

1 AN ACT relating to local government payment for purchases and standing orders,
2 and declaring an emergency.

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

4 ➔Section 1. KRS 65.140 is amended to read as follows:

- 5 (1) As used in this section, unless the context otherwise requires, "purchaser" means
6 any city, county, or urban-county government which receives goods or services
7 from a vendor.
- 8 (2) Unless the purchaser and vendor otherwise contract, all bills for goods or services
9 shall be paid within thirty (30) working days of receipt of a vendor's invoice ***by the***
10 ***party responsible for payment,*** except when payment is delayed because the
11 purchaser has made a written disapproval of improper performances or improper
12 invoicing by the vendor or by the vendor's subcontractor. ***Written disapproval shall***
13 ***be at least a notation of disapproval on the invoice with notice to the vendor by***
14 ***postal or electronic means of the reason and justification for the delay.***
- 15 (3) An interest penalty of one percent (1%) of any amount approved and unpaid shall be
16 added to the amount approved for each month or fraction thereof after the thirty (30)
17 working days which followed receipt of vendor's invoice by the purchaser.

18 ➔Section 2. KRS 68.275 is amended to read as follows:

- 19 (1) Claims against the county that are within the amount of line items of the county
20 budget and arise pursuant to contracts duly authorized by the fiscal court shall be
21 paid by the county judge/executive by a warrant drawn on the county and co-signed
22 by the county treasurer.
- 23 (2) The county judge/executive shall present all claims to the fiscal court for review
24 prior to payment, ~~and~~ The court, for good cause shown, may order that a claim not
25 be paid ***and recorded in the fiscal court minutes.***
- 26 (3) The fiscal court may adopt an order, called a standing order, to preapprove the
27 payment of recurrent monthly payroll and utility expenses. No other expenses shall

1 be preapproved pursuant to this subsection without the written consent of the state
2 local finance officer. Notwithstanding KRS 68.020(1), payment of preapproved
3 expenses may be made by means of electronic funds transfers from an authorized
4 account of the county without the cosignatures of the county judge/executive and
5 the county treasurer if approved by the fiscal court in a standing order, and if the
6 fiscal court has received the payee's prior written consent for the payment of funds
7 by electronic funds transfer due the payee. All standing orders adopted by the fiscal
8 court shall be renewed annually and submitted to the state local finance officer by
9 July 1 of each fiscal year with the submission of the county budget if the fiscal court
10 wishes to continue the standing order. Otherwise, after July 1, the standing order
11 shall expire, and no more payments designated in the standing order shall be
12 preapproved unless a new order is adopted by the fiscal court according to the
13 provisions of this subsection.

14 ➔Section 3. Whereas certain persons and companies have furnished in good faith
15 services, supplies, and materials to local governments, and payments must be made in a
16 timely manner, an emergency is declared to exist, and this Act takes effect upon its
17 passage and approval by the Governor or upon its otherwise becoming a law.