

1 AN ACT relating to school districts.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Board of education" or "board" means the governing body of a school*
7 *district;*

8 *(b) "New school district" or "new district" means one (1) of fifty-five (55)*
9 *school districts located in the Commonwealth, established in subsection (3)*
10 *of this section, and governed by a board of education; and*

11 *(c) "State board" means the Kentucky Board of Education.*

12 *(2) Any statute to the contrary notwithstanding, effective June 30, 2020, all county*
13 *and independent school districts existing within the Commonwealth shall be*
14 *merged in accordance with this section and all properties held by county and*
15 *independent school districts shall be managed by the state board until they are*
16 *transferred to a new school district as established in subsection (3) of this section.*

17 *(3) (a) Any statute to the contrary notwithstanding, on or before June 30, 2020, the*
18 *state board shall merge existing county and independent school districts*
19 *into fifty-five (55) new school districts. The new districts shall be composed*
20 *by combining all public school districts, or parts of school districts, that are*
21 *within the boundaries of:*

22 *1. Ballard, Carlisle, Fulton, Graves, and Hickman Counties;*

23 *2. McCracken County;*

24 *3. Calloway and Trigg Counties;*

25 *4. Livingston, Lyon, and Marshall Counties;*

26 *5. Crittenden, Union, and Webster Counties;*

27 *6. Caldwell and Hopkins Counties;*

- 1 7. Christian County;
- 2 8. Logan, Simpson, and Todd Counties;
- 3 9. McLean, Muhlenberg, and Ohio Counties;
- 4 10. Henderson County;
- 5 11. Daviess County;
- 6 12. Breckinridge, Hancock, and Meade Counties;
- 7 13. Butler, Edmonson, and Grayson Counties;
- 8 14. Warren County;
- 9 15. Allen and Barren Counties;
- 10 16. Adair, Clinton, Cumberland, Metcalfe, and Monroe Counties;
- 11 17. Green, Hart, and Taylor Counties;
- 12 18. Larue and Nelson Counties;
- 13 19. Hardin County;
- 14 20. Bullitt County;
- 15 21. Jefferson County;
- 16 22. Oldham County;
- 17 23. Carroll, Gallatin, Henry, Trimble, and Owen Counties;
- 18 24. Shelby and Spencer Counties;
- 19 25. Franklin County;
- 20 26. Anderson and Woodford Counties;
- 21 27. Marion, Mercer, and Washington Counties;
- 22 28. Boyle and Garrard Counties;
- 23 29. Casey, Lincoln, and Rockcastle Counties;
- 24 30. Pulaski County;
- 25 31. McCreary, Russell, and Wayne Counties;
- 26 32. Bell and Whitley Counties;
- 27 33. Clay and Knox Counties;

- 1 34. Laurel County;
- 2 35. Estill, Jackson, Lee, Owsley, Powell, and Wolfe Counties;
- 3 36. Madison County;
- 4 37. Jessamine County;
- 5 38. Fayette County;
- 6 39. Scott County;
- 7 40. Grant, Harrison, and Pendleton Counties;
- 8 41. Boone County;
- 9 42. Kenton County;
- 10 43. Campbell County;
- 11 44. Bracken, Fleming, Mason, Nicholas, and Robertson Counties;
- 12 45. Clark and Bourbon Counties;
- 13 46. Bath, Menifee, and Montgomery Counties;
- 14 47. Carter, Elliott, and Rowan Counties;
- 15 48. Greenup and Lewis Counties;
- 16 49. Boyd County;
- 17 50. Lawrence and Martin Counties;
- 18 51. Johnson, Magoffin, and Morgan Counties;
- 19 52. Breathitt, Leslie, and Perry Counties;
- 20 53. Floyd and Knott Counties;
- 21 54. Harlan and Letcher Counties; and
- 22 55. Pike County.

23 (b) Each new district shall take over all the assets and legal liabilities of the
24 county and independent districts merged to form the new district. Tax levies
25 authorized for the payment of interest and the retirement of bonds or to
26 create sinking funds for such purposes shall continue to be levied and
27 collected by or for the board of a new district established under subsection

1 (6) of this section in accordance with the laws under which the levies were
2 originally made until all bonded obligations of each former county and
3 independent district merged into the new district have been retired.

4 (4) (a) Any statute to the contrary notwithstanding, on or before July 1, 2020, from
5 a list of superintendents employed in the county and independent districts at
6 the time of merger into a single new district, the state board shall appoint a
7 superintendent for each new district to serve a minimum of one (1) school
8 year. A board established under subsection (6) of this section may either
9 reappoint the superintendent at the end of the initial one (1) year
10 appointment or establish a screening committee to conduct a search for a
11 new superintendent pursuant to KRS 160.352.

12 (b) The salary of each superintendent appointed by the state board shall be set
13 by the state board, and any subsequent salary shall be set by the board,
14 except that the maximum salary shall not exceed the salary established for
15 the commissioner of education. Any salary increase shall be an amount or
16 percentage equal to a salary increase given to the certified staff in the new
17 district.

18 (5) Any statute to the contrary notwithstanding, on or before July 1, 2020, the state
19 board shall establish the location of the board of education for each of the fifty-
20 five (55) new districts established in subsection (3) of this section. Each board
21 office shall be located in the largest city closest to the geographic center of each
22 new district.

23 (6) (a) Any statute to the contrary notwithstanding, on or before June 30, 2020, the
24 state board shall merge existing county and independent school boards into
25 fifty-five (55) boards with the boundaries of the boards being the same as
26 the new districts established in subsection (3) of this section. The terms of
27 office for all members of all existing county and independent school boards

1 at the time of merger shall expire with the merger.

2 (b) Any statute to the contrary notwithstanding, by July 1, 2020, the Governor
 3 shall select, from all members of all existing county and independent school
 4 boards at the time of merger, five (5) board members residing within the
 5 boundaries of each new district, or seven (7) members if the new district
 6 contains a city of the first class, to serve as board members until the
 7 November 2022 general election, at which time board members shall be
 8 elected for all new districts.

9 (c) The board shall exercise the general powers and duties consistent with KRS
 10 160.290.

11 (7) The state board shall promulgate administrative regulations to facilitate the
 12 successful merger of existing county and independent school districts into fifty-
 13 five (55) new districts, including the placement of certified and classified
 14 employees, the distribution of assets and property, and the payment of
 15 outstanding debts.

16 ➔Section 2. KRS 160.210 is amended to read as follows:

17 (1) (a) In each even-numbered year, an election shall be held in every district to fill
 18 the membership of the boards of education for the terms that will expire on
 19 the first Monday in January following, and the regularly elected members
 20 shall hold office for four (4) years and until their successors are elected and
 21 have qualified.~~[In independent school districts, the members of the school~~

22 ~~board shall be elected from the district at large. In county school districts,]~~
 23 Members shall be elected from divisions.

24 (b) If no candidate files a petition of nomination for a ~~county~~ board of education
 25 opening pursuant to KRS 118.315, the commissioner of education~~[chief state~~
 26 ~~school officer]~~ shall fill the new term of office for all openings that have no
 27 candidate filings under KRS 118.315 by appointing a member to the ~~local~~

1 board who meets the residency requirement and the qualifications for office
 2 provided in KRS 160.180. The ~~local~~ board of education may make
 3 nominations and any person may nominate himself or another for the office.

4 (c) ~~[Unless a number of candidates equal to or greater than the number of~~
 5 ~~positions to be filled file petitions for nomination for an independent board of~~
 6 ~~education opening pursuant to KRS 118.315, the chief state school officer~~
 7 ~~shall fill the new term of office for all openings that have no candidate filings~~
 8 ~~under KRS 118.315 by appointing a member to the local board who meets the~~
 9 ~~residency requirement and the qualifications for office provided in KRS~~
 10 ~~160.180.]~~ The ~~local~~ board of education may make nominations and any
 11 person may nominate himself or another for the office.

12 (2) The board of education of each ~~county school~~ district **as defined in Section 1 of**
 13 **this Act** shall, not later than July 1, ~~2021~~~~1940~~, divide its district into five (5)
 14 divisions containing integral voting precincts and as equal in population insofar as
 15 is practicable. In first dividing the ~~county~~ district into divisions, the board shall, if
 16 more than one (1) of its members reside in one (1) division, determine by lot which
 17 member from that division shall represent that division, and which members shall
 18 represent the divisions in which no member resides. The members so determined to
 19 represent divisions in which no member resides shall be considered the members
 20 from those divisions until their terms expire, and thereafter the members from those
 21 divisions shall be nominated and elected as provided in KRS 160.200 and 160.220
 22 to 160.250.

23 (3) Any changes made in division boundary lines shall be to make divisions as equal in
 24 population and containing integral voting precincts insofar as is practical. No
 25 change may be made in division boundary lines less than five (5) years after the last
 26 change in any division lines, except in case of ~~merger of districts,~~ a change in
 27 territory due to annexation, or to allow compliance with KRS 117.055(2).

- 1 (4) (a) Notwithstanding the provisions of subsection (3) of this section, if one
2 hundred (100) residents of a ~~county school~~ district division petition the
3 Kentucky Board of Education stating that the school district divisions are not
4 divided as nearly equal in population as can reasonably be expected, the
5 commissioner of education ~~chief state school officer~~ shall cause an
6 investigation to determine the validity of the petition, the investigation to be
7 completed within thirty (30) days after receipt of the petition.
- 8 (b) If the investigation reveals the school district to be unequally divided
9 according to population, the Kentucky Board of Education, upon the
10 recommendation of the commissioner of education ~~chief state school officer~~,
11 shall order the local board of education to make changes in school district
12 divisions as are necessary to equalize population within the five (5) school
13 divisions.
- 14 (c) If any board fails to comply with the order of the Kentucky Board of
15 Education within thirty (30) days or prior to August 1 in any year in which any
16 members of the board are to be elected, members shall be elected from the
17 district at large until the order of the Kentucky Board of Education has been
18 complied with.
- 19 (d) No change shall be made in the boundary of any division under the provisions
20 of this subsection after August 1 in the year in which a member of the school
21 board is to be elected from any division.
- 22 (5) Notwithstanding the provisions of subsection (2) of this section, in
23 districts ~~counties~~ containing a city of the first class ~~wherein a merger pursuant to~~
24 ~~KRS 160.041 shall have been accomplished~~, the board of education shall, by July
25 1, 2021, divide its district into ~~there shall be~~ seven (7) divisions containing
26 integral voting precincts and as equal in population as is practicable, with members
27 elected from divisions. In first dividing the district into divisions the board shall,

1 if more than one (1) of its members reside in one (1) division, determine by lot
2 which member from that division shall represent that division, and which
3 members shall represent the divisions in which no member resides. The members
4 so determined to represent divisions in which no member resides shall be
5 considered the members from those divisions until their terms expire, and
6 thereafter the members from those divisions shall be nominated and elected as
7 provided in KRS 160.200 and 160.220 to 160.250. To be eligible to be elected from
8 a division, a candidate must reside in that division. ~~{The divisions, based upon 1970~~
9 ~~United States Census Bureau Reports on total population by census tracts for~~
10 ~~Jefferson County, Kentucky shall be as follows: Division One shall include census~~
11 ~~tracts 1-28; Division Two shall include census tracts 29-35, 47-53, 57-74, 80-84,~~
12 ~~93, 129, 130; Division Three shall include census tracts 75-79, 85-88, 98-106,~~
13 ~~107.01, 108; Division Four shall include census tracts 121.01, 123-128; Division~~
14 ~~Five shall include census tracts 36-46, 56, 90, 120, 121.02, 122; Division Six shall~~
15 ~~include census tracts 54, 55, 91, 92, 94, 95, 110.02, 113, 114, 117.01, 117.02, 118,~~
16 ~~119; Division Seven shall include census tracts 89, 96, 97, 107.02, 109, 110.01,~~
17 ~~111, 112, 115, 116, 117.03, 131, 132. }~~The terms of the members to be elected,
18 KRS 160.044 notwithstanding, shall be four (4) years and the election for the initial
19 four (4) year terms shall be as follows: The election of the members from Divisions
20 Two, Four, and Seven shall be held at the 2022 regular November election~~{next~~
21 ~~regular November election following the effective date of the merger pursuant to~~
22 ~~KRS 160.041}~~, and the election of the members from Divisions One, Three, Five,
23 and Six shall be held at the regular November election two (2) years thereafter.

24 (6) In districts~~{counties}~~ containing cities of the first class, responsibility for the
25 establishment or the changing of school board division boundaries shall be with the
26 local board of education, subject to the review and approval of the county board of
27 elections. Where division and census tract boundaries do not coincide with existing

1 election precinct boundaries, school board divisions shall be redrawn to comply
 2 with precinct boundaries. In no instance shall precinct boundaries be redrawn nor
 3 shall a precinct be divided to accommodate the drawing of school board division
 4 lines. Precinct boundaries nearest existing school board division boundaries shall
 5 become the new division boundary. ~~[All changes under this statute shall be~~
 6 ~~completed on or before January 1, 1979, and on or before January 1 in any~~
 7 ~~succeeding year in which a member of the school board is to be elected from any~~
 8 ~~division.]~~A record of all changes in division lines shall be kept in the offices of the
 9 ~~[county]~~board of education and the county board of elections. The board of
 10 education shall publish all changes pursuant to KRS Chapter 424. A copy of the
 11 newspaper in which the notice is published shall be filed with the **commissioner of**
 12 **education**~~[chief state school officer]~~ within ten (10) days following its publication.

13 ➔Section 3. KRS 160.500 is amended to read as follows:

14 (1) **As used in this section:**

15 **(a) "Board of education" or "board" means the governing body of a school**
 16 **district;**

17 **(b) "School district" means one (1) of fifty-five (55) school districts located in**
 18 **the Commonwealth and identified in subsection (3) of Section 1 of this Act;**
 19 **and**

20 **(c) "State board" means the Kentucky Board of Education.**

21 **(2) School taxes for each school district shall be collected by the sheriff of each**
 22 **county and by the regular tax collector of each city located within the school**
 23 **district**~~[for county school districts and by the regular tax collector of the city or~~
 24 ~~special tax collector for the independent school districts]~~ at the same time and in the
 25 same manner as other local taxes are collected, except as provided in this section
 26 and in KRS 160.510. The bond of the ~~[regular or special]~~tax collector shall be
 27 made to cover the duties as the tax collector of the school district or districts for

1 which he or she collects taxes. The tax collector shall be entitled to a commission
2 equal to his or her expenses incurred in collecting the school taxes, provided that
3 the commission shall not be less than one and one-half percent (1.5%) or more than
4 four percent (4%) of the amount of school taxes collected, plus four percent (4%) of
5 the amount of any interest earned on the amounts collected and invested by the tax
6 collector prior to distribution to the school district. No allowance shall be made for
7 the collection of school taxes to any collecting officer who continues to collect
8 taxes after the term that would not be allowed him or her had he collected the taxes
9 during his or her term.

10 ~~[(2) An independent school district may select a special tax collector to collect its school~~
11 ~~taxes. If an independent school district selects a special tax collector, a majority of~~
12 ~~the members of the independent school district board of education shall fix a~~
13 ~~commission for the special tax collector at a rate of not less than one and one-half~~
14 ~~percent (1.5%) and not more than four percent (4%) of the school taxes or school~~
15 ~~funds collected by the special tax collector from the local school levy in such~~
16 ~~independent school district, plus four percent (4%) of the amount of any interest~~
17 ~~earned on the amounts collected and invested by the tax collector prior to~~
18 ~~distribution to the school district. The special tax collector shall be required to~~
19 ~~execute bond in the same manner as provided in KRS 160.560 for the execution of~~
20 ~~a treasurer's bond, and the penal sum of the bond shall not be less than the aggregate~~
21 ~~of the tax bills that come into the hands of the special tax collector.]~~

22 (3) The clerk shall include all school taxes on the regular tax bills furnished the tax
23 collector~~[unless an independent district has selected a special tax collector, in~~
24 ~~which case the school taxes shall be listed by the clerk on a separate bill. The clerk~~
25 ~~shall be allowed a fee not to exceed three cents (\$0.03) for each separate school tax~~
26 ~~bill, to be paid by the independent district board of education].~~

27 (4) The county clerk *in each county located in a school district* shall be the ad valorem

1 tax collector for motor vehicle taxes~~[for county and independent school districts]~~,
2 and shall receive a commission of four percent (4%) of all such moneys collected
3 for any school district, which commission shall be deducted monthly before
4 payment to the depository of the district board of education.

5 (5) The General Assembly of Kentucky finds that commissions and fees set by the
6 General Assembly for services performed in collecting ad valorem taxes by county
7 clerks are the reasonable costs of collection by county clerks and their offices. The
8 county clerk shall account for all funds collected to each taxing authority; however,
9 in any accounting or settlement with district boards of education, the county clerk
10 shall not be required to itemize any incremental costs in any accounting or
11 settlement for ad valorem taxes collected.

12 ➔Section 4. KRS 45A.345 is amended to read as follows:

13 As used in KRS 45A.343 to 45A.460, unless the context indicates otherwise:

14 (1) "Aggregate amount" means the total dollar amount during a fiscal year of items of a
15 like nature, function, and use the need for which can reasonably be determined at
16 the beginning of the fiscal year. Items the need for which could not reasonably be
17 established in advance or which were unavailable because of a failure of delivery
18 need not be included in the aggregate amount.

19 (2) "Capital cost avoidance" means moneys expended by a local public agency to pay
20 for an energy conservation measure identified as a permanent equipment
21 replacement and whose cost has been discounted by any additional energy and
22 operation savings generated from other energy conservation measures identified in
23 the guaranteed energy savings contract, except that for school districts capital cost
24 avoidance shall also mean moneys expended by the district from one (1) or more of
25 the following sources:

26 (a) General fund;

27 (b) Capital outlay allotment under KRS 157.420; and

- 1 (c) State and local funds from the Facilities Support Program of Kentucky under
2 KRS 157.440.
- 3 (3) "Chief executive officer" means the mayor, county judge/executive, superintendent
4 of schools, or the principal administrative officer of a local public agency, or the
5 person designated by the chief executive officer or legislative body of the local
6 public agency to perform the procurement function.
- 7 (4) "Construction" means the process of building, altering, repairing, or improving any
8 public structure or building, or other public improvements of any kind to any public
9 real property. It does not include the routine operation, routine repair, or routine
10 maintenance of existing structures, buildings, or real property.
- 11 (5) "Contract" means all types of local public agency agreements, including grants and
12 orders, for the purchase or disposal of supplies, services, construction, or any other
13 item. It includes awards and notices of award; contracts of a fixed-price, cost, cost-
14 plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or
15 task orders; leases; letter contracts; and purchase orders. It also includes
16 supplemental agreements with respect to any of the foregoing. It does not include
17 labor contracts with employees of local public agencies.
- 18 (6) "Document" means any physical embodiment of information or ideas, regardless of
19 form or characteristic, including electronic versions thereof.
- 20 (7) "Established catalogue price" means the price included in the most current
21 catalogue, price list, schedule, or other form that:
- 22 (a) Is regularly maintained by the manufacturer or vendor of an item; and
23 (b) Is either published or otherwise available for inspection by customers; and
24 (c) States prices at which sales are currently or were last made to a significant
25 number of buyers constituting the general buying public for that item.
- 26 (8) "Evaluated bid price" means the dollar amount of a bid after bid price adjustments
27 are made pursuant to objective measurable criteria, set forth in the invitation for

- 1 bids, which affect the economy and effectiveness in the operation or use of the
2 product, such as reliability, maintainability, useful life, residual value, and time of
3 delivery, performance, or completion.
- 4 (9) "Invitation for bids" means all documents, whether attached or incorporated by
5 reference, utilized for soliciting bids in accordance with the procedures set forth in
6 KRS 45A.365.
- 7 (10) "The legislative body or governing board" means a council, commission, or other
8 legislative body of a city, consolidated local government, or urban-county; a county
9 fiscal court; board of education of a ~~county or independent~~ school district; board
10 of directors of an area development district or special district; or board of any other
11 local public agency.
- 12 (11) "Local public agency" means a city, county, urban-county, consolidated local
13 government, school district, special district, or an agency formed by a combination
14 of such agencies under KRS Chapter 79, or any department, board, commission,
15 authority, office, or other sub-unit of a political subdivision which shall include the
16 offices of the county clerk, county sheriff, county attorney, coroner, and jailer.
- 17 (12) "May" means permissive. However, the words "no person may . . ." mean that no
18 person is required, authorized, or permitted to do the act prescribed.
- 19 (13) "Negotiation" means contracting by either the method set forth in KRS 45A.370,
20 45A.375, or 45A.380.
- 21 (14) "Noncompetitive negotiation" means informal negotiation with one (1) or more
22 vendor, contractor, or individual without advertisement or notice.
- 23 (15) "Objective measurable criteria" means sufficient information in the invitation to bid
24 as to weight and method of evaluation so that the evaluation may be determined
25 with reasonable mathematical certainty. Criteria which are otherwise subjective,
26 such as taste and appearance, may be established when appropriate.
- 27 (16) "Person" means any business, individual, union, committee, club, or other

- 1 organization or group of individuals.
- 2 (17) "Procurement" means the purchasing, buying, renting, leasing, or otherwise
3 obtaining any supplies, services, or construction. It also includes all functions that
4 pertain to the obtaining of any public procurement, including description of
5 requirements, selection, and solicitation of sources, preparation and award of
6 contract, and all phases of contract administration.
- 7 (18) "Request for proposals" means all documents, whether attached or incorporated by
8 reference, utilized for soliciting proposals in accordance with the procedures set
9 forth in KRS 45A.370, 45A.375, 45A.380, or 45A.385.
- 10 (19) "Responsible bidder or offeror" means a person who has the capability in all
11 respects to perform fully the contract requirements, and the integrity and reliability
12 which will assure good faith performance.
- 13 (20) "Responsive bidder" means a person who has submitted a bid under KRS 45A.365
14 which conforms in all material respects to the invitation for bids, so that all bidders
15 may stand on equal footing with respect to the method and timeliness of submission
16 and as to the substance of any resulting contract.
- 17 (21) "Reverse auction" means a real-time, structured bidding process, usually lasting less
18 than one (1) hour, and taking place at a previously scheduled time and Internet
19 location, during which multiple bidders, anonymous to each other, submit revised,
20 lower bids to provide the solicited good or leased space.
- 21 (22) "Services" means the rendering, by a contractor, of its time and effort rather than the
22 furnishing of a specific end product other than reports which are merely incidental
23 to the required performance of service. It does not include labor contracts with
24 employees of local public agencies.
- 25 (23) "Shall" means imperative.
- 26 (24) "Specifications" means any description of a physical or functional characteristic of a
27 supply, service, or construction item. It may include a description of any

1 requirement for inspecting, testing, or preparing a supply, service, or construction
2 item for delivery.

3 (25) "Supplemental agreement" means any contract modification which is accomplished
4 by the mutual action of the parties.

5 (26) "Supplies" means all property, including but not limited to leases on real property,
6 printing, and insurance, except land or a permanent interest in land.

7 (27) "Energy conservation measure" means a training program or facility alteration
8 designed to reduce energy consumption or operating costs, and may include one (1)
9 or more of the following:

10 (a) Insulation of the building structure or systems within the building;

11 (b) Storm windows or doors, caulking or weatherstripping, multiglazed windows
12 or doors, heat absorbing or heat reflective glazed and coated window or door
13 systems, additional glazing, reductions in glass area, or other window and
14 door system modifications that reduce energy consumption;

15 (c) Automated or computerized energy control systems;

16 (d) Heating, ventilating, or air conditioning system modifications or
17 replacements;

18 (e) Replacement or modification of lighting fixtures to increase the energy
19 efficiency of the lighting system without increasing the overall illumination of
20 a facility, unless an increase in illumination is necessary to conform to the
21 applicable state or local building code for the lighting system after the
22 proposed modifications are made;

23 (f) Energy recovery systems;

24 (g) Cogeneration systems that produce steam or forms of energy such as heat, as
25 well as electricity, for use primarily within a building or complex of buildings;

26 (h) Energy, water, or wastewater conservation measures that provide long-term
27 operating cost reductions or billable revenue increases;

- 1 (i) Any life safety measures that provide long-term operating cost reductions;
- 2 (j) Water and wastewater conservation measures, including plumbing fixtures
- 3 and infrastructure;
- 4 (k) Equipment upgrades that improve the accuracy of billable revenue generating
- 5 systems; or
- 6 (l) Automated, electronic, or remotely controlled systems or measures that reduce
- 7 direct personnel costs.
- 8 (28) "Guaranteed energy savings contract" means a contract for the evaluation and
- 9 recommendation of energy, water, and wastewater conservation measures and for
- 10 implementation of one (1) or more of those measures. The contract shall provide
- 11 that all payments, except obligations on termination of the contract before its
- 12 expiration, are to be made over time and the savings are guaranteed to the extent
- 13 necessary to make payments for the cost of the design, installation, and maintenance
- 14 of energy, water, and wastewater conservation measures.
- 15 (29) "Qualified provider" means a person or business experienced in the design,
- 16 implementation, and installation of energy, water, and wastewater conservation
- 17 measures and is determined to be qualified by the local public agency. The qualified
- 18 provider shall be responsible for and shall provide the local public agency with the
- 19 following information regarding guaranteed energy, water, and wastewater savings
- 20 contracts:
- 21 (a) Project design and specifications;
- 22 (b) Construction management;
- 23 (c) Construction;
- 24 (d) Commissioning;
- 25 (e) On-going services as required;
- 26 (f) Measurement and verification of savings for guaranteed energy, water, and
- 27 wastewater savings contracts; and

1 (g) Annual reconciliation statements as provided in KRS 45A.352(8).

2 ➔Section 5. KRS 56.467 is amended to read as follows:

3 The commission shall exercise the powers prescribed by KRS 162.520, 162.540, 162.550,
4 162.580, 162.590, 162.600, and 162.620 for the purpose of assisting boards of education
5 of any ~~county or independent~~ school district in financing public school building projects
6 and undertakings.

7 ➔Section 6. KRS 65.230 is amended to read as follows:

8 As used in KRS 65.210 to 65.300, unless the context otherwise requires, "public agency"
9 means any political subdivision of this state, any agency of the state government or of the
10 United States, a sheriff, any ~~county or independent~~ school district, and any political
11 subdivision of another state. It also means a state-supported or private institution of
12 higher education and a ~~county or independent~~ public school district for the purposes of
13 entering into a joint agreement to establish and operate a program or facility, including a
14 center for child learning and study, designed to help one (1) or more schools meet any of
15 the goals set forth in KRS 158.6451, or for the investment of funds. If a private institution
16 of higher education proposes to participate in an agreement pursuant to the Interlocal
17 Cooperation Act, the Attorney General shall determine if the proposal is compatible with
18 the United States Constitution, as part of the review of the agreement provided in KRS
19 65.260(2).

20 ➔Section 7. KRS 65.350 is amended to read as follows:

21 As used in KRS 65.350 to 65.375:

- 22 (1) "Authority" means the land bank authority established pursuant to KRS 65.210 to
23 65.300 and KRS 65.350 to 65.375;
- 24 (2) "Agreement" means the interlocal cooperation agreement entered into by the parties
25 pursuant to KRS 65.210 to 65.300 and KRS 65.350 to 65.375;
- 26 (3) "Local government" means every city, regardless of classification, every county, and
27 every consolidated local government and urban-county government;

1 (4) "Party" or "parties" means one (1) or more parties to an agreement, which shall
 2 include any local government or ~~the~~ local school district~~, which may include~~
 3 ~~county and independent school districts,~~ within the county and the Commonwealth
 4 of Kentucky;

5 (5) "Property" means real property, including any improvements thereon;

6 (6) "Tax-delinquent property" means any property on which the taxes levied and
 7 assessed by any party remain in whole or in part unpaid on the date due and
 8 payable; and

9 (7) "Local government lien" means any lien established by or in favor of a local
 10 government under KRS Chapter 65, 82, 91, 91A, or 134.

11 ➔Section 8. KRS 65.355 is amended to read as follows:

12 (1) Any local government, the ~~county or independent~~ school district within the
 13 county, and the Commonwealth of Kentucky may enter into an interlocal
 14 cooperation agreement pursuant to KRS 65.210 to 65.300 for the purpose of
 15 establishing a land bank authority pursuant to KRS 65.350 to 65.375.

16 (2) The authority shall be a public body corporate and politic with the power to sue and
 17 be sued, issue deeds in its name, and any other powers necessary and convenient to
 18 carry out these powers or that may be granted to the authority by the parties.

19 (3) The authority shall be established to acquire the tax delinquent properties of the
 20 parties, properties that have become blighted or deteriorated as defined by KRS
 21 99.705 and properties that have local government liens filed against them, to
 22 facilitate the public purpose of returning property that is in a non-revenue
 23 generating, non-tax producing status to effective utilization, including but not
 24 limited to providing housing, new industry, and jobs for the citizens of the county.
 25 The authority shall have the powers provided in KRS 65.370 and 65.375 and in the
 26 interlocal cooperation agreement.

27 ➔Section 9. KRS 65.360 is amended to read as follows:

1 (1) The authority shall be governed by a board composed of one (1) member appointed
2 by each unit of local government that is a party to the agreement, one (1) member
3 appointed by the superintendent of schools of the ~~county school district or of the~~
4 ~~independent~~ school district, and one (1) member appointed by the Governor. Each
5 member shall serve at the pleasure of the respective appointing authority for a term
6 of four (4) years and shall serve without compensation. The members shall be
7 residents of the county and may be employees of the parties and shall serve without
8 additional compensation. Any vacancy shall be filled in the same manner as the
9 original appointment.

10 (2) The board of the authority shall meet as required, and three (3) members shall
11 constitute a quorum. Approval by a majority of the membership shall be necessary
12 for any action to be taken by the authority. All meetings shall be open to the public,
13 except as otherwise permitted by KRS 61.810, and a written record shall be
14 maintained of all meetings. A chairman shall be elected from among the members,
15 and he shall execute all deeds, leases, and contracts of the authority when
16 authorized by the board.

17 (3) The authority may employ its own staff or may utilize employees of the parties, as
18 determined by the agreement.

19 ➔Section 10. KRS 65.940 is amended to read as follows:

20 As used in KRS 65.942 to 65.956, unless the context otherwise requires:

21 (1) "Acquire" means to purchase, install, equip, or improve personal property or real
22 property pursuant to KRS 65.942 to 65.956.

23 (2) "City" means any municipal corporation of any class incorporated in the
24 Commonwealth.

25 (3) "Construct" means building reconstruction, replacement, extension, repairing,
26 betterment, development, equipment, embellishment, or improvement.

27 (4) "County" means a political subdivision of the Commonwealth created and

- 1 established by the laws of the Commonwealth.
- 2 (5) "Governmental agency" means any county, urban-county government, consolidated
3 local government, city, taxing district, special district, school district, or other
4 political subdivision of the Commonwealth or body corporate or politic or any
5 instrumentality of the foregoing.
- 6 (6) "Governing body" means the board, council, commission, fiscal court, or other body
7 or group that is authorized by law to acquire property for each respective
8 governmental agency.
- 9 (7) "Lease" means a lease, lease-purchase, lease with option to purchase, installment
10 sale agreement, or other similar agreement entered into pursuant to KRS 65.942 to
11 65.956.
- 12 (8) "Lease price" means the total of amounts designated as payments of principal under
13 a lease.
- 14 (9) "Net interest cost" means the total of all interest to accrue and fall due through the
15 last payment due date on a lease, plus any discount or minus any premium included
16 in the lease price.
- 17 (10) "Person" means any individual, corporation, organization, government or
18 governmental subdivision, or agency, business trust, estate, trust, partnership,
19 association, and any other legal entity.
- 20 (11) "Personal property" means personal property, appliances, equipment, or furnishings,
21 or an interest therein, whether movable or fixed, deemed by the governing body of a
22 governmental agency to be necessary, useful, or appropriate to one (1) or more
23 purposes of the governmental agency, but shall not include real property.
- 24 (12) "Real property" means land, buildings, fixtures, and interests in real property,
25 deemed by the governing body of the governmental agency to be necessary, useful,
26 or appropriate to one (1) or more purposes of the governmental agency.
- 27 (13) "Revenue" means all funds received by a governmental agency which are not taxes,

1 including but not limited to excises, transfers, service fees, assessments, and
2 occupational license fees.

3 (14) "School district" means any ~~county school district or independent~~ school district
4 organized and existing pursuant to the laws of the Commonwealth.

5 (15) "Special district" means any agency, authority, or political subdivision of the
6 Commonwealth which exercises less than statewide jurisdiction and which is
7 organized for the purpose of performing governmental or other prescribed functions
8 within limited boundaries. It includes all political subdivisions of the
9 Commonwealth except a city, county, or school district.

10 (16) "State local debt officer" means the officer so designated in KRS 66.045.

11 (17) "Taxes" means taxes properly levied upon real or personal property.

12 (18) "Taxing district" means any taxing district created under KRS 65.180 to 65.190.

13 ➔Section 11. KRS 134.010 is amended to read as follows:

14 As used in this chapter, unless the context requires otherwise:

15 (1) "Certificate of delinquency" means a tax claim on real property for taxes that:

16 (a) Remains unpaid on April 15 under the regular collection schedule, or three (3)
17 full months and fifteen (15) days from the date the taxes were due under an
18 alternative collection schedule as determined under KRS 134.015; and

19 (b) Has been filed with the county clerk pursuant to KRS 134.122;

20 (2) "Chief executive" means the elected head of the executive branch of government in
21 a city or county;

22 (3) "Commissioner" means the commissioner of the department;

23 (4) "County" includes counties, urban-county governments, charter county
24 governments, consolidated local governments, and unified local governments;

25 (5) "Department" means the Department of Revenue;

26 (6) "Governing body of a county" means the elected legislative body of a county;

27 (7) "Omitted property" means property described in KRS 132.290;

- 1 (8) "Personal property" includes every species and character of property, tangible and
2 intangible, other than real property;
- 3 (9) "Personal property certificate of delinquency" means a personal property tax claim
4 that:
- 5 (a) Remains unpaid as of April 15 under the regular collection schedule or three
6 (3) full months and fifteen (15) days from the date the taxes were due under an
7 alternative collection schedule as determined under KRS 134.015; and
- 8 (b) Has been filed with the county clerk pursuant to KRS 134.122;
- 9 (10) "Priority certificate of delinquency" means a certificate of delinquency available for
10 sale that relates to a parcel of property against which a third-party purchaser already
11 holds a certificate of delinquency from a prior tax year;
- 12 (11) "Protected list" means the list submitted to the county clerk by the county attorney
13 of certificates of delinquency not eligible for sale pursuant to KRS 134.504(10);
- 14 (12) (a) "Property taxes" means the ad valorem taxes due the state, a county, a ~~county~~
15 ~~school~~ district, or other taxing district;
- 16 (b) "Property taxes" also includes any other ad valorem taxes imposed by a
17 governmental entity that are included on the same property tax bill as the
18 levies listed in paragraph (a) of this subsection and that the sheriff is
19 responsible for collecting either through a statutory requirement or agreement
20 with a taxing district;
- 21 (13) "Real property" includes all lands within the state and improvements thereon;
- 22 (14) "Taxpayer" means the owner of property on the assessment date, or any person
23 otherwise made liable by law for ad valorem taxes attributable to that assessment
24 date;
- 25 (15) "Tax claim" includes the taxes due on a tax bill, the penalties, costs, fees, interest,
26 commissions, the lien provided in KRS 134.420 and any other expenses that have
27 become or are by reason of the delinquent tax bill proper legal charges imposed by

1 this chapter against the delinquent taxpayer at any given time; and

2 (16) "Third-party purchaser" means a purchaser of a certificate of delinquency.

3 ➔Section 12. KRS 134.119 is amended to read as follows:

4 (1) (a) The sheriff shall be the collector of all state, county, ~~county~~ school district,
5 and other taxing district property taxes unless the payment is directed by law
6 to be made to some other person. The sheriff may contract to collect taxes on
7 behalf of cities~~, independent school districts,~~ or any other governmental unit
8 with the authority to levy a property tax, if the enabling legislation authorizing
9 imposition of the tax permits the governmental unit to contract for the
10 performance of tax collection duties.

11 (b) The provisions of this chapter relating to the collection of property taxes shall
12 apply to other property tax collectors to the extent that the governing body of
13 the city, school district, or taxing district appointing the tax collector has not
14 adopted alternative tax collection processes and procedures.

15 (2) Payment to the sheriff may be provided by any commercially acceptable means. The
16 sheriff may limit the acceptable methods of payment to those that ensure that
17 payment cannot be reversed or nullified due to insufficient funds.

18 (3) (a) 1. The sheriff shall accept payment from the day on which the tax bills are
19 mailed by the sheriff to the taxpayer as provided in KRS 133.220 and
20 133.230, through the day on which the sheriff files the uncollected tax
21 claims with the county clerk pursuant to KRS 134.122. During this time
22 period, the sheriff may accept full or partial payment for any outstanding
23 taxes or tax claims.

24 2. a. Any payments received by the sheriff by mail that:

25 i. Are received after the day on which uncollected tax claims
26 are filed with the county clerk pursuant to KRS 134.122; and

27 ii. Have a postmark that reflects a date on or before the day the

1 uncollected tax claims are filed with the county clerk;
2 shall be accepted and processed, and the amount due shall be the
3 amount due immediately before the transfer of the uncollected tax
4 claims by the sheriff to the county clerk.

5 b. Payments described in this subparagraph may be processed as
6 agreed by the sheriff and county clerk.

7 c. Absent an agreement between the sheriff and the county clerk, the
8 payment shall be accepted and processed by the sheriff.

9 d. If the sheriff accepts and processes the payment, the sheriff shall
10 notify the county clerk, and the county clerk shall update his or her
11 records to reflect payment of the certificate of delinquency.

12 e. The sheriff and the county clerk shall reconcile all transactions
13 addressed by this subparagraph by preparation of an addendum to
14 the original reconciliation provided by the sheriff to the county
15 clerk at the time of transfer. The addendum shall be prepared thirty
16 (30) days after the original transfer, and shall be filed by the county
17 clerk in the clerk's order book.

18 (b) All payments received by the sheriff shall be entered immediately by the
19 sheriff on his or her books. Partial payments shall be credited against the total
20 amount due and shall be apportioned by the sheriff among the entities
21 included on the tax bill in the same proportion the amount due to each bears to
22 the amount paid.

23 (c) The acceptance of any payment before the taxpayer's tax liability has been
24 finally determined shall not imply that the payment was the correct amount
25 due and shall not preclude the assessment and collection of additional taxes
26 due or the refund of any part of the amount paid that is in excess of the
27 amount determined to be due.

- 1 (d) The sheriff may accept payment of any tax or tax claim from any other person
2 on behalf of the taxpayer. Any person making a payment on behalf of a
3 taxpayer may, upon the written notarized request of the taxpayer, be treated as
4 a transferee as provided in KRS 134.121.
- 5 (e) The sheriff may accept payment of any amount due on a delinquent tax claim
6 from any of the persons described in subparagraphs 1., 2., and 3. of this
7 paragraph without permission of the taxpayer. The person seeking to make the
8 payment shall provide sufficient proof to the sheriff that he or she meets the
9 requirements to pay under this paragraph. The sheriff shall be held harmless if
10 he or she relies upon information provided and accepts payment from a person
11 not qualified to pay under this paragraph. Any person listed in subparagraph
12 1., 2., or 3. of this paragraph who makes full payment, may, upon written
13 request to the sheriff, be treated as a transferee under KRS 134.121:
- 14 1. Any person holding a legal or equitable estate in the real or personal
15 property upon which the delinquent taxes are due, other than a person
16 whose only interest in the property is a lien resulting from ownership of
17 a prior year certificate of delinquency;
 - 18 2. A tenant or lawful occupant of real property, or a bailee or person in
19 possession of any personal property upon which the delinquent taxes are
20 due; or
 - 21 3. Any person having a mortgage on real property or a security interest in
22 real or personal property upon which the delinquent taxes are due.
- 23 (4) If, upon expiration of the five percent (5%) penalty period established by KRS
24 134.015(2)(c), the real property tax delinquencies of a sheriff exceed fifteen percent
25 (15%) of the amount charged to the sheriff for collection, the department may
26 require the sheriff to make additional reasonable collection efforts. If the sheriff
27 fails to initiate additional reasonable collection efforts within fifteen (15) business

1 days following notification from the department that such efforts shall be made, the
2 department may assume responsibility for collecting the delinquent taxes. If the
3 department assumes the responsibility for collecting delinquent taxes, the
4 department shall receive the amounts that would otherwise be paid to the sheriff as
5 fees or commissions for the collection of tax bills.

6 (5) In collecting delinquent taxes, the sheriff:

7 (a) May distraint and sell personal property owned by a delinquent taxpayer in the
8 amount necessary to satisfy the delinquent tax claim. The sale shall be made
9 under execution for cash. If the personal property of the delinquent taxpayer
10 within the county is not sufficient to satisfy the delinquent tax claim, the
11 sheriff may sell so much of the personal property as is available; and

12 (b) Shall retain any amounts that come into his or her possession payable to a
13 delinquent taxpayer, other than claims allowed for attendance as a witness,
14 and shall apply such amounts to the amount due on the delinquent tax claim.

15 (6) (a) As compensation for collecting property taxes the sheriff shall be paid the
16 following amounts, regardless of whether the amounts are collected by the
17 sheriff prior to filing the tax claims with the county clerk, or by the county
18 clerk after the tax claims become certificates of delinquency or personal
19 property certificates of delinquency:

20 1. From the Commonwealth the sheriff shall be paid four and one-quarter
21 percent (4.25%) of the amount collected on behalf of the
22 Commonwealth;

23 2. From counties the sheriff shall be paid four and one-quarter percent
24 (4.25%) of the amount collected on behalf of the counties;

25 3. The sheriff shall be compensated as provided by law or as negotiated if
26 negotiation is permitted by law, for collecting taxes on behalf of any
27 taxing district;

1 4. The sheriff shall be compensated as provided in KRS 160.500 for
2 collecting school district taxes; and

3 5. The sheriff shall be compensated as provided in KRS 91A.070 for
4 collecting taxes on behalf of any city.

5 (b) The sheriff shall include the amounts he or she is entitled to under the
6 provisions of paragraph (a) of this subsection as part of the delinquent tax
7 claims filed with the county clerk. The amount so included shall become a
8 part of the certificate of delinquency, and shall be paid by the person paying
9 the certificate of delinquency rather than the taxing jurisdiction for which the
10 taxes were collected.

11 (7) As additional compensation for the collection of delinquent taxes, the sheriff shall
12 be entitled to an amount equal to ten percent (10%) of the total taxes due plus ten
13 percent (10%) of the ten percent (10%) penalty for all delinquent taxes. This fee
14 shall be added to the total amount due, and shall be paid by the person paying the
15 tax claim if payment is made to the sheriff, or the certificate of delinquency or
16 personal property certificate of delinquency if payment is made after the tax claim
17 has been filed with the county clerk.

18 (8) If, in the process of collecting property taxes, the sheriff becomes aware of a new
19 address for a taxpayer, the sheriff shall provide, on a form provided by the
20 department, the information relating to the new address to the property valuation
21 administrator, who shall update his or her records to reflect the new address.

22 ➔Section 13. KRS 156.250 is amended to read as follows:

23 The chief state school officer shall biennially prepare the report of the Department of
24 Education as established in KRS 156.010 to be submitted to the Governor and the
25 General Assembly. The report shall set out the number attending the public schools, the
26 amount of state funds apportioned and the source from which derived, the amount raised
27 by ~~county school and independent~~ school district taxes or from other sources of revenue

1 for school purposes, the amount expended for salaries of teachers, for the erection of
2 school buildings, and for incidental and other expenses in the operation of the public
3 schools under his supervision, together with any other facts, statistics, and information as
4 may be deemed of interest, including recommendations for the improvement of the
5 schools.

6 ➔Section 14. KRS 156.435 is amended to read as follows:

- 7 (1) The State Textbook Commission shall, not later than September 20 of any year in
8 which an adoption is to be made, select, recommend, and publish a list of books or
9 programs in each subject and grade, taking into account the needs of the various
10 types of students.
- 11 (2) The State Textbook Commission shall have the authority to reject any book which:
- 12 (a) Contains subversive material or information that is offered for listing or
13 adoption. If the commission finds on the multiple list any book which contains
14 subversive material or information, provided the publisher of the book has
15 been given written notice by the secretary of the commission not less than
16 thirty (30) days prior to the meeting, the textbook commission shall have
17 authority to remove the book from the state multiple list;
- 18 (b) Is in noncompliance with standards and specifications set forth in KRS
19 156.410; or
- 20 (c) Is not of high quality in terms of the content provided, the audience addressed,
21 the format used, the readability of material or the ancillary materials provided
22 the teacher and students.
- 23 (3) The State Textbook Commission shall have the authority to solicit additions for the
24 state list when the list does not contain books or materials for subjects added to the
25 state courses of study.
- 26 (4) The chief state school officer shall make and execute contracts for the
27 recommended textbooks and programs with the publishers on or before May 1

1 following the establishment of the state multiple list of recommended titles selected
2 by the commission. Except as described in KRS 156.400, all contracts shall run for
3 six (6) years.

4 (5) The chief state school officer shall prepare a multiple list of recommended
5 textbooks or programs and publish the list along with a consumer guide and
6 distribute the documents to the superintendents of each ~~county and independent~~
7 ~~school district~~ in Kentucky on or before November 15 of each adoption year.

8 ➔Section 15. KRS 156.440 is amended to read as follows:

9 Publishers, upon the request of the superintendents of the ~~county and independent~~
10 ~~school districts~~, shall furnish to the local boards of education the requested sample
11 copies of their materials that were selected and placed on the state multiple list of
12 recommended textbooks by the State Textbook Commission.

13 ➔Section 16. KRS 156.445 is amended to read as follows:

14 (1) No textbook or program shall be used in any public school in Kentucky as a basal
15 title unless it has been recommended and listed on the state multiple list by the State
16 Textbook Commission or unless a school and district has met the notification
17 requirements under subsection (2) of this section. Any changes of textbooks made
18 by the State Textbook Commission shall not become effective until grades and
19 classes of the respective ~~county and independent~~ school districts have completed
20 work for which the adopted book then in use was originally intended. Nothing in
21 this section shall apply to the supplementary books that are needed from time to
22 time.

23 (2) A school council, or if none exists, the principal, may notify, through the
24 superintendent, the State Textbook Commission that it plans to adopt a basal
25 textbook or program that is not on the recommended list by submitting evidence
26 that the title it has chosen meets the selection criteria of the State Textbook
27 Commission in KRS 156.405(3)(b) and the subject specific criteria of the textbook

1 reviewers pursuant to KRS 156.407(5) and complies with the required publisher
2 specifications.

3 (3) In approving text materials for private and parochial schools for the purpose of KRS
4 156.160(3) the text materials shall be approved if they are comprehensive and
5 appropriate to the grade level in question notwithstanding the fact that they may
6 contain elements of religious philosophy.

7 ➔Section 17. KRS 156.472 is amended to read as follows:

8 All administrative regulations of the Kentucky Board of Education and the statutory laws,
9 which are applicable to textbook adoptions, purchases, and distribution by the ~~county~~
10 ~~and independent~~ school districts, shall apply to textbook adoptions, purchases, and
11 distributions for the state college and university model and practice schools.

12 ➔Section 18. KRS 156.480 is amended to read as follows:

13 (1) No commissioner, associate commissioner, deputy commissioner, director,
14 manager, purchasing agent, or other employee of the Department of Education with
15 decision-making authority over the financial position of a school, school district, or
16 school system shall have any pecuniary interest in the school, school district, or
17 school system, either directly or indirectly, in an amount exceeding twenty-five
18 dollars (\$25) per year, either at the time of or after his appointment to office, in
19 supplying any goods, services, property, merchandise, or services, except personal
20 services that are in addition to those required by contract for employment, of any
21 nature whatsoever for which school funds are expended. If any person specified in
22 this subsection receives, directly or indirectly, any gift, reward, or promise of
23 reward for his influence in recommending or procuring the use of any goods,
24 services, property, or merchandise of any kind whatsoever for which school funds
25 are expended, he shall upon conviction be fined not less than fifty dollars (\$50) nor
26 more than five hundred dollars (\$500), and his office or appointment shall without
27 further action be vacant.

1 (2) No employee of any ~~county or independent~~ school district with decision-making
2 authority over the financial position of the school district shall have any pecuniary
3 interest, either directly or indirectly, in an amount exceeding twenty-five dollars
4 (\$25) per year, either at the time of or after his appointment to office, in supplying
5 any goods, services, property, merchandise, or services, except personal services
6 that are in addition to those required by contract for employment, of any nature
7 whatsoever for which school funds are expended. If any person specified in this
8 subsection receives, directly or indirectly, any gift, reward, or promise of reward for
9 his influence in recommending or procuring the use of any goods, services,
10 property, or merchandise of any kind whatsoever for which school funds are
11 expended, he shall upon conviction be fined not less than fifty dollars (\$50) nor
12 more than five hundred dollars (\$500), and his office or appointment shall without
13 further action be vacant.

14 ➔Section 19. KRS 157.320 is amended to read as follows:

15 As used in KRS 157.310 to 157.440, unless the context otherwise requires:

16 (1) "Average daily attendance" means the aggregate days attended by pupils in a public
17 school, adjusted for weather-related low attendance days if applicable, divided by
18 the actual number of days the school is in session, after the five (5) days with the
19 lowest attendance have been deducted.

20 (a) Aggregate days shall include, in addition to the aggregate number of days
21 attended by a pupil who was suspended during a school year, the number of
22 days the pupil was suspended, not to exceed ten (10) days in total for the
23 school year; and

24 (b) Aggregate days shall include, in addition to the aggregate number of days
25 attended by a pupil who was expelled for behavioral problems, the number of
26 days the pupil was expelled up to a total of one hundred seventy-five (175)
27 days. This total may extend into the next school year and shall be counted in

- 1 the average daily attendance for the next year;
- 2 (2) "Base funding level" means a guaranteed amount of revenue per pupil to be
3 provided for each school district, to be used for regular operating and capital
4 expenditures;
- 5 (3) "Board" means the board of education of any ~~{county or independent}~~ school
6 district;
- 7 (4) "District" means any school district as defined by law;
- 8 (5) "Elementary school" means a school consisting of the primary school program
9 through grade eight (8) as defined in KRS 158.030, or any appropriate combination
10 of grades within this range, as determined by the plan of organization for schools
11 authorized by the district board;
- 12 (6) "Support Education Excellence in Kentucky" means the level of educational
13 services and facilities which is to be provided in each district from the public school
14 fund;
- 15 (7) "Kindergarten full-time equivalent pupil in average daily attendance" means each
16 kindergarten pupil counted no more than one-half (1/2) day in the aggregate days
17 attended by kindergarten pupils in a public school divided by the actual number of
18 days school is in session after the five (5) days with the lowest attendance have been
19 deducted. Kindergarten is the entry level of the primary program and shall be
20 provided no less than the equivalent of one-half (1/2) day, five (5) days a week for a
21 full school year for each kindergarten pupil;
- 22 (8) "Public school fund" means the fund created by KRS 157.330 for use in financing
23 education in public elementary and secondary schools;
- 24 (9) "Administrative regulations of the Kentucky Board of Education" means those
25 regulations which the Kentucky Board of Education may adopt upon the
26 recommendation and with the advice of the commissioner of education. The
27 commissioner of education shall recommend administrative regulations necessary

- 1 for carrying out the purposes of KRS 157.310 to 157.440;
- 2 (10) "Experience" means employment as a teacher, other than as a substitute or nursery
3 school teacher, for a minimum of one hundred forty (140) days during a school year
4 in a public or nonpublic elementary or secondary school or college or university that
5 is approved by the public accrediting authority in the state in which the teaching
6 duties were performed. A teacher who is employed by a board for at least one
7 hundred forty (140) days of a school year and who performs teaching duties for the
8 equivalent of at least seventy (70) full school days during that school year,
9 regardless of the schedule on which those duties were performed, shall be credited
10 with one (1) year of experience. A teacher who is employed by a board for at least
11 one hundred forty (140) days during each of two (2) school years and who performs
12 teaching duties for the equivalent of at least seventy (70) full school days during
13 those years shall be credited with one (1) year of experience. No more than one (1)
14 year of experience shall be credited for the performance of teaching duties during a
15 single school year;
- 16 (11) "Secondary school" means a school consisting of grades seven (7) through twelve
17 (12), or any appropriate combination of grades within this range as determined by
18 the plan of organization for schools authorized by the district board. When grades
19 seven (7) through nine (9) or ten (10) are organized separately as a junior high
20 school, or grades ten (10) through twelve (12) are organized separately as a senior
21 high school and are conducted in separate school plant facilities, each shall be
22 considered a separate secondary school for the purposes of KRS 157.310 to
23 157.440;
- 24 (12) "Single salary schedule" means a schedule adopted by a local board from which all
25 teachers are paid for one hundred eighty-five (185) days and is based on training,
26 experience, and such other factors as the Kentucky Board of Education may approve
27 and which does not discriminate between salaries paid elementary and secondary

1 teachers. If the budget bill contains a minimum statewide salary schedule, no
2 teacher shall be paid less than the amount specified in the biennial budget salary
3 schedule for the individual teacher's educational qualifications and experience;

4 (13) "Teacher" means any regular or special teacher, principal, supervisor,
5 superintendent, assistant superintendent, librarian, director of pupil personnel, or
6 other member of the teaching or professional staff engaged in the service of the
7 public elementary and secondary school for whom certification is required as a
8 condition of employment;

9 (14) "Percentage of attendance" means the aggregate days attended by pupils in a public
10 school for the school year divided by the aggregate days' membership of pupils in a
11 public school for the school year;

12 (15) "Middle school" means a school consisting of grades five (5) through eight (8) or
13 any appropriate combination of grades as determined by the plan of organization for
14 schools authorized by the district board;

15 (16) "National board certification salary supplement" means an annual supplement added
16 for the life of the certificate to the base salary of a teacher who attains national
17 board certification; and

18 (17) "Weather-related low attendance day" means a school day on which the district's
19 attendance falls below the average daily attendance for the prior year due to
20 inclement weather. The district shall submit a request to substitute the prior year's
21 average daily attendance for its attendance on up to ten (10) designated days, along
22 with documentation that the low attendance was due to inclement weather, for
23 approval by the commissioner of education in accordance with Kentucky Board of
24 Education administrative regulations.

25 ➔Section 20. KRS 157.370 is amended to read as follows:

26 (1) In determining the cost of transportation for each district, the chief state school
27 officer shall determine the average cost per pupil per day of transporting pupils in

- 1 districts having a similar density of transported pupils per square mile of area served
2 by not less than nine (9) different density groups.
- 3 (2) The annual cost of transportation shall include all current costs for each district plus
4 annual depreciation of pupil transportation vehicles calculated in accordance with
5 the administrative regulations of the Kentucky Board of Education for such districts
6 that operate district-owned vehicles.
- 7 (3) The aggregate and average daily attendance of transported pupils shall include all
8 public school pupils transported at public expense who live one (1) mile or more
9 from school. Children with disabilities may be included who live less than this
10 distance from school. The aggregate and average daily attendance referred to in this
11 subsection shall be the aggregate and average daily attendance of transported pupils
12 the prior year adjusted for current year increases in accordance with Kentucky
13 Board of Education administrative regulations.
- 14 (4) The square miles of area served by transportation shall be determined by subtracting
15 from the total area in square miles of the district the area not served by
16 transportation in accordance with administrative regulations of the Kentucky Board
17 of Education. However, if one (1) district authorizes another district to provide
18 transportation services for a part of its area, this area shall be deducted from the area
19 served by the authorizing district and added to the area served by the district
20 actually providing the transportation.
- 21 (5) The density of transported pupils per square mile of area served for each district
22 shall be determined by dividing the average daily attendance of transported pupils
23 by the number of square miles of area served by transportation.
- 24 (6) The chief state school officer shall determine the average cost per pupil per day of
25 transporting pupils in districts having a similar density by constructing a smoothed
26 graph of cost for the density groups required by subsection (1). This graph shall be
27 used to construct a scale showing the average costs of transportation for districts

1 having a similar density of transported pupils. Costs shall be determined separately
2 for ~~{county school districts and independent }~~school districts. ~~[No independent~~
3 ~~school district will receive an average cost per pupil per day in excess of the~~
4 ~~minimum received by any county district or districts.]~~These costs shall be the costs
5 per pupil per day of transported pupils included in the public school fund and these
6 costs shall be recalculated each biennium.

7 (7) The scale of transportation costs included in the fund to support education
8 excellence in Kentucky for ~~{county and independent }~~districts is determined in
9 accordance with the provisions of KRS 157.310 to 157.440 for the biennium
10 beginning July 1, 1990.

11 (8) The cost of transporting a district's pupils from the parent school to a state
12 vocational-technical school or to a vocational educational center shall be calculated
13 separately from the calculation required by subsections (1) through (7) of this
14 section. The amount calculated shall be paid separately to each district from
15 program funds budgeted for vocational pupil transportation, as a reimbursement
16 based on the district's cost for providing this service. The amount of reimbursement
17 shall be calculated in accordance with Kentucky Board of Education administrative
18 regulations. In the event that the appropriation for vocational pupil transportation in
19 the biennial budget is insufficient to meet the total calculated cost of this service for
20 all districts, the amount paid to each district shall be ratably reduced. For the
21 purpose of this subsection, the parent school shall be interpreted to mean that school
22 in which the pupil is officially enrolled in a district's public common school system.

23 (9) The Kentucky Board of Education shall determine the type of pupil with a disability
24 that qualifies for special type transportation to and from school. Those qualified
25 pupils for which the district provides special type transportation shall have their
26 aggregate days' attendance multiplied by five (5.0) and added to that part of the
27 district's aggregate days' attendance that is multiplied by the district's adjusted cost

1 per pupil per day in determining the district's pupil transportation program cost for
2 allotment purposes.

3 ➔Section 21. KRS 157.615 is amended to read as follows:

4 As used in KRS 157.611 to 157.640, unless the context requires otherwise:

- 5 (1) "Available local revenue" means the sum of the school building fund account
6 balance; the bonding potential of the capital outlay and building funds; and the
7 capital outlay fund account balance on June 30 of odd-numbered years. These
8 accounts shall be as defined in the manual for Kentucky school financial accounting
9 systems;
- 10 (2) "Board of education" means the governing body of a ~~county school district or an~~
11 ~~independent~~ school district;
- 12 (3) "Bonds" or "bonds of the commission" means bonds issued by the commission, or
13 issued by a city, county, or other agency or instrumentality of the Board of
14 Education, in accordance with KRS Chapter 162, payable as to principal and
15 interest from rentals received from a board of education or from the department
16 pursuant to a lease or from contributions from the commission, and constitute
17 municipal bonds exempt from taxation under the Constitution of the
18 Commonwealth;
- 19 (4) "Department" means the State Department of Education;
- 20 (5) "District technology plan" means the plan developed by the local district and the
21 Department of Education and approved by the Kentucky Board of Education upon
22 the recommendation of the Council for Education Technology;
- 23 (6) "Equivalent tax rate" means the rate which results when the income from all taxes
24 levied by the district for school purposes is divided by the total assessed value of
25 property plus the assessment for motor vehicles certified by the Department of
26 Revenue as provided by KRS 160.470;
- 27 (7) "Kentucky Education Technology System" means the statewide system set forth in

- 1 the technology master plan issued by the Kentucky Board of Education with the
2 recommendation of the Council for Education Technology and approved by the
3 Legislative Research Commission;
- 4 (8) "Lease" or "lease instrument" means a written instrument for the leasing of one (1)
5 or more school projects executed by the commission as lessor and a board of
6 education as lessee, or executed by the commission as lessor and the department as
7 lessee, as the case may be;
- 8 (9) "Lease/purchase agreement" means a lease between the school district or the
9 department and a vendor that includes an option to purchase the technology
10 equipment or software at the end of the lease period;
- 11 (10) "Percentage discount" means the degree to which the commission will participate in
12 meeting the bond and interest redemption schedule required to amortize bonds
13 issued by the commission on behalf of a local school district;
- 14 (11) "Project" means a defined item of need to construct new facilities or to provide
15 major renovation of existing facilities which is identified on the priority schedule of
16 the approved school facilities plan;
- 17 (12) "School facilities plan" means the plan developed pursuant to the survey specified
18 by KRS 157.420 and by administrative regulations of the Kentucky Board of
19 Education;
- 20 (13) "Technology master plan" means the long-range plan for the implementation of the
21 Kentucky Education Technology System as developed by the Council for Education
22 Technology and approved by the Kentucky Board of Education and the Legislative
23 Research Commission;
- 24 (14) "Unmet facilities need" means the total cost of new construction and major
25 renovation needs as shown by the approved school facilities plan less any available
26 local revenue;
- 27 (15) "Unmet technology need" means the total cost of technology need as shown by the

1 approved technology plan of the local district; and

2 (16) "Eligible district" means any local school district having an unmet facilities need, as
3 defined in this section, in excess of one hundred thousand dollars (\$100,000) or a
4 district qualifying for education technology funding.

5 ➔Section 22. KRS 158.135 is amended to read as follows:

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

7 (a) "State agency children" means:

8 1. a. Those children of school age committed to or in custody of the
9 Cabinet for Health and Family Services and placed, or financed by
10 the cabinet, in a Cabinet for Health and Family Services operated
11 or contracted institution, treatment center, facility, including those
12 for therapeutic foster care and excluding those for nontherapeutic
13 foster care; or

14 b. Those children placed or financed by the Cabinet for Health and
15 Family Services in a private facility pursuant to child care
16 agreements including those for therapeutic foster care and
17 excluding those for nontherapeutic foster care;

18 2. Those children of school age in home and community-based services
19 provided as an alternative to intermediate care facility services for the
20 intellectually disabled; and

21 3. Those children committed to or in custody of the Department of Juvenile
22 Justice and placed in a department operated or contracted facility or
23 program;

24 (b) "Current costs and expenses" means all expenditures, other than for capital
25 outlay and debt service, which are in excess of the amount generated by state
26 agency children under the Support Education Excellence in Kentucky funding
27 formula pursuant to KRS 157.360. These expenditures are necessary to

1 provide a two hundred thirty (230) day school year, smaller teacher pupil
2 ratio, related services if identified on an individual educational plan, and more
3 intensive educational programming; and

4 (c) "Therapeutic foster care" means a remedial care program for troubled children
5 and youth that is in the least restrictive environment where the foster parent is
6 trained to implement planned, remedial supervision and care leading to
7 positive changes in the child's behavior. Children served in this placement
8 have serious emotional problems and meet one (1) or more of the following
9 criteria:

- 10 1. Imminent release from a treatment facility;
- 11 2. Aggressive or destructive behavior;
- 12 3. At risk of being placed in more restrictive settings, including
13 institutionalization; or
- 14 4. Numerous placement failures.

15 (2) (a) Unless otherwise provided by the General Assembly in a budget bill, any
16 ~~county or independent~~ school district that provides elementary or secondary
17 school services to state agency children shall be reimbursed through a contract
18 with the Kentucky Educational Collaborative for State Agency Children. The
19 school services furnished to state agency children shall be equal to those
20 furnished to other school children of the district.

21 (b) The Department of Education shall, to the extent possible within existing
22 appropriations, set aside an amount of the state agency children funds
23 designated by the General Assembly in the biennial budget to reimburse a
24 school district for its expenditures exceeding twenty percent (20%) of the total
25 amount received from state and federal sources to serve a state agency child.

26 (3) The General Assembly shall, if possible, increase funding for the education
27 programs for state agency children by a percentage increase equal to that provided

1 in the biennial budget for the base funding level for each pupil in the program to
2 support education excellence in Kentucky under KRS 157.360 and, if applicable, by
3 an amount necessary to address increases in the number of state agency children
4 being served.

5 (4) The Kentucky Educational Collaborative for State Agency Children shall make to
6 the chief state school officer the reports required concerning school services for
7 state agency children, and shall file with the Cabinet for Health and Family Services
8 unit operating or regulating the institution or day treatment center, or contracting for
9 services, in which the children are located a copy of the annual report made to the
10 chief state school officer.

11 (5) The Cabinet for Health and Family Services shall contract with a university-
12 affiliated training resource center utilizing all funds generated by the children in
13 state agency programs, except Oakwood and Hazelwood funds, and the funds in the
14 Kentucky Department of Education budget, pursuant to this section, as well as any
15 other educational funds for which all Kentucky children are entitled. The total of
16 these funds shall be utilized to provide educational services through the Kentucky
17 Educational Collaborative for State Agency Children established in KRS 605.110.

18 (6) Notwithstanding the provisions of any other statute, the Kentucky Educational
19 Collaborative for State Agency Children shall operate a two hundred thirty (230)
20 day school program.

21 ➔Section 23. KRS 158.200 is amended to read as follows:

22 The boards of education of ~~independent and county~~ school districts may provide for
23 moral instruction of pupils in their jurisdiction, in the manner provided in KRS 158.210
24 to 158.260.

25 ➔Section 24. KRS 160.045 is amended to read as follows:

26 (1) If seventy-five percent (75%) of either the registered voters or property owners in an
27 area adjacent to ~~either a county or independent~~ school district petition the

1 respective school boards for a transfer of property to the school board district other
2 than that in which it is located, or if either board initiates an action, the school
3 boards may effect the transfer by agreement, duly spread upon the minutes of their
4 respective boards.

5 (2) If the boards fail to agree within ninety (90) days from the filing of petitions for the
6 transfer, either board may petition the chief state school officer for approval or
7 disapproval of the transfer of the property involved. In his consideration for giving
8 approval or disapproval, he shall be governed by any policies and rules and
9 regulations of the Kentucky Board of Education which may be affected by the
10 transfer of the property and shall give due consideration to the following: the ratio
11 of the wealth of the territory involved in its relation to the total wealth of the district
12 from which the territory will be annexed; the effect of the proposed territorial loss
13 or gain on the educational programs of the respective districts; extent of and effect
14 on the physical plant, facilities, and equipment available in each of the affected
15 districts; the indebtedness and bonded or rental obligations of the respective
16 districts; any contemplated indebtedness or obligation arising out of the proposed
17 transfer; and other factors as may have a bearing upon the determination of the
18 desirability of the proposed annexation from the vantage point of all interested
19 persons.

20 (3) In those instances where the requested transfer will result in a surplus of physical
21 plant, facilities, or equipment in the transferring school district, the chief state
22 school officer shall determine an equitable plan for the transfer of any surplus to the
23 annexing district as his plan may determine will be needed. His plan shall be based
24 on the fair value of the property on a replacement basis, taking into consideration its
25 age and condition. In any considerations and suggestions which he may propose for
26 the settlement of the differences between the boards of education, he shall be bound
27 by any agreements outstanding between the boards of education of the school

1 districts on July 15, 1982.

2 (4) If the chief state school officer is unable to arrive at a satisfactory agreement with
3 the two (2) boards of education concerning the transfer of the involved property
4 within one hundred twenty (120) days from the time it is presented to him, either
5 board may request that he bring the matter before the Kentucky Board of Education
6 at its next regularly scheduled meeting. The state board shall grant and schedule an
7 administrative hearing, and the hearing shall be conducted in accordance with KRS
8 Chapter 13B. In that event, he shall file with the Kentucky Board of Education all
9 the facts which he has gathered, the recommendation he has made, and the basis for
10 his recommendation, for their consideration. In those instances where, after giving
11 consideration to the factors set forth in subsection (2) of this section, the chief state
12 school officer determines that a transfer of only a portion of the territory in question
13 is in the best interest of the respective districts, he may recommend to the Kentucky
14 Board of Education a modified plan of transfer of territory.

15 ➔Section 25. KRS 160.1590 is amended to read as follows:

16 As used in KRS 160.1590 to 160.1599:

- 17 (1) "Achievement academy" has the same meaning as "public charter school";
- 18 (2) "Achievement gap" means a disparity of outcomes on state standardized
19 examinations and other academic performance measures between subgroups of
20 students, especially groups defined by socioeconomic status, race, and ethnicity;
- 21 (3) "Applicant" means an eligible person or persons, organization, or entity that seeks
22 approval from a charter school authorizer to establish a public charter school;
- 23 (4) "Charter application" means a proposal from an applicant to an authorizer to enter
24 into a charter contract whereby the proposed school obtains public charter school
25 status;
- 26 (5) "Charter contract" or "contract" means a fixed-term, renewable contract between a
27 charter school and an authorizer that identifies the roles, powers, responsibilities,

- 1 and performance expectations for each party to the contract pursuant to KRS
2 160.1596;
- 3 (6) "Charter school board of directors" means the independent board of a public charter
4 school that is party to the charter contract with the authorizer and whose members
5 have been elected or selected pursuant to the school's application;
- 6 (7) "Conversion public charter school" means a public charter school that existed as a
7 noncharter public school prior to becoming a public charter school;
- 8 (8) "Education service provider" means an education management organization, school
9 design provider, or any other partner entity with which a public charter school
10 contracts for educational design, implementation, or comprehensive management;
- 11 (9) "Local school board" means a school board exercising management and control of a
12 local school district;
- 13 (10) "Local school district" means a ~~{county or independent}~~ school district **established**
14 **in subsection (3) of Section 1 of this Act** ~~{as identified in KRS 160.010 and~~
15 ~~160.020}~~;
- 16 (11) "Parent" means a parent, guardian, or other person or entity having legal custody of
17 a child;
- 18 (12) "Public charter school" means a public school that:
- 19 (a) Is a public body corporate and politic, exercising public power, including the
20 power in name to contract and be contracted with, sue and be sued, and adopt
21 bylaws not inconsistent with this section;
- 22 (b) Has autonomy over decisions, including but not limited to matters concerning
23 finance, personnel, scheduling, curriculum, and instruction;
- 24 (c) Is governed by an independent board of directors;
- 25 (d) Is established and operating under the terms of a charter contract between the
26 public charter school's board of directors and its authorizer;
- 27 (e) Is a public school to which parents choose to send their children;

- 1 (f) Is a public school that admits students on the basis of a random and open
2 lottery if more students apply for admission than can be accommodated;
- 3 (g) Offers a comprehensive instructional program within a public school district;
- 4 (h) Operates in pursuit of a specific set of educational objectives as defined in its
5 charter contract; and
- 6 (i) Operates under the oversight of its authorizer in accordance with its charter
7 contract;
- 8 (13) "Public charter school authorizer" or "authorizer" means an entity or body that
9 reviews, approves, or denies charter applications, enters into charter contracts with
10 applicants, oversees public charter schools, and renews, does not renew, or revokes
11 charter contracts. Authorizers include:
- 12 (a) A local school board of a local school district in which a public charter school
13 is located;
- 14 (b) A collaborative among local school boards that forms to set up a regional
15 public charter school to be located within the area managed and controlled by
16 those local school boards;
- 17 (c) The mayor of a consolidated local government who may only authorize public
18 charter schools to be physically located within the county in which the city is
19 located and who has submitted a written notice to the state board that he or
20 she intends to serve as an authorizer; and
- 21 (d) The chief executive officer of an urban-county government who may only
22 authorize public charter schools to be physically located within the county in
23 which the city is located and who has submitted a written notice to the state
24 board that he or she intends to serve as an authorizer;
- 25 (14) "Qualified teacher" means a person certified by the Education Professional
26 Standards Board pursuant to KRS 161.028, 161.030, 161.046, or 161.048;
- 27 (15) "Regional achievement academy" means a public charter school that has been

- 1 established to serve students across multiple school districts;
- 2 (16) "Regional achievement zone" means one (1) county containing four (4) or more
3 local school districts or two (2) or more contiguous counties, each containing four
4 (4) or more local school districts;
- 5 (17) "Start-up public charter school" means a public charter school that did not exist as a
6 noncharter public school prior to becoming a public charter school;
- 7 (18) "State board" means the Kentucky Board of Education;
- 8 (19) "Student" means any child who is eligible for attendance in a public school in
9 Kentucky; and
- 10 (20) "Virtual public charter school" means a public charter school that offers educational
11 services primarily or completely through an online program.

12 ➔Section 26. KRS 160.260 is amended to read as follows:

13 ~~{(1)} The voting in {county} districts shall be by divisions. Each voter shall vote for only~~
14 ~~one (1) candidate. The legally eligible candidate receiving the highest number of votes~~
15 ~~cast in his division shall be declared elected.~~

16 ~~{(2) In independent school districts each voter may vote for as many candidates as there~~
17 ~~are members to be elected, and the number of board members to be elected shall be~~
18 ~~indicated. The candidates, in number equal to the number of members to be chosen,~~
19 ~~who have the highest number of votes shall be declared elected.}~~

20 ➔Section 27. KRS 160.455 is amended to read as follows:

21 As used in KRS 160.460 to 160.597, unless the context requires otherwise, ~~{~~

22 ~~—}~~"Tax-levying authority" shall mean boards of education of county school districts
23 and independent school districts.

24 ➔Section 28. KRS 160.460 is amended to read as follows:

- 25 (1) All school taxes shall be levied by the board of education of each school district.
26 The tax-levying authority shall levy an ad valorem tax within the limits prescribed
27 in KRS 160.470, which will obtain for the school district the amount of money

1 needed as shown in the district's general school budget submitted under the
2 provisions of KRS 160.470.

3 (2) The tax-levying authority shall make an annual school levy not later than July 1.
4 The school levy shall not be made until the general school budget has been received
5 and approved by the Kentucky Board of Education. The failure of the authority to
6 make the levy by the date prescribed shall not invalidate any levy made thereafter.

7 (3) All school taxes shall be levied on all property subject to local taxation in the
8 jurisdiction of the tax-levying authority. If the school levy is to be made upon the
9 city assessment, which is hereby authorized~~[for independent school districts~~
10 ~~embraced by designated cities]~~, the clerk of the city shall furnish to the school
11 district or districts which the city embraces, the assessed valuation of property
12 subject to local taxation in the school district, as determined by its tax assessor. If
13 the school levy is to be made upon the county assessment the county clerk shall
14 furnish to the proper school district or districts the assessed valuation of property
15 subject to local taxation in the district or districts, as certified by the Kentucky
16 Department of Revenue. No later than July 1, 1994, all real property located in the
17 state and subject to local taxation shall be assessed at one hundred percent (100%)
18 of fair cash value.

19 (4) As used in this section, "designated city" means a city classified as a city of the first,
20 second, third, or fourth class as of January 1, 2014, under the city classification
21 system in effect prior to January 1, 2015. The Department of Education shall, on or
22 before January 1, 2015, create an official registry listing the cities that qualify as a
23 "designated city" under this section and shall publish that registry on its Web site.

24 ➔Section 29. KRS 161.810 is amended to read as follows:

25 If an entire school district or that part of a school district which comprises the territory in
26 which a school or schools are situated is transferred to any other district, or if the schools
27 in ~~a~~an independent or county school district are consolidated or centralized, the teachers

1 in such consolidated or centralized schools employed on continuing contracts
2 immediately prior to such transfer, consolidation, or centralization shall, subject to the
3 limitations imposed by KRS 161.800, have continuing service status in the newly
4 centralized or consolidated school, or in the district to which the territory is transferred.

5 ➔Section 30. KRS 162.020 is amended to read as follows:

6 ~~[(1)]~~The title to school property in territory transferred from one (1) school district to
7 another shall not be affected by the transfer. In case of the sale of such property the board
8 of education to which the property belongs may allow a credit on the sale price of the
9 property in proportion to the ratio which the school population of the transferred territory
10 is to the total school population of the district from which the territory was transferred
11 before the transfer was made.

12 ~~[(2) A board of education owning and operating a school plant in another district on
13 June 14, 1934, may continue to own and operate the plant, and a county board of
14 education may establish and maintain a school in an independent school district.
15 Any independent school district may purchase school sites and establish and
16 maintain schools outside the limits of the independent district, but independent
17 districts containing cities of the first class or designated cities shall not purchase
18 school sites or establish or maintain schools outside the county in which the
19 independent district is located.~~

20 ~~[(3) As used in this section, "designated city" means a city classified as a city of the
21 second class as of January 1, 2014, under the city classification system in effect
22 prior to January 1, 2015. The Department of Education shall, on or before January
23 1, 2015, create an official registry listing the cities that qualify as a "designated city"
24 under this section and shall publish that registry on its Web site.]~~

25 ➔Section 31. KRS 162.520 is amended to read as follows:

26 As used in KRS 162.520 to 162.620, the following terms and words have the following
27 respective meanings, unless another meaning is clearly indicated by the context:

- 1 (1) As used in KRS 162.540, 162.550, 162.580, 162.590, 162.600, and 162.620
 2 "authority" means "State Property and Buildings Commission;"
- 3 (2) "Department" means the State Department of Education;
- 4 (3) "Board of education" means the governing body of a ~~county school district, or of~~
 5 ~~an independent school district,~~ for which the authority issues its revenue bonds
 6 pursuant to KRS 162.520 to 162.620;
- 7 (4) "Project" means any undertaking to provide for a board of education any school
 8 buildings, facilities, improvements, and appurtenances authorized in KRS 162.120
 9 to 162.300;
- 10 (5) "Lease" or "lease instrument" means a written instrument for the leasing of one (1)
 11 or more school projects executed by the authority as lessor and a board of education
 12 as lessee, conforming to the specifications set forth in KRS 162.140;
- 13 (6) "Bonds" or "bonds of the authority" means bonds issued by the authority under KRS
 14 162.520 to 162.620, payable as to principal and interest solely from rentals received
 15 from a board of education pursuant to a lease.

16 ➔Section 32. KRS 160.160 is amended to read as follows:

- 17 (1) Each school district shall be under the management and control of a board of
 18 education consisting of five (5) members, except districts~~in counties~~ containing a
 19 city of the first class,~~wherein a merger pursuant to KRS 160.041 shall have been~~
 20 ~~accomplished~~ which shall have seven (7) members elected from the divisions and
 21 in the manner prescribed by KRS 160.210(5), to be known as the "Board of
 22 Education of, Kentucky." Each board of education shall be a body politic and
 23 corporate with perpetual succession. It may sue and be sued; make contracts;
 24 expend funds necessary for liability insurance premiums and for the defense of any
 25 civil action brought against an individual board member in his official or individual
 26 capacity, or both, on account of an act made in the scope and course of his
 27 performance of legal duties as a board member; purchase, receive, hold, and sell

1 property; issue its bonds to build and construct improvements; and do all things
2 necessary to accomplish the purposes for which it is created. Each board of
3 education shall elect a chairman and vice chairman from its membership in a
4 manner and for a term prescribed by the board not to exceed two (2) years.

5 (2) No board of education shall participate in any financing of school buildings, school
6 improvements, appurtenances thereto, or furnishing and equipment, including
7 education technology equipment without:

8 (a) First establishing the cost of the project in advance of financing, based on the
9 receipt of advertised, public, and competitive bids for such project, in
10 accordance with KRS Chapter 424; and

11 (b) Establishing the cost of financing in advance of the sale of any bonds,
12 certificates of participation in any leases, or other evidences of financial
13 commitments issued by or on behalf of such board. Any bonds, leases,
14 participations, or other financial arrangements shall not involve a final
15 commitment of the board until the purchaser or lender involved shall have
16 been determined by public advertising in accordance with KRS Chapter 424.

17 (3) No board of education shall make a mortgage, lien, or other encumbrance upon any
18 school building owned by the board, or transfer title to any such school building as
19 part of any financing arrangement, without the specific approval of the Department
20 of Education, and without the transaction being entered into pursuant to a detailed
21 plan or procedure specifically authorized by Kentucky statute.

22 (4) Without the approval of the Department of Education, no board may lease, as
23 lessee, a building or public facility that has been or is to be financed at the request
24 of the board or on its behalf through the issuance of bonds by another public body
25 or by a nonprofit corporation serving as an agency and instrumentality of the board,
26 or by a leasing corporation. Any lease, participation, or other financial arrangement
27 shall not involve a final commitment of the board unless and until the purchaser or

1 lender involved in same shall have been determined by public advertising in
2 accordance with KRS Chapter 424. No transaction shall be entered into by the
3 board except upon the basis of public advertising and competitive bidding in
4 accordance with KRS Chapter 424.

5 (5) Rental payments due by a board under a lease approved by the Department of
6 Education in accordance with subsection (4) of this section shall be due and payable
7 not less than ten (10) days prior to the interest due date for the bonds, notes, or other
8 debt obligations issued to finance the building or public facility. If a board fails to
9 make a rental payment when due under a lease, upon notification to the Department
10 of Education by the paying agent, bond registrar, or trustee for the bonds not less
11 than three (3) days prior to the interest due date, the Department of Education shall
12 withhold or intercept any funds then due the board to the extent of the amount of the
13 required payment on the bonds and remit the amount to the paying agent, bond
14 registrar, or trustee as appropriate. Thereafter, the Department of Education shall
15 resolve the matter with the board and adjust remittances to the board to the extent of
16 the amount paid by the Department of Education on the board's behalf.

17 (6) Bonds, notes or leases negotiated to provide education technology shall not be sold
18 for longer than seven (7) years or the useful life of the equipment as established by
19 the state technology master plan, whichever is less.

20 ➔Section 33. KRS 160.240 is amended to read as follows:

21 (1) The general election laws shall apply to all elections of school board members.

22 (2) In school districts embracing designated cities, the expense of the election shall be
23 paid by the city from its general funds. In all other districts the expense shall be paid
24 by the fiscal court out of its general funds.

25 (3) As used in this section, "designated city"~~[has the same meaning as in KRS~~
26 ~~160.020].~~

27 ➔Section 34. KRS 136.602 is amended to read as follows:

1 As used in KRS 136.600 to 136.660:

2 (1) "Cable service" means the provision of video, audio, or other programming service
3 to purchasers, and the purchaser interaction, if any, required for the selection or use
4 of the video or other programming service, regardless of whether the programming
5 is transmitted over facilities owned or operated by the provider or by one (1) or
6 more other communications service providers. Included in this definition are basic,
7 extended, and premium service, pay-per-view service, digital or other music
8 services, and other similar services;

9 (2) "Communications service" means the provision, transmission, conveyance, or
10 routing, for consideration, of voice, data, video, or any other information signals of
11 the purchaser's choosing to a point or between or among points specified by the
12 purchaser, by or through any electronic, radio, light, fiber-optic, or similar medium
13 or method now in existence or later devised.

14 (a) "Communications service" includes but is not limited to:

- 15 1. Local and long-distance telephone services;
- 16 2. Telegraph and teletypewriter services;
- 17 3. Prepaid calling services, and postpaid calling services;
- 18 4. Private communications services involving a direct channel specifically
19 dedicated to a customer's use between specific points;
- 20 5. Channel services involving a path of communications between two (2)
21 or more points;
- 22 6. Data transport services involving the movement of encoded information
23 between points by means of any electronic, radio, or other medium or
24 method;
- 25 7. Caller ID services, ring tones, voice mail and other electronic messaging
26 services;
- 27 8. Mobile telecommunications service as defined in 4 U.S.C. sec. 124(7);

1 and

2 9. Voice over Internet Protocol (VOIP);

3 (b) "Communications services" does not include information services or
4 multichannel video programming service;

5 (3) "Department" means the Department of Revenue;

6 (4) "End user" means the person who utilized the multichannel video programming
7 service. In the case of an entity, "end user" means the individual who used the
8 service on behalf of the entity;

9 (5) "Engaged in business" means:

10 (a) Having any employee, representative, agent, salesman, canvasser, or solicitor
11 operating in this state, under the authority of the provider, its subsidiary, or
12 related entity, for the purpose of selling, delivering, taking orders, or
13 performing any activities that help establish or maintain a marketplace for the
14 provider;

15 (b) Maintaining, occupying, or using permanently or temporarily, directly or
16 indirectly, or through a subsidiary or any other related entity, agent or
17 representative, by whatever name called, an office, place of distribution, sales
18 or sample room or place, warehouse or storage place, or other place of
19 business;

20 (c) Having real or tangible personal property in this state;

21 (d) Providing communications service by or through a customer's facilities
22 located in this state;

23 (e) Soliciting orders from residents of this state on a continuous, regular, or
24 systematic basis in which the solicitation of the order, placement of the order
25 by the customer or payment of the order utilizes the services of any financial
26 institution, communications system, radio or television station, cable service,
27 direct broadcast satellite or wireless cable service, print media, or other

- 1 facility or service located in this state; or
- 2 (f) Soliciting orders from residents of this state on a continuous regular,
3 systematic basis if the provider benefits from an agent or representative
4 operating in this state under the authority of the provider to repair or service
5 tangible personal property sold by the retailer;
- 6 (6) "Gross revenues" means all amounts received in money, credits, property, or other
7 money's worth in any form, by a provider for furnishing multichannel video
8 programming service or communications service in this state excluding amounts
9 received from:
- 10 (a) Charges for Internet access as defined in 47 U.S.C. sec. 151; and
- 11 (b) Any excise tax, sales tax, or similar tax, fee, or assessment levied by the
12 United States or any state or local political subdivision upon the purchase,
13 sale, use, or other consumption of communications services or multichannel
14 video programming services that is permitted or required to be added to the
15 sales price of the communications service or multichannel video programming
16 service. This exclusion does not include any amount that the provider has
17 retained as a reimbursement for collecting and remitting the tax to the
18 appropriate taxing jurisdiction in a timely manner;
- 19 (7) "In this state" means within the exterior limits of the Commonwealth of Kentucky
20 and includes all territory within these limits owned by or ceded to the United States
21 of America;
- 22 (8) "Multichannel video programming service" means programming provided by or
23 generally considered comparable to programming provided by a television
24 broadcast station and shall include but not be limited to:
- 25 (a) Cable service;
- 26 (b) Satellite broadcast and wireless cable service; and
- 27 (c) Internet protocol television provided through wireline facilities without regard

- 1 to delivery technology;
- 2 (9) "Person" means and includes any individual, firm, corporation, joint venture,
3 association, social club, fraternal organization, general partnership, limited
4 partnership, limited liability partnership, limited liability company, nonprofit entity,
5 estate, trust, business trust, receiver, trustee, syndicate, cooperative, assignee,
6 governmental unit or agency, or any other group or combination acting as a unit;
- 7 (10) "Place of primary use" means the street address where the end user's use of the
8 multichannel video programming service primarily occurs;
- 9 (11) "Political subdivision" means a city, county, urban-county government,
10 consolidated local government, or charter county government;
- 11 (12) "Provider" means any person receiving gross revenues for the provision of
12 multichannel video programming service or communications service in this state;
- 13 (13) "Purchaser" means the person paying for multichannel video programming service;
- 14 (14) "Resale" means the purchase of a multichannel video programming service by a
15 provider required to collect the tax levied by KRS 136.604 for sale, or incorporation
16 into a multichannel video programming service for sale, including but not limited
17 to:
- 18 (a) Charges paid by multichannel video programming service providers for
19 transmission of video or other programming by another provider over
20 facilities owned or operated by the other provider; and
- 21 (b) Charges for use of facilities for providing or receiving multichannel video
22 programming services;
- 23 (15) "Retail purchase" means any purchase of a multichannel video programming service
24 for any purpose other than resale;
- 25 (16) "Ring tones" means digitized sound files that are downloaded onto a device and that
26 may be used to alert the customer with respect to a communication;
- 27 (17) "Sale" means the furnishing of a multichannel video programming service for

1 consideration;

2 (18) (a) "Sales price" means the total amount billed by or on behalf of a provider for
3 the sale of multichannel video programming services in this state valued in
4 money, whether paid in money or otherwise, without any deduction on
5 account of the following:

- 6 1. Any charge attributable to the connection, movement, change, or
7 termination of a multichannel video programming service; or
- 8 2. Any charge for detail billing;

9 (b) "Sales price" does not include any of the following:

- 10 1. Charges for installation, reinstallation, or maintenance of wiring or
11 equipment on a customer's premises;
- 12 2. Charges for the sale or rental of tangible personal property;
- 13 3. Charges for billing and collection services provided to another
14 multichannel video programming service provider;
- 15 4. Bad check charges;
- 16 5. Late payment charges;
- 17 6. Any excise tax, sales tax, or similar tax, fee, or assessment levied by the
18 United States or any state or local political subdivision, upon the
19 purchase, sale, use, or consumption of any multichannel video
20 programming service, that is permitted or required to be added to the
21 sales price of the multichannel video programming service; or
- 22 7. Internet access as defined in 47 U.S.C. sec. 151;

23 (19) "Satellite broadcast and wireless cable service" means point-to-point or point-to-
24 multipoint distribution services that include but are not limited to direct broadcast
25 satellite service and multichannel multipoint distribution services, with
26 programming or voice transmitted or broadcast by satellite, microwave, or any other
27 equipment directly to the purchaser. Included in this definition are basic, extended,

1 and premium service, pay-per-view service, digital or other music services, two (2)
2 way service, and other similar services;

3 (20) "School district" means a school district as defined in KRS 160.010 and 160.020;
4 and

5 (21) "Special district" means a special district **established in subsection (3) of Section 1**
6 **of this Act** as defined in KRS 65.005(2)(a) that currently levies on any provider or
7 its customers the public service corporation property tax under KRS 136.120.

8 ➔Section 35. The following KRS sections are repealed:

9 160.010 County school district, what constitutes.

10 160.020 Composition of independent school districts.

11 160.040 Merger of districts.

12 160.041 Merger of independent district with county district.

13 160.200 Time of election of board members.

14 ➔Section 36. Sections 2 through 32 shall not go into effect until June 20, 2020.