be conducted in accordance with KRS  
 18 Chapter 13B. The administrator may investigate any matter which in his judgment  
 19 is not adequately proven, or which shows or raises an inference of fraud, and may  
 20 require submission of supplementary proof.

21 ➔Section 4. KRS 40.400 is amended to read as follows:

22 As used in KRS 40.410 to 40.560, the following terms have the following respective  
 23 meanings, unless another meaning is clearly required by the context:

24 (1) "Department of Military Affairs" means the office of the adjutant general,  
 25 Commonwealth of Kentucky;

26 (2) "Administrator" means the individual designated by the adjutant general to carry out  
 27 the responsibilities of KRS 40.410 to 40.560;

- 1 (3) "Armed Forces" means the United States Army, Navy, Marine Corps, Air Force,  
2 and Coast Guard, including the reserve components thereof on active duty, other  
3 than for training, and shall not include the merchant marine;
- 4 (4) "Qualified veteran" means any person whose period of active duty service meets the  
5 criteria set forth in subsection (5) or (6) of this section;
- 6 (5) "Qualifying Vietnam service" means service by any person who:
- 7 (a) Served as a member of the Armed Forces of the United States in Vietnam or  
8 its contiguous waters or airspace, as defined in United States Department of  
9 Defense Directive 1348.15, October 1, 1965, for a period of at least thirty (30)  
10 days, unless such period was lessened as a result of death or medical  
11 evacuation, during the period July 1, 1958, through May 15, 1975; or served  
12 as a member of the Armed Forces of the United States in the Dominican  
13 Republic, Congo, Thailand, Laos, or Cambodia, or participated in aerial  
14 missions in the airspace over same, for a period of at least thirty (30) days,  
15 unless such period was lessened as a result of death or medical evacuation,  
16 during the period July 3, 1965, through May 15, 1975; or served as a member  
17 of the Armed Forces of the United States and was awarded, or was eligible for  
18 award of, the Vietnam Service Medal established by United States Department  
19 of Defense Directive 1348.15, October 1, 1965;
- 20 (b) Was released, separated, or discharged from the Armed Forces under other  
21 than dishonorable conditions or who is presently serving on active duty;
- 22 (c) Was a resident of the Commonwealth at the time of entry into active service in  
23 the Armed Forces and for at least six (6) months prior thereto; and
- 24 (d) Has not received a similar bonus for such service from any other state;
- 25 (6) "Qualifying Vietnam era service" means service by any person who:
- 26 (a) Served in the Armed Forces of the United States on active duty, including  
27 service in a reserve component thereof other than for training, for at least



- 1           ninety (90) consecutive days, exclusive of time lost as AWOL or in penal  
2           confinement, during the period August 5, 1964, to May 15, 1975, but whose  
3           service was in a location not included in subsection (5)(a) of this section;
- 4           (b) Was released, separated, or discharged from the Armed Forces under other  
5           than dishonorable conditions or is still serving on active duty;
- 6           (c) Was a resident of the Commonwealth at the time of his entry into active  
7           service in the Armed Forces and for at least six (6) months prior thereto; and
- 8           (d) Has not received a similar bonus for such service from any other state;
- 9           (7) "Resident of the Commonwealth at the time of entry into the active service" means  
10          any person who gave the Commonwealth of Kentucky, or any specific place in this  
11          Commonwealth, as his place of residence at the time of entry. Conclusive and  
12          exclusive evidence of the giving of place of residence shall be the official records  
13          on file in the Department of Defense of the United States, or any official record  
14          thereof in the files of the United States Department of Veterans Affairs~~[Veterans~~  
15          ~~Administration of the United States]~~; but if it be shown to the satisfaction of the  
16          administrator that for any reason no such record was made, or that it has been lost,  
17          misplaced, destroyed, or was in error, or that an authenticated copy thereof cannot  
18          be obtained within a reasonable time, other evidence of bona fide residence may be  
19          accepted if deemed sufficient by the administrator;
- 20          (8) "Resident," in any context other than as in subsections (5) and (6) of this section,  
21          means a legal resident as determined by generally established principles of law, as  
22          may be defined, and subject to proof, according to the regulations the administrator  
23          promulgates;
- 24          (9) "Beneficiary" means the following persons who were alive at the time of  
25          application, in this order: widow, if none to the child or children equally, if none to  
26          the mother and father equally, but if the father is dead, the mother, if living, shall  
27          take the whole amount; but if the mother is dead, the father, if living, shall take the

1 whole amount;

2 (10) (a) "Widow" means a woman who was the wife of a qualified veteran at the time  
3 of his death;

4 (b) The term "widow" also includes "widower" in the case of a man who was the  
5 husband of a female qualified veteran at the time of her death;

6 (11) "Child" means a person:

7 (a) Who is under the age of eighteen (18) at the time application is made or who  
8 was under the age of eighteen (18) at the time of the veteran's death;

9 (b) Who, before attaining the age of eighteen (18), became permanently incapable  
10 of self-support; or

11 (c) Who, after attaining the age of eighteen (18) and until completion of  
12 education or training, but not after attaining the age of twenty-three (23), is  
13 pursuing a course of instruction at a bona fide educational institution; and  
14 who, in relationship to the veteran, is a legitimate child; a legally adopted  
15 child; a stepchild who is a member of a qualified veteran's household or was a  
16 member at the time of the veteran's death; or an illegitimate child, but, as to  
17 the alleged father, only if acknowledged in writing signed by him or if he had,  
18 before his death, been judicially decreed to be the father of such child;

19 (12) "Mother" means a mother, a mother through adoption, or a woman who for a period  
20 of not less than one (1) year stood in the relationship of a mother to a qualified  
21 veteran before his or her entry into active service in the Armed Forces, or if two (2)  
22 persons stood in such relationship for one (1) year or more, the person who last  
23 stood in such relationship before the veteran's last entry into active service in the  
24 Armed Forces;

25 (13) "Father" means a father, a father through adoption, or a man who for a period of not  
26 less than one (1) year stood in the relationship of a father to a qualified veteran  
27 before his or her entry into active service in the Armed Forces, or if two (2) persons

1 stood in such relationship for one (1) year or more, the person who last stood in  
2 such relationship before the veteran's last entry into active service in the Armed  
3 Forces;

4 (14) "In the continental United States" means any place in the District of Columbia and  
5 the states of the United States which are on the North American continent,  
6 exclusive of Alaska;

7 (15) "Outside the continental United States" means any place elsewhere than as defined  
8 in subsection (14) of this section;

9 (16) "Bonus" and "Vietnam veterans' bonus" mean the compensation authorized by KRS  
10 40.410 to 40.560;

11 (17) "Bonus claim" means a claim or potential claim for a Vietnam veterans' bonus; and

12 (18) "Claimant" means one who seeks to obtain payment of a bonus claim.

13 ➔Section 5. KRS 148.0211 is amended to read as follows:

14 (1) Any veteran who has been a prisoner of war, was honorably discharged from the  
15 military forces, and is a resident of this state is exempt from camping fees in parks  
16 or campgrounds owned or operated by the Commonwealth of Kentucky.

17 (2) To claim the exemption provided for by subsection (1) of this section, a veteran  
18 shall forward:

19 (a) A copy of his separation form from military service; or

20 (b) A letter from one (1) of the military forces or the United States Department of  
21 Veterans Affairs~~[Veterans Administration]~~; and

22 (c) Written proof of residence to the Department of Parks. The department shall  
23 mail a card to the veteran certifying that he is exempt from the fees specified  
24 in subsection (1) of this section.

25 ➔Section 6. KRS 148.0212 is amended to read as follows:

26 (1) A Kentucky resident shall be exempt from the relevant overnight accommodations  
27 rate at any Kentucky state park if he or she is:

- 1 (a) A permanently and totally disabled veteran with a one hundred percent  
2 (100%) service-connected disability, regardless of wartime service; or
- 3 (b) A permanently and totally disabled member of the Kentucky National Guard  
4 or Reserve Component injured while on state active duty, active duty training,  
5 or inactive duty training.
- 6 (2) To be entitled to the exemption under this section, a veteran must be a Kentucky  
7 resident and must be rated one hundred percent (100%) permanently and totally  
8 disabled, as the result of an injury suffered while on active duty, by the United  
9 States Department of Veterans Affairs~~[Administration]~~ or the Department of  
10 Defense. Members of the Kentucky National Guard or Reserve Component must be  
11 rated one hundred percent (100%) permanently and totally disabled as provided in  
12 KRS Chapter 342.
- 13 (3) The exemption shall be made available to qualified Kentucky residents as described  
14 in this section for a maximum of three (3) overnight stays per calendar year at any  
15 Kentucky state park. Each stay shall be limited to a maximum of three (3) days,  
16 subject to availability. During peak periods, as defined elsewhere in this section,  
17 stays are to be taken during the Sunday through Thursday five (5) day period only.  
18 Outside of peak periods, stays are available at any time.
- 19 (4) The Department of Parks shall promulgate any administrative regulations necessary  
20 to carry out this section, including but not limited to:
- 21 (a) Defining peak periods, which shall be no longer than the days between  
22 Memorial Day and Labor Day and the month of October;
- 23 (b) Establishing the ten (10) day window during which reservations by residents  
24 under this section may be made;
- 25 (c) Establishing those accommodations which qualify for the exemption; and
- 26 (d) Delineating the types of proof acceptable for establishing eligibility for  
27 persons entitled to the exemption provided for in this section, while working

1 in conjunction with the Kentucky Department of Veterans' Affairs.

2 (5) The exemption described in this section shall not limit the benefits of a qualified  
3 Kentucky resident if he or she is also eligible for benefits under KRS 148.0211.

4 ➔Section 7. KRS 164.505 is amended to read as follows:

5 (1) A person shall not be required to pay any matriculation or tuition fees upon  
6 admission to any state-supported university, junior college, or vocational training  
7 institution if the person's deceased parent or stepparent, or if the person's deceased  
8 spouse if the person has not remarried, was a resident of the Commonwealth of  
9 Kentucky upon joining the Kentucky National Guard or upon entering military  
10 service and:

11 (a) Was killed while serving in state active duty, active duty for training, or  
12 inactive duty training with the Kentucky National Guard, or while on active  
13 duty in the Armed Forces of the United States, during a national emergency,  
14 or was declared by Congress, or actions of the United Nations, or was killed  
15 by hostile fire while on active duty in the Armed Forces of the United States  
16 or the Kentucky National Guard; or

17 (b) Died as a result of a service-connected disability acquired while serving in  
18 state active duty, active duty for training, or inactive duty training with the  
19 Kentucky National Guard or Reserve Component, or while on active duty in  
20 the Armed Forces of the United States, during a national emergency, or was  
21 declared by Congress, or actions of the United Nations.

22 (2) In order to obtain the benefits conferred by subsection (1), the parent-child  
23 relationship must be shown by birth certificate, adoption papers, marriage  
24 certificate, or other documentary evidence. A stepchild must have been a member of  
25 the veteran's household at the time of the veteran's death. The spousal relationship  
26 must be shown by a marriage certificate or other documentary evidence. The  
27 parent's or spouse's service and the cause of death must be evidenced by

1 certification from the records of the Kentucky Department of Military Affairs or the  
2 United States Department of Veterans Affairs~~[Veterans Administration]~~ Records,  
3 or the Department of Defense of the United States. In the event one so admitted to a  
4 state-supported university, junior college, or vocational training institution under  
5 the provisions of this section shall have obtained a cash scholarship paid or payable  
6 to the institution, from whatever source, the amount of the scholarship shall be  
7 applied to the credit of the applicant in the payment of incidental expenses of  
8 attendance at the institution, and any balance, if the terms of the scholarship permit,  
9 shall be returned to the applicant.

10 ➔Section 8. KRS 164.507 is amended to read as follows:

11 (1) The nonremarried spouse, regardless of age, and any child, stepchild, or orphan,  
12 under the age of twenty-six (26), of a deceased veteran shall not be required to pay  
13 any matriculation or tuition fees upon admission to any state-supported university,  
14 junior college, or vocational training institute for a period not in excess of forty-five  
15 (45) months in order to obtain a diploma, nor in excess of the lesser number of  
16 months required for a certificate of completion, if the deceased parent or spouse:

17 (a) 1. Served in the Armed Forces of the United States during a national  
18 emergency, was declared by Congress, or actions of the United Nations;  
19 or

20 2. Died while on active duty in the Armed Forces of the United States  
21 regardless of wartime service; or

22 3. Died as a result of a service-connected disability acquired while on  
23 active duty with the Armed Forces of the United States regardless of  
24 wartime service; and

25 (b) 1. Was a resident of the Commonwealth of Kentucky at the time of death;  
26 or

27 2. Was married to a resident of Kentucky at the time of death; and

1           3. If discharged, was under honorable conditions.

2 (2) In order to obtain the benefits conferred by subsection (1), the parent-child  
3 relationship must be shown by birth certificate, adoption papers, marriage  
4 certificate, or other documentary evidence. A stepchild must have been a member of  
5 the veteran's household at the time of the veteran's death. The spousal relationship  
6 must be shown by a marriage certificate or other documentary evidence. The  
7 parent's or spouse's service and the cause of death must be evidenced by  
8 certification from the records of the Kentucky Department of Military Affairs, the  
9 United States Department of Veterans Affairs~~[Veterans Administration]~~ Records,  
10 or the Department of Defense of the United States. In the event one so admitted to a  
11 state-supported university, junior college, or vocational training institution under  
12 this section shall have obtained a cash scholarship paid or payable to the institution,  
13 from whatever source, the amount of the scholarship shall be applied to the credit of  
14 the applicant in the payment of incidental expenses of attendance at the institution,  
15 and any balance, if the terms of the scholarship permit, shall be returned to the  
16 applicant.

17 ➔Section 9. KRS 164.512 is amended to read as follows:

18 (1) The child of a veteran, regardless of age, who has acquired a disability as a direct  
19 result of the veteran's service shall be eligible to receive a waiver of tuition upon  
20 admission to any state-supported university, college, or vocational training institute.

21 (2) To be entitled to benefits under this section, the child claiming benefits must have  
22 acquired a disability determined by the United States Department of Veterans  
23 Affairs~~[Veterans Administration]~~ as compensable.

24 (3) The parent-child relationship must be shown by birth certificate, marriage  
25 certificate, or other documentary evidence.

26 (4) To entitle a child to benefit under this section the member of the National Guard or  
27 Reserve Component veteran living or deceased must have served on state active

1 duty, active duty for training, or inactive duty training or the veteran must have  
2 served on active duty with the Armed Forces of the United States, and the discharge  
3 must have been under honorable conditions. The veteran must be a resident or, if  
4 deceased, must have been a resident of the Commonwealth of Kentucky.

5 ➔Section 10. KRS 164.515 is amended to read as follows:

6 (1) The spouse, regardless of age, and any child, stepchild, or orphan, under the age of  
7 twenty-six (26), of a permanently and totally disabled member of the Kentucky  
8 National Guard or Reserve Component injured while on state active duty, active  
9 duty for training, or inactive duty training, or a permanently and totally disabled war  
10 veteran, or a one hundred percent (100%) service-connected disabled veteran  
11 regardless of wartime service, or prisoner of war or member of the Armed Services  
12 declared missing in action shall not be required to pay any matriculation or tuition  
13 fees upon his admission to any state-supported institution of higher education or to  
14 any state-supported vocational training school for a period not in excess of forty-  
15 five (45) months in order to obtain a diploma, nor in excess of the lesser number of  
16 months required for a certificate of completion.

17 (2) To be entitled to benefits under this section the parent or stepparent of the child  
18 claiming benefits if living must be rated permanently and totally disabled for  
19 pension purposes or one hundred percent (100%) disabled for compensation  
20 purposes by the United States Department of Veterans Affairs~~[Veterans~~  
21 ~~Administration]~~ or the Department of Defense. If the veteran is deceased, the claim  
22 to benefits is to be based on the rating held by the veteran at the time of death or if a  
23 prisoner of war or missing in action, must have been declared as such by the  
24 Department of Defense. Members of the Kentucky National Guard must be rated  
25 permanently and totally disabled as provided in KRS Chapter 342. The parent's,  
26 stepparent's, or spouse's service and rating must be evidenced by certification from  
27 the records of the Kentucky Department of Military Affairs, United States



1        Department of Veterans Affairs~~[Veterans Administration Records]~~, or the  
2        Department of Defense of the United States.

3        (3) The parent-child relationship must be shown by birth certificate, legal adoption  
4        papers, marriage certificate, or other documentary evidence. A stepchild must be a  
5        member of the veteran's household. The spousal relationship must be shown by a  
6        marriage certificate or other documentary evidence.

7        (4) To entitle a spouse, child, stepchild, or orphan to benefit under this section the  
8        disabled member of the National Guard or Reserve Component veteran living or  
9        deceased must have served on state active duty, active duty for training, or inactive  
10       duty training or active duty with the Armed Forces of the United States, and his  
11       discharge must have been under honorable conditions. He must be a resident or, if  
12       deceased, have been a resident of the Commonwealth of Kentucky.

13       (5) No provision of this section shall serve to deny these benefits to an eligible spouse,  
14       child, stepchild, or orphan, who enlists, or who fulfills a military obligation, in the  
15       Armed Forces of the United States and is discharged under honorable conditions;  
16       the period of time spent in the military service to be compensated by like time,  
17       beyond the age of twenty-six (26) years if required, but not in excess of the period  
18       of enrollment as set forth in subsection (1) of this section.

19       (6) The marriage of an eligible child, stepchild, or orphan, shall not serve to deny full  
20       entitlement to the benefits provided in this section.

21       ➔Section 11. KRS 189.459 is amended to read as follows:

22       (1) When a motor vehicle which is being operated by or for the benefit of the person  
23       with a disability who is in the motor vehicle at the time it is being operated is  
24       displaying an auto registration plate as provided in KRS 186.041 or 186.042 or  
25       186.0425, an out-of-state or out-of-country registration plate for a person with a  
26       disability bearing the international symbol of access, a parking placard issued by  
27       any United States Department of Veterans Affairs~~[Veterans Administration]~~

1 hospital, or an accessible parking placard issued to a person with a disability as  
2 prescribed in KRS 189.456 or 189.458 or by another state or foreign country when  
3 the accessible parking placard meets the basic requirements of KRS 189.456 or  
4 189.458, the vehicle may be parked in a parking place designated as accessible to  
5 and for the use of a person with a disability.

6 (2) When parked where a parking limit is imposed, the vehicle may be parked for a  
7 period of two (2) hours in excess of the legal parking period permitted by local  
8 authorities, except where local ordinances or police regulations prohibit parking on  
9 a highway for the purpose of creating a fire lane or where the ordinances or police  
10 regulations provide for the accommodation of heavy traffic during morning,  
11 afternoon, or evening hours or where the motor vehicle is parked in such a manner  
12 as to clearly be a traffic hazard. No person shall park in a parking area designated as  
13 accessible to and for the use of a person with a disability in a motor vehicle not  
14 displaying either an auto registration plate as provided in KRS 186.041, 186.042,  
15 186.0425, or an out-of-state registration plate designated for the use of a person  
16 with a disability on the rear of the vehicle unless he displays on the dashboard of his  
17 motor vehicle an accessible parking placard issued to a person with a disability. No  
18 person shall park a vehicle displaying an accessible parking placard in a parking  
19 area designated as accessible to and for the use of a person with a disability when  
20 the person with a disability is not in the motor vehicle.

21 (3) No person shall make, issue, possess, or knowingly use any imitation, counterfeit,  
22 or transferable placard or license plate for a person with a disability.

23 ➔Section 12. KRS 205.935 is amended to read as follows:

24 As used in KRS 205.940:

25 (1) "Cabinet" means the Cabinet for Health and Family Services;

26 (2) "Representative payee" means a person appointed by the Social Security  
27 Administration, United States Department of Veterans Affairs[Veterans

1 ~~Administration~~, or other nonprofit social service agency to provide financial  
2 management services to persons receiving Social Security Administration,  
3 Department of Veterans Affairs~~Veterans Administration~~, or other government  
4 benefits, who are incapable of making or executing responsible financial decisions.

5 ➔Section 13. KRS 216B.020 is amended to read as follows:

- 6 (1) The provisions of this chapter that relate to the issuance of a certificate of need shall  
7 not apply to abortion facilities as defined in KRS 216B.015; any hospital which  
8 does not charge its patients for hospital services and does not seek or accept  
9 Medicare, Medicaid, or other financial support from the federal government or any  
10 state government; assisted living residences; family care homes; state veterans'  
11 nursing homes; services provided on a contractual basis in a rural primary-care  
12 hospital as provided under KRS 216.380; community mental health centers for  
13 services as defined in KRS Chapter 210; primary care centers; rural health clinics;  
14 private duty nursing services licensed as nursing pools; group homes; licensed  
15 residential crisis stabilization units, which may be part of a licensed psychiatric  
16 hospital; licensed free-standing residential substance use disorder treatment  
17 programs with sixteen (16) or fewer beds, but not including Levels I and II  
18 psychiatric residential treatment facilities or licensed psychiatric inpatient beds;  
19 outpatient behavioral health treatment, but not including partial hospitalization  
20 programs; end stage renal disease dialysis facilities, freestanding or hospital based;  
21 swing beds; special clinics, including but not limited to wellness, weight loss,  
22 family planning, disability determination, speech and hearing, counseling,  
23 pulmonary care, and other clinics which only provide diagnostic services with  
24 equipment not exceeding the major medical equipment cost threshold and for which  
25 there are no review criteria in the state health plan; nonclinically related  
26 expenditures; nursing home beds that shall be exclusively limited to on-campus  
27 residents of a certified continuing care retirement community; home health services

1 provided by a continuing care retirement community to its on-campus residents; the  
2 relocation of hospital administrative or outpatient services into medical office  
3 buildings which are on or contiguous to the premises of the hospital; residential  
4 hospice facilities established by licensed hospice programs; or the following health  
5 services provided on site in an existing health facility when the cost is less than six  
6 hundred thousand dollars (\$600,000) and the services are in place by December 30,  
7 1991: psychiatric care where chemical dependency services are provided, level one  
8 (1) and level two (2) of neonatal care, cardiac catheterization, and open heart  
9 surgery where cardiac catheterization services are in place as of July 15, 1990. The  
10 provisions of this section shall not apply to nursing homes, personal care homes,  
11 intermediate care facilities, and family care homes; or nonconforming ambulance  
12 services as defined by administrative regulation. These listed facilities or services  
13 shall be subject to licensure, when applicable.

14 (2) Nothing in this chapter shall be construed to authorize the licensure, supervision,  
15 regulation, or control in any manner of:

16 (a) Private offices and clinics of physicians, dentists, and other practitioners of  
17 the healing arts, except any physician's office that meets the criteria set forth  
18 in KRS 216B.015(5) or that meets the definition of an ambulatory surgical  
19 center as set out in KRS 216B.015;

20 (b) Office buildings built by or on behalf of a health facility for the exclusive use  
21 of physicians, dentists, and other practitioners of the healing arts; unless the  
22 physician's office meets the criteria set forth in KRS 216B.015(5), or unless  
23 the physician's office is also an abortion facility as defined in KRS 216B.015,  
24 except no capital expenditure or expenses relating to any such building shall  
25 be chargeable to or reimbursable as a cost for providing inpatient services  
26 offered by a health facility;

27 (c) Dispensaries and first-aid stations located within business or industrial

- 1 establishments maintained solely for the use of employees, if the facility does  
2 not contain inpatient or resident beds for patients or employees who generally  
3 remain in the facility for more than twenty-four (24) hours;
- 4 (d) Establishments, such as motels, hotels, and boarding houses, which provide  
5 domiciliary and auxiliary commercial services, but do not provide any health  
6 related services and boarding houses which are operated by persons  
7 contracting with the United States Department of Veterans Affairs [~~Veterans~~  
8 ~~Administration~~] for boarding services;
- 9 (e) The remedial care or treatment of residents or patients in any home or  
10 institution conducted only for those who rely solely upon treatment by prayer  
11 or spiritual means in accordance with the creed or tenets of any recognized  
12 church or religious denomination and recognized by that church or  
13 denomination; and
- 14 (f) On-duty police and fire department personnel assisting in emergency  
15 situations by providing first aid or transportation when regular emergency  
16 units licensed to provide first aid or transportation are unable to arrive at the  
17 scene of an emergency situation within a reasonable time.
- 18 (3) An existing facility licensed as skilled nursing, intermediate care, or nursing home  
19 shall notify the cabinet of its intent to change to a nursing facility as defined in  
20 Public Law 100-203. A certificate of need shall not be required for conversion of  
21 skilled nursing, intermediate care, or nursing home to the nursing facility licensure  
22 category.
- 23 (4) Notwithstanding any other provision of law to the contrary, dual-license acute care  
24 beds licensed as of December 31, 1995, and those with a licensure application filed  
25 and in process prior to February 10, 1996, may be converted to nursing facility beds  
26 by December 31, 1996, without applying for a certificate of need. Any dual-license  
27 acute care beds not converted to nursing facility beds by December 31, 1996, shall,

1 as of January 1, 1997, be converted to licensed acute care beds.

2 (5) Notwithstanding any other provision of law to the contrary, no dual-license acute  
3 care beds or acute care nursing home beds that have been converted to nursing  
4 facility beds pursuant to the provisions of subsection (3) of this section may be  
5 certified as Medicaid eligible after December 31, 1995, without the written  
6 authorization of the secretary.

7 (6) Notwithstanding any other provision of law to the contrary, total dual-license acute  
8 care beds shall be limited to those licensed as of December 31, 1995, and those with  
9 a licensure application filed and in process prior to February 10, 1996. No acute  
10 care hospital may obtain a new dual license for acute care beds unless the hospital  
11 had a licensure application filed and in process prior to February 10, 1996.

12 (7) Ambulance services owned and operated by a city government, which propose to  
13 provide services in coterminous cities outside of the ambulance service's designated  
14 geographic service area, shall not be required to obtain a certificate of need if the  
15 governing body of the city in which the ambulance services are to be provided  
16 enters into an agreement with the ambulance service to provide services in the city.

17 (8) Notwithstanding any other provision of law, a continuing care retirement  
18 community's nursing home beds shall not be certified as Medicaid eligible unless a  
19 certificate of need has been issued authorizing applications for Medicaid  
20 certification. The provisions of subsection (3) of this section notwithstanding, a  
21 continuing care retirement community shall not change the level of care licensure  
22 status of its beds without first obtaining a certificate of need.

23 ➔Section 14. KRS 304.17A-136 is amended to read as follows:

24 (1) As used in this section, unless the context requires otherwise:

25 (a) "Cancer clinical trial" means a clinical trial that:

26 1. Is approved by:

27 a. The National Institutes of Health, or any institutional review board

- 1 recognized by the National Institutes of Health;
- 2 b. The United States Food and Drug Administration;
- 3 c. The United States Department of Defense; or
- 4 d. The United States Department of Veterans Affairs [~~Veterans~~  
5 ~~Administration~~]; and
- 6 2. Does one (1) of the following:
- 7 a. Tests how to administer a health care service, item, or drug for the  
8 treatment of cancer;
- 9 b. Tests responses to a health care service, item, or drug for the  
10 treatment of cancer;
- 11 c. Compares the effectiveness of health care services, items, or drugs  
12 for the treatment of cancer with that of other health care services,  
13 items, or drugs for the treatment of cancer; or
- 14 d. Studies new uses of health care services, items, or drugs for the  
15 treatment of cancer; and
- 16 (b) "Routine patient healthcare costs" means all healthcare services, items, and  
17 drugs for the treatment of cancer, except for the following:
- 18 1. The health care service, item, or investigational drug that is the subject  
19 of the cancer clinical trial;
- 20 2. Any treatment modality outside the usual and customary standard of care  
21 required to administer or support the healthcare service, item, or  
22 investigational drug that is the subject of the cancer clinical trial;
- 23 3. Any healthcare service, item, or drug provided solely to satisfy data  
24 collection and analysis needs that are not used in the direct clinical  
25 management of the patient;
- 26 4. An investigational drug or device that has not been approved for market  
27 by the United States Food and Drug Administration;

- 1           5.    Transportation, lodging, food, or other expenses for the patient or a  
2           family member or companion of the patient that are associated with  
3           travel to or from a facility providing the cancer clinical trial;
- 4           6.    Any services, items, or drugs provided by the cancer clinical trial  
5           sponsors free of charge for any new patient; or
- 6           7.    Any services, items, or drugs that are eligible for reimbursement by a  
7           person other than the insurer, including the sponsor of the clinical trial.
- 8   (2)   A health benefit plan shall not exclude coverage for routine patient healthcare costs  
9           that are incurred in the course of a cancer clinical trial if the health benefit plan  
10          would provide coverage for the routine patient healthcare costs had they not been  
11          incurred in a cancer clinical trial.
- 12   (3)   The coverage that may not be excluded under this section shall be subject to all  
13          terms, conditions, restrictions, exclusions, and limitations that apply to any other  
14          coverage under the policy, plan, or contract, including the treatment under the  
15          policy, plan, or contract of services performed by participating and nonparticipating  
16          providers.
- 17   (4)   (a)   Nothing in this section requires a policy, plan, or contract to offer cancer  
18          clinical trial services by a participating provider.
- 19          (b)   Nothing in this section prohibits a policy, plan, or contract from offering  
20          cancer clinical trial services by a participating provider.
- 21          (c)   Nothing in this section requires services that are performed in a cancer clinical  
22          trial by a nonparticipating provider of a policy, plan, or contract to be  
23          reimbursed at the same rate as those performed by a participating provider of  
24          the policy, plan, or contract.
- 25   (5)   Nothing in this section shall be construed as imposing a new health benefit  
26          mandate.
- 27   ➔Section 15.   KRS 310.070 is amended to read as follows:



- 1 (1) It shall be unlawful for any person to engage in the practice of dietetics or nutrition,  
2 to act or to represent himself to be a dietitian or a nutritionist, or to use such titles as  
3 "dietitian," "nutritionist," "licensed dietitian," "certified nutritionist," or such letters  
4 as "L.D.," "C.N.," or any word, letters, or title indicating or implying that the person  
5 is a dietitian or nutritionist, unless that person holds a license or certificate issued by  
6 the board.
- 7 (2) Nothing in this chapter shall be construed to prevent or restrict:
- 8 (a) A person licensed in this state from carrying out any therapy or practice for  
9 which he is duly licensed, including but not limited to physicians, osteopaths,  
10 podiatrists, chiropractors, dentists, and nurses;
- 11 (b) A student enrolled in an approved academic program in dietetics, if the  
12 practice constitutes a part of a course of study under the supervision of a  
13 licensed dietitian or certified nutritionist. The student shall be designated by  
14 title clearly indicating his status as a student or trainee;
- 15 (c) A dietitian serving in the Armed Forces, the Public Health Service of the  
16 United States, or employed by the United States Department of Veterans  
17 Affairs~~[Veterans Administration]~~ from engaging in the practice of dietetics, if  
18 that practice is related to his service or employment;
- 19 (d) Persons performing the activities and services of a nutrition educator in the  
20 employment of a federal, state, county, or municipal agency or in an  
21 elementary or secondary school or accredited degree granting educational  
22 institution, if the activities and services are part of a salaried position;
- 23 (e) Federal, state, county, or municipal employees involved with nutrition related  
24 programs, including but not limited to, the cooperative extension services,  
25 child nutrition programs, and Project Headstart from engaging in the practice  
26 of dietetics or nutrition within the discharge of their official duties. Any  
27 person engaging in the practice of dietetics or nutrition outside the scope of

1 his official duties shall be licensed as provided in this chapter; or

2 (f) Persons employed in a hospital or nursing home from performing dietary  
3 services under the supervision of a licensed dietitian.

4 (3) The provisions of this chapter shall not apply to a person who owns a health food  
5 store or who manufactures, distributes, or sells health foods, dietary supplements, or  
6 vitamins nor shall the provisions of this chapter be construed to affect any other  
7 person who provides nutritional or dietary advice or sells nutritional or dietary  
8 supplements if the person does not use the title dietitian, licensed dietitian, or  
9 certified nutritionist.

10 ➔Section 16. KRS 311.390 is amended to read as follows:

11 KRS 311.380 to 311.510, shall not apply to:

12 (1) Any person manufacturing or selling, as merchandise in a duly established  
13 mercantile establishment, shoes or appliances designed and intended to equalize  
14 pressure on different parts of the foot, or the sale by any licensed druggist of  
15 plasters, salves, and lotions for corns, warts, callosities and bunions, provided such  
16 persons shall make no diagnosis or recommendation and shall prescribe no remedy  
17 or treatment;

18 (2) Or interfere in any manner with the practice of any person whose religion treats or  
19 administers to the sick or suffering by purely spiritual means, nor with any  
20 individual's selection of any such person;

21 (3) Physicians licensed by the State Board of Medical Examiners of this state;

22 (4) Surgeons of the United States Army, Navy, United States Department of Veterans  
23 Affairs~~[Veterans Administration]~~, and United States Public Health Service, when in  
24 actual performance of their official duties.

25 ➔Section 17. KRS 311.560 is amended to read as follows:

26 (1) Except as provided in subsection (2) of this section, no person shall engage or  
27 attempt to engage in the practice of medicine or osteopathy within this state, or

1 open, maintain, or occupy an office or place of business within this state for  
2 engaging in practice, or in any manner announce or express a readiness to engage in  
3 practice within this state, unless the person holds a valid and effective license or  
4 permit issued by the board as hereinafter provided.

5 (2) The provisions of subsection (1) of this section shall not apply to:

6 (a) Commissioned medical officers of the Armed Forces of the United States, or  
7 medical officers of the United States Public Health Service, the United States  
8 Department of Veterans Affairs~~[Veterans Administration]~~, and other  
9 agencies of the government of the United States of America, while said  
10 persons are engaged in the performance, within this state, of their official  
11 duties under federal laws;

12 (b) 1. Persons who, being nonresidents of Kentucky and lawfully licensed to  
13 practice medicine or osteopathy in their states of actual residence,  
14 infrequently engage in the practice of medicine or osteopathy within this  
15 state, when called to see or attend particular patients in consultation and  
16 association with a physician licensed pursuant to this chapter; or

17 2. Persons who, being current participants in a medical residency program  
18 outside of Kentucky and lawfully licensed to practice medicine or  
19 osteopathy in the states of their medical residency programs, who  
20 participate in a temporary residency rotation of no more than sixty (60)  
21 days at a hospital in this Commonwealth. All persons who participate in  
22 a temporary residency rotation under this paragraph shall register with  
23 the board at no cost, on forms provided by the board, and shall be  
24 subject to the jurisdiction of the board for so long as they participate in  
25 the residency rotation. Persons who wish to participate in a second or  
26 subsequent temporary residency rotation under this paragraph shall seek  
27 advance approval of the board;

- 1 (c) Graduates of medical or osteopathic schools approved by the board, while  
2 engaged in performing supervised internship or first-year postgraduate  
3 training approved by the board at hospitals in this state. All first-year  
4 postgraduate trainees shall register with the board at no cost, on forms  
5 provided by the board. No first-year postgraduate trainee shall violate the  
6 provisions of KRS 311.595 or KRS 311.597, and any first-year postgraduate  
7 trainee who is released or discharged from a training program for a reason that  
8 falls within KRS 311.595 or 311.597 shall be reported by the program director  
9 to the board. A residency physician who participates in a temporary residency  
10 rotation under paragraph (b) of this subsection shall not be required to obtain a  
11 license under KRS 311.530 to 311.620;
- 12 (d) Physicians employed by a sports entity visiting Kentucky for a specific  
13 sporting event when the physician holds an active medical or osteopathic  
14 license in another state and limits the practice of medicine in Kentucky to  
15 medical treatment of the members, coaches, and staff of the sports entity that  
16 employs the physician; or
- 17 (e) Persons who are nonresidents of Kentucky and licensed to practice medicine  
18 or osteopathy in their states of residence and are providing medical services as  
19 a charitable health-care provider in Kentucky through a nonprofit, all-  
20 volunteer sponsoring organization as provided for under KRS 216.940 to  
21 216.945, after confirming to the board that their licenses are currently in good  
22 standing in their states of residence and having been issued a written waiver  
23 by the board to provide these services during the specific period stated in the  
24 written waiver.

25 ➔Section 18. KRS 367.380 is amended to read as follows:

26 As used in KRS 367.380 to 367.389, unless the context requires otherwise:

- 27 (1) "Advance fee" means any consideration which is assessed or collected, prior to the

1 closing of a loan, by a loan broker.

2 (2) "Affiliate" means any person who directly or indirectly, through one (1) or more  
3 intermediaries, controls, is controlled by, or is under common control with another  
4 person.

5 (3) "Borrower" means a person obtaining or desiring to obtain a loan of money, a credit  
6 card, or a line of credit;

7 (4) (a) "Loan broker" means any person, not exempt under paragraph (b), who:

8 1. For or in expectation of consideration arranges, attempts to arrange, or  
9 offers to fund a loan of money, a credit card, or a line of credit;

10 2. For or in expectation of consideration assists, or advises a borrower in  
11 obtaining or attempting to obtain a loan of money, a credit card, a line of  
12 credit, or related guarantee, enhancement, or collateral of any kind or  
13 nature;

14 3. Acts for or on behalf of a loan broker for the purpose of soliciting  
15 borrowers; or

16 4. Holds himself out as a loan broker.

17 (b) The following persons shall not be considered loan brokers under paragraph  
18 (a):

19 1. A bank; savings and loan association; trust company; credit union;  
20 consumer loan company; investment company; industrial loan company;  
21 securities broker-dealer, agent, or investment adviser; real estate broker  
22 or sales associate; attorney; Federal Housing Administration or United  
23 States Department of Veterans Affairs~~[Veterans Administration]~~  
24 approved lender; credit card company; mortgage loan company;  
25 mortgage loan broker; public utility; insurance company; or insurance  
26 agent, solicitor, consultant, motor vehicle manufacturer, or motor  
27 vehicle dealer, if it is licensed by and subject to regulation or

1 supervision of an agency, commission, or department of the United  
2 States or the Commonwealth, and if it is acting within the scope of its  
3 license, permit, or registration or with express written authority from the  
4 regulatory or supervising agency. Subsidiaries of licensed or chartered  
5 consumer loan companies, banks, or savings and loan associations are  
6 not loan brokers.

- 7 2. A person extending or arranging credit, or offering to extend or arrange  
8 credit, to a partnership or corporation exclusively for commercial or  
9 business purposes;
- 10 3. A depository financial institution chartered or licensed by an agency,  
11 commission, or department of another state, if the funds on deposit with  
12 the institution are insured by the Federal Deposit Insurance Corporation;
- 13 4. An affiliate of a person listed in subparagraph 2; or
- 14 5. A bona fide seller or lessor of goods, services, or interests in real estate  
15 in a transaction in which the seller or lessor extends, arranges, or offers  
16 to extend or arrange credit that is to be used exclusively for financing the  
17 purchase or lease or for services performed by an independent third party  
18 directly related to the purchase or lease. A transaction shall not be  
19 exempt under this subparagraph if the purchaser or lessee receives, or is  
20 to receive, a cash advance or consolidation loan in addition to the  
21 financing;

22 (5) "Principal" means any officer, director, partner, joint venturer, branch manager, or  
23 other person with similar managerial or supervisory responsibilities for a loan  
24 broker.

25 ➔Section 19. KRS 386.030 is amended to read as follows:

26 (1) Banks, trust companies, insurance companies, savings and loan associations,  
27 executors, administrators, trustees or others acting in a fiduciary capacity, trust

1 funds, and other financial institutions, originating mortgagee institutions, and other  
2 institutions approved as mortgagees and meeting otherwise the requirements of the  
3 secretary of housing and urban development, the Federal Housing Administration or  
4 Department of Veterans Affairs~~[Veterans Administration]~~ to act as mortgagees  
5 under that agency's approval program, subject to the laws of this state, may:

6 (a) Make such loans and advances of credit and purchases of obligations  
7 representing loans and advances of credit as are eligible for credit insurance or  
8 guaranty by the secretary of housing and urban development, the federal  
9 housing administrator or administrator of veterans' affairs, and may obtain  
10 such insurance, guaranty or other approval;

11 (b) Make such loans secured by real property or leasehold, as the secretary of  
12 housing and urban development, the federal housing administrator or  
13 administrator of veterans' affairs insures or issues a guaranty or makes a  
14 commitment to insure, or guaranty, and may obtain such insurance, or  
15 guaranty;

16 (c) Invest their funds, eligible for investment, in notes or bonds secured by  
17 mortgage or trust deed insured by the secretary of housing and urban  
18 development, the federal housing administrator or administrator of veterans'  
19 affairs, and in debentures issued by the secretary of housing and urban  
20 development, the federal housing administrator or administrator of veterans'  
21 affairs, and also in securities issued by national mortgage associations; and

22 (d) Invest their funds in real estate mortgage notes, bonds and other interest-  
23 bearing or dividend-paying securities (including securities of any open-end or  
24 closed-end management type investment company or investment trust  
25 registered under the Federal Investment Company Act of 1940) which would  
26 be regarded by prudent businessmen as a safe investment. The fact that the  
27 persons listed in this subsection are providing services to the foregoing

1 investment company or trust as investment advisor, custodian, transfer agent,  
2 registrar or otherwise shall not preclude such persons from investing in the  
3 securities of such investment company or trust.

4 (2) This state and any of its political subdivisions, or any agency or instrumentality  
5 thereof may invest its funds and the moneys in its custody or possession, eligible for  
6 investment, in notes or bonds described in paragraph (c) of subsection (1) of this  
7 section.

8 (3) No law of this state requiring security upon which loans or investments may be  
9 made, or prescribing the nature, amount or form of the security, or prescribing or  
10 limiting interest rates upon loans or investments, or limiting investments of capital  
11 or deposits, or prescribing or limiting the period for which loans or investments may  
12 be made, shall apply to loans or investments made pursuant to this section.

13 ➔Section 20. KRS 388.190 is amended to read as follows:

14 As used in this chapter:

15 (1) The term "person" includes a partnership, corporation or an association.

16 (2) The term "Veterans Affairs~~[Administration]~~" means the United States Department  
17 of Veterans Affairs~~[Veterans Administration]~~, its predecessors or successors.

18 (3) The terms "estate" and "income" shall include only moneys received by the guardian  
19 or conservator from the Veterans Affairs~~[Administration]~~, all earnings, interest and  
20 profits derived therefrom and all property acquired therewith.

21 (4) The term "benefits" shall mean all moneys paid or payable by the United States  
22 through the Veterans Affairs~~[Administration]~~.

23 (5) The term "administrator" means the administrator of veterans affairs or his  
24 successor.

25 (6) The term "ward" means a beneficiary of the Veterans Affairs~~[Administration]~~.

26 (7) The term "guardian" as used herein shall mean any person acting as a fiduciary for a  
27 person adjudged mentally disabled.



1 (8) The term "court" means the District Court of the county of the beneficiary's  
2 residence.

3 ➔Section 21. KRS 388.200 is amended to read as follows:

4 The administrator of veterans affairs, or his successor, is and shall be a party in interest in  
5 any proceeding brought under any law of this state for the appointment of a guardian or  
6 conservator for any beneficiary, who is a minor or who has been adjudged mentally  
7 disabled, or the Veterans Affairs~~[Administration]~~ on whose account benefits have been  
8 paid or are payable by said Veterans Affairs~~[Administration]~~, and the said administrator  
9 or his successor is and shall be an interested party in any court proceeding pertaining to or  
10 affecting in any manner the administration of the estate of any such beneficiary on whose  
11 account such benefits are payable or whose estate includes assets derived from benefits  
12 paid by the Veterans Affairs~~[Administration]~~, its predecessor or successor. Written notice  
13 shall be given by certified mail, return receipt requested, unless waived in writing, to the  
14 office of the Veterans Affairs~~[Administration]~~ having jurisdiction over the area in which  
15 the court is located, of the time and place for hearing on any petition or pleading or in  
16 connection with any proceeding pertaining to or affecting in any manner the  
17 administration of the estate of any such beneficiary of the Veterans  
18 Affairs~~[Administration]~~. Said notice shall be deposited in the mails not less than fifteen  
19 (15) days prior to the date of such hearing or other proceedings.

20 ➔Section 22. KRS 388.210 is amended to read as follows:

21 Whenever, pursuant to any law of the United States or regulation of the United States  
22 Department of Veterans Affairs~~[Veterans Administration]~~, it is necessary, prior to  
23 payment of benefits, that a guardian or conservator be appointed for a minor or a mentally  
24 disabled beneficiary of the Veterans Affairs~~[Administration]~~ such appointment shall be  
25 made in the manner hereinafter provided.

26 ➔Section 23. KRS 388.220 is amended to read as follows:

27 (1) Except as hereinafter provided, it shall be unlawful for any person to accept

1 appointment as guardian or conservator of any minor or mentally disabled  
2 beneficiary of the Veterans Affairs~~[Administration]~~ if such proposed guardian or  
3 conservator shall at that time be acting as guardian or conservator for five (5) wards.  
4 In any case, upon presentation of a petition by an attorney of the Veterans  
5 Affairs~~[Administration]~~ under this section alleging that a guardian or conservator is  
6 acting in a fiduciary capacity for more than five (5) wards and requesting his  
7 discharge for that reason, the court, upon proof substantiating the petition, shall  
8 require a final accounting forthwith from such guardian or conservator and shall  
9 discharge such guardian or conservator in said case.

10 (2) The limitations of this section shall not apply where the guardian or conservator is a  
11 bank or trust company. An individual may be guardian or conservator of more than  
12 five (5) wards if they are all members of the same family.

13 ➔Section 24. KRS 388.230 is amended to read as follows:

14 (1) A petition for the appointment of a guardian or conservator for any minor or  
15 mentally disabled beneficiary of the Veterans Affairs~~[Administration]~~ may be filed  
16 in the court having jurisdiction by or on behalf of any person who under existing  
17 law is entitled to priority of appointment. If there be no person so entitled or if the  
18 person so entitled shall neglect or refuse to file such a petition within thirty (30)  
19 days after mailing of notice by the Veterans Affairs~~[Administration]~~ to the last  
20 known address of such person indicating the necessity for the same, a petition for  
21 such appointment may be filed by or on behalf of any responsible person residing in  
22 this state.

23 (2) The petition for appointment shall set forth the name, age, place of residence of  
24 such beneficiary, the name and place of residence of the nearest relative, if known,  
25 and the fact that such beneficiary is entitled to receive benefits payable by or  
26 through the Veterans Affairs~~[Administration]~~ and shall set forth the amount of  
27 moneys then due and the amount of probable future payments.

1 (3) The petition shall also set forth the name and address of the person or institution, if  
2 any, having actual custody of such beneficiary, and the name, age, relationship, if  
3 any, occupation and address of the person proposed for appointment as guardian or  
4 conservator. Notwithstanding any provision of existing law as to priority, the court  
5 may appoint a capable individual, bank or trust company, as guardian or  
6 conservator, if the person entitled to priority fails to apply, or if after hearing the  
7 court determines it is for the best interest of such beneficiary to appoint another.

8 (4) In the case of a mentally disabled beneficiary, the petition shall show that such  
9 beneficiary has been rated incompetent by the Veterans Affairs~~[Administration]~~ on  
10 examination in accordance with the laws and regulations governing the Veterans  
11 Affairs~~[Administration]~~.

12 ➔Section 25. KRS 388.240 is amended to read as follows:

13 Where a petition is filed for the appointment of a guardian for a minor beneficiary of the  
14 Veterans Affairs~~[Administration]~~, a certificate of the administrator of Veterans Affairs, or  
15 his authorized representative, accompanying such petition setting forth the age of such  
16 minor as shown by the records of the Veterans Affairs~~[Administration]~~ and the fact that  
17 the appointment of a guardian is a condition precedent to the payment of any moneys due  
18 the minor by the Veterans Affairs~~[Administration]~~, shall be prima facie evidence of the  
19 necessity for such appointment.

20 ➔Section 26. KRS 388.250 is amended to read as follows:

21 Notwithstanding the provisions of existing law for adjudication of mental disability and  
22 appointment of a guardian or conservator upon the inquest of a jury, where a petition is  
23 filed for the appointment of a guardian or conservator for a mentally disabled beneficiary  
24 of the Veterans Affairs~~[Administration]~~ under the provisions of this chapter, who is  
25 found within this state, whether or not a resident thereof, a certificate of the administrator  
26 of Veterans Affairs or his duly authorized representative, accompanying such petition  
27 setting forth the fact that such beneficiary has been rated incompetent by the Veterans

1 Affairs[Administration] on examination in accordance with the laws and regulations  
2 governing such Veterans Affairs[Administration], and that the appointment of a guardian  
3 or conservator is a condition precedent to the payment of any moneys due each  
4 beneficiary by the Veterans Affairs[Administration], shall be prima facie evidence of the  
5 necessity for such appointment. Provided, however, that some member of the bar shall be  
6 appointed by the court to represent and protect the interests and rights of such mentally  
7 disabled beneficiary as provided under existing law, and further that the right of any such  
8 mentally disabled beneficiary or any person interested in such beneficiary to demand a  
9 trial by jury shall not be denied.

10 ➔Section 27. KRS 388.280 is amended to read as follows:

11 (1) Every guardian or conservator who shall receive on account of his ward any moneys  
12 from the Veterans Affairs[Administration], shall file with the court biennially, on  
13 the anniversary date of the appointment, in addition to such other accounts as may  
14 be required by the court, a full, true and accurate account under oath of all moneys  
15 so received by him, of all disbursements thereof, and showing the balance thereof in  
16 his hands at the date of such account and how invested. The guardian or  
17 conservator, at the time of filing his account shall exhibit all securities or  
18 investments described therein to an officer of the bank or other depository wherein  
19 said securities are held for safekeeping, or to an authorized representative of the  
20 corporation which is surety on his bond, or to the clerk or deputy clerk of a court of  
21 record in this state or to any other reputable person designated by the court upon  
22 request of the guardian or conservator or other interested party, who shall certify in  
23 writing that he has examined such securities or investments and identified them  
24 with those described in the account; provided, that if such depository is the guardian  
25 or conservator, such certifying officer shall be an officer other than the officer  
26 verifying the account, or the guardian or conservator may exhibit such securities or  
27 investments to the judge of the court who shall endorse on the account and copy

1       thereof a statement that the securities or investments shown therein as on hand were  
2       in fact exhibited to him and that those exhibited to him were the same as those  
3       shown in the account. Such certificate, and the certificate of an official of the bank  
4       in which is deposited any cash balance showing the amount on deposit shall be filed  
5       by the guardian or conservator with his account. A certified copy of each such  
6       account and a signed duplicate of such certificates filed with the court shall be sent  
7       by the guardian or conservator to the office of the Veterans Affairs[Administration]  
8       having jurisdiction over the area in which such court is located. A duplicate signed  
9       copy, or certified copy of any petition, motion or other pleading which is filed in the  
10      guardianship proceedings, or in any proceedings for the purpose of removing the  
11      disability or minority or of mental incompetency, shall be furnished by the person  
12      filing the same, to the office of the Veterans Affairs[Administration] concerned.  
13      The court, unless hearing be waived in writing by the chief attorney of the Veterans  
14      Affairs[Administration], shall fix a time and place for the hearing on such account,  
15      petition, or other pleading, not less than fifteen (15) days nor more than thirty (30)  
16      days from the date of filing same unless a different available date be stipulated in  
17      writing and written notice of the time and place of such hearing shall be given by  
18      the court to the aforesaid Veterans Affairs[Administration] office not less than  
19      fifteen (15) days prior to the date fixed for the hearing. Notice of such hearing shall  
20      in like manner be given to the guardian or conservator and to any others entitled to  
21      notice.

22      (2) The clerk shall mail said Veterans Affairs[Administration] office a copy of each  
23      order entered in any guardianship proceeding wherein the Veterans  
24      Affairs[Administration] is an interested party.

25      ➔Section 28. KRS 388.290 is amended to read as follows:

26      If any guardian or conservator shall fail to file with the court or the Veterans  
27      Affairs[Administration], as required by this chapter, any account of the benefits received

1 by him from the Veterans Affairs[Administration] on account of his ward within thirty  
2 (30) days after such account is due, or shall fail to furnish the Veterans  
3 Affairs[Administration] a true copy of any account or of any petition or pleading as  
4 required by this chapter, such failure shall be grounds for removal.

5 →Section 29. KRS 388.300 is amended to read as follows:

6 Compensation payable to guardians or conservators shall not exceed five percent (5%) of  
7 the income of the ward during any year, but in no event shall the amount of such  
8 compensation be less than fifty dollars (\$50) for each year. In the event of extraordinary  
9 services rendered by any guardian or conservator, the court may, upon petition and after  
10 notice to the Veterans Affairs[Administration] and hearing thereon, authorize reasonable  
11 additional compensation therefor payable from the estate of the ward. Notice of such  
12 petition and hearing shall be given to the proper office of the Veterans  
13 Affairs[Administration] in the manner provided in KRS 388.280. No commission or  
14 compensation shall be allowed on the estate received from a preceding guardian.

15 →Section 30. KRS 388.320 is amended to read as follows:

16 A guardian or conservator shall not apply any portion of the estate of his ward for the  
17 support and maintenance of any person other than said ward, his minor children and his  
18 spouse (if the spouse and the ward be living together) except upon petition to and prior  
19 order of the court after a hearing, notice of which has been given the proper office of the  
20 Veterans Affairs[Administration] in the manner and within the time provided in KRS  
21 388.280.

22 →Section 31. KRS 388.330 is amended to read as follows:

23 Whenever a copy of any public record is required by the Veterans  
24 Affairs[Administration] to be used in determining the eligibility of any person to  
25 participate in benefits made available by such Veterans Affairs[Administration], the  
26 official charged with the custody of such public record shall without charge provide the  
27 applicant for such benefits or any person acting on his behalf or the authorized

1 representative of such Veterans Affairs~~[Administration]~~ with a certified copy of such  
2 record.

3       ➔Section 32. KRS 388.340 is amended to read as follows:

4 Upon filing a petition, or certificate, showing that a minor ward has attained majority, or  
5 that a mentally disabled ward has been rated competent upon examination in accordance  
6 with the law, the court may order the guardian or conservator to file a final account; and,  
7 upon hearing, after notice to the former minor or mentally disabled person and to the  
8 Veterans Affairs~~[Administration]~~ in the manner and within the time provided by KRS  
9 388.280, and upon approval of the final account, the court may so adjudge and discharge  
10 the guardian or conservator and release the sureties from liability upon delivery to the  
11 former ward of the assets due him by the former guardian or conservator, and may make  
12 such further order as may be lawful.

13       ➔Section 33. KRS 388.350 is amended to read as follows:

14 (1) Whenever in a proceeding for the trial and commitment of any person who appears  
15 to be mentally disabled it is determined that such person is either an individual with  
16 an intellectual disability, an epileptic, or a mentally ill person and ought to be  
17 committed for safekeeping or treatment and it appears that such person is eligible  
18 for care or treatment by the Veterans Affairs~~[Administration]~~ or other agency of the  
19 United States government, the court of the county in which such person is found,  
20 having jurisdiction in such matters, upon receipt of a certificate from the Veterans  
21 Affairs~~[Administration]~~ or such other agency showing that facilities are available  
22 and that such person is eligible for care or treatment therein, may commit such  
23 person to the Veterans Affairs~~[Administration]~~ or other agency of the United States  
24 government for care or treatment. Thereafter, such person, upon admission to any  
25 such facility, shall be subject to the rules and regulations of the Veterans  
26 Affairs~~[Administration]~~ or other agency of the United States government. The chief  
27 officer of any such facility or institution to which such person is committed under

1 the provisions of this section shall be vested with the same powers as are exercised  
2 by superintendents of state hospitals for mental diseases within this state with  
3 respect to the retention, transfer, parole or discharge of the person so committed.  
4 Notice of such pending commitment proceedings shall be furnished the person  
5 whose commitment is sought and his right to appear and defend shall not be denied.  
6 The judgment or order of commitment by a court of competent jurisdiction of  
7 another state committing a person to the Veterans Affairs[Administration] or other  
8 agency of the United States government, for care or treatment, shall have the same  
9 force and effect as to such person while in this state as in the state in which is  
10 situated the court entering such judgment or making such order.

11 (2) Upon receipt of a certificate of the Veterans Affairs[Administration] or such other  
12 agency of the United States government that facilities are available for the care or  
13 treatment of any person heretofore committed to any hospital for the mentally ill or  
14 other institution in this state for the care of persons similarly disabled and that such  
15 person is eligible for such care or treatment, the superintendent of any such hospital  
16 or institution in this state is hereby authorized to cause the transfer of any such  
17 person to the Veterans Affairs[Administration] or other agency of the United States  
18 government for care or treatment. Upon effecting any such transfer, the committing  
19 court shall be notified thereof by the transferring agency; provided, however, that no  
20 person shall be transferred if he be confined pursuant to conviction of any crime or  
21 misdemeanor, or if he shall have been acquitted of any such charge solely on the  
22 ground of insanity, unless prior to such transfer the court originally committing such  
23 person shall enter an order for such transfer after appropriate motion and hearing.

24 (3) Any person transferred as provided in this section shall be deemed to be committed  
25 to the Veterans Affairs[Administration] or other agency of the United States  
26 government pursuant to the original commitment the same as if he had been  
27 originally so committed.



1           ➔Section 34. KRS 388.360 is amended to read as follows:

2 This chapter shall be construed liberally to secure the beneficial intents and purposes  
3 thereof and shall apply only to beneficiaries of the Veterans Affairs~~[Administration]~~.

4           ➔Section 35. KRS 388.380 is amended to read as follows:

5 All laws or parts of laws relating to beneficiaries of the Veterans Affairs~~[Administration]~~  
6 inconsistent with this chapter are hereby repealed. Except where inconsistent with this  
7 chapter, the general guardianship laws of this state and the laws establishing the practice  
8 in such matters including rights of appeal, shall be applicable to such beneficiaries and  
9 their estates.

10          ➔Section 36. KRS 388.390 is amended to read as follows:

11 The provisions of this chapter relating to surety bonds and the administration of estates of  
12 Veterans Affairs~~[Administration]~~ beneficiaries under guardianship shall apply to all such  
13 estates heretofore or hereafter created under the general laws of this state to the extent  
14 that such estates have assets derived from benefits paid by the Veterans  
15 Affairs~~[Administration]~~ or receive such benefits in the future.