

1 AN ACT relating to fiscal matters and declaring an emergency.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) *As used in Sections 1 to 3 of this Act:*

6 (a) *"Fiscal note" means the Commonwealth of Kentucky state fiscal note*
7 *statement, which estimates the effect on expenditures and revenues of state*
8 *government in implementing or complying with any proposed act of the*
9 *General Assembly; and*

10 (b) *"Tax expenditure" means an exemption, exclusion, or deduction from the*
11 *base of a tax, a credit against the tax, a deferral of a tax, or a preferential*
12 *tax rate.*

13 (2) *A fiscal note shall be:*

14 (a) *Required for each bill or amendment filed by a member of the General*
15 *Assembly that contains a tax expenditure;*

16 (b) *Updated as a bill is amended throughout the legislative process;*

17 (c) *Filed with the clerk in the chamber of the General Assembly in which the*
18 *bill or amendment was introduced;*

19 (d) *Attached to each copy of the bill or amendment for distribution to the*
20 *members of the General Assembly; and*

21 (e) *Made available to the public on the Legislative Research Commission's Web*
22 *site as an attachment to the bill or amendment.*

23 (3) (a) *A bill or amendment shall not be voted on by either chamber of the General*
24 *Assembly until the fiscal note requirements in subsection (2) of this section*
25 *are met, except that, if in the chamber in which the bill or amendment is*
26 *being considered, a majority of the members elected vote to waive the fiscal*
27 *note requirement, no note shall be required. The fiscal note waiver shall be*

1 certified by the clerk of the chamber in which the bill or amendment is
2 being considered, and the clerk's certification shall be attached to the bill or
3 amendment. Although waived in one (1) chamber, a fiscal note shall be
4 required when the bill goes to the other chamber unless a majority of the
5 members elected to that chamber also vote to waive the fiscal note
6 requirement.

7 (b) A bill or amendment shall not be voted on in a committee unless a fiscal
8 note is prepared and attached to the copy of the bill or amendment for
9 distribution to the members of the committee, except that, if the chair of the
10 committee in which the bill or amendment is being considered waives the
11 fiscal note requirement, no note shall be required. The fiscal note waiver
12 shall be signed by the chair of the committee and attached to the bill or
13 amendment for distribution to the members of the committee prior to voting
14 on the bill or amendment. Although waived in the committee, a fiscal note
15 shall be required pursuant to subsection (2)(a) of this section when the bill
16 or amendment goes to the chamber unless a majority of the members
17 elected to that chamber vote to waive the fiscal note requirement.

18 (4) A fiscal note shall contain the following information:

19 (a) Identifying information for the bill or amendment, including its number,
20 title, and sponsor;

21 (c) A brief summary of the bill or amendment with a description of its purpose;

22 (d) 1. A statement of whether the bill or amendment creates a fiscal impact;

23 and

24 2. When a fiscal impact is created:

25 a. The names of the funds that are impacted;

26 b. An estimate of the expenditures and revenues that are impacted;

27 c. i. An explanation of the bill or amendment's fiscal impact; or

- 1 ii. The reason for the omission of the fiscal impact, if it
 2 cannot be estimated; and
- 3 d. For fiscal notes that include a tax expenditure, a statement at the
 4 top of the fiscal note in a bold font to notify the reader that the
 5 fiscal note includes a tax expenditure and the tax expenditure
 6 will impact future revenues;
- 7 (e) A reference to the sources used for the data and information included
 8 in the fiscal note;
- 9 (f) The identification of the analyst primarily responsible for drafting the
 10 fiscal note; and
- 11 (g) The date the fiscal note was finalized.

12 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO
 13 READ AS FOLLOWS:

14 **The Legislative Research Commission shall:**

- 15 (1) Create a standardized form and instructions to be used in preparing fiscal notes;
 16 (2) Compile and analyze the information necessary for preparing fiscal notes;
 17 (3) Prepare all fiscal notes; and
 18 (4) Upload all fiscal notes to its Web site as an attachment to the bills or
 19 amendments.

20 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO
 21 READ AS FOLLOWS:

22 **For the purpose of preventing a reduction in state revenue, any bill or amendment that**
 23 **creates tax expenditures shall repeal or reduce existing tax expenditures in an amount**
 24 **equal to or greater than the amount of state revenue that is estimated to be lost from**
 25 **the enactment of the new tax expenditures.**

26 ➔Section 4. KRS 11.068 is amended to read as follows:

- 27 (1) There is created an agency of state government known as the Office of State Budget

1 Director. The office shall be attached for administrative purposes to the Office of
2 the Governor.

3 (2) The office shall include the following major organizational units:

4 (a) The Office of State Budget Director, headed by the state budget director. The
5 state budget director shall be appointed by the Governor pursuant to KRS
6 11.040 and shall serve, under direction of the Governor, as state budget
7 director and secretary of the state planning committee. The office shall
8 include~~such~~ principal assistants and supporting personnel appointed
9 pursuant to KRS Chapter 12 as may be necessary to carry out the functions of
10 the office. The office shall have the~~such~~ duties, rights, and responsibilities
11 as are necessary to perform, without being limited to, the following functions:

12 1. Functions relative to the preparation, administration, and evaluation of
13 the executive budget as provided in KRS Chapters 45 and 48 and in
14 other laws, including but not limited to, capital construction budgeting,
15 evaluation of state programs, program monitoring, financial and policy
16 analysis and issue review, and executive policy implementation and
17 compliance;

18 2. a. Functions relative to the preparation of the biennial tax
19 expenditure analysis report.

20 b. By November 30 of each odd-numbered year, the Office of State
21 Budget Director shall provide a biennial tax expenditure analysis
22 report to each branch of government that includes detailed
23 estimates for the general fund and road fund for the current and
24 next two (2) fiscal years of the revenue loss resulting from tax
25 expenditures. The estimates shall include for each tax
26 expenditure:

27 i. The amount of revenue loss;

- 1 ii. A description of the data used to determine the amount of
 2 revenue loss, including the source of the data, the year the
 3 data was compiled, and a description of any modification
 4 performed on the data to estimate the revenue loss;
 5 iii. A citation of the legal authority for the tax expenditure;
 6 iv. The year in which it was enacted; and
 7 v. The tax year in which it became effective.
- 8 c. The first page following the table of contents of the biennial tax
 9 expenditure analysis report shall include a detailed listing of the
 10 ten (10) tax expenditures that have the largest fiscal impact to
 11 the general fund and the road fund and all of the tax
 12 expenditures enacted or amended in the preceding three (3)
 13 years. The detailed listing shall include for each tax expenditure:
 14 i. A description of the tax expenditure;
 15 ii. A citation of the legal authority for the tax expenditure;
 16 and
 17 iii. An estimate of the fiscal impact created by the tax
 18 expenditure.
- 19 d. The Department of Revenue shall provide assistance and furnish
 20 data to the Office of the State Budget Director for purposes of
 21 preparing the biennial tax expenditure analysis report.
- 22 e. As used in this subparagraph "tax expenditure" has the same
 23 meaning as in Section 1 of this Act;

24 3. Continuous evaluation of statewide management and administrative
 25 procedures and practices, including but not limited to economic
 26 forecasting, technical assistance to state agencies, forms control, and
 27 special analytic studies as directed by the Governor; and

- 1 ~~4.13-~~ Staff planning functions of the state planning committee and evaluation
2 of statewide management and administrative practices and procedures.
- 3 (b) Governor's Office for Policy and Management, headed by the state budget
4 director. The state budget director shall maintain staff employed pursuant to
5 KRS Chapter 18A sufficient to carry out the functions of the office relating to
6 state budgeting as provided in paragraph (a) of this subsection and state
7 planning as provided in KRS Chapter 147, review of administrative
8 regulations proposed by executive agencies prior to filing pursuant to KRS
9 Chapter 13A and ~~such~~ other duties as may be assigned by the Governor.
- 10 (c) Governor's Office for Policy Research, headed by the state budget director.
11 The Governor's Office for Policy Research shall assist the state budget
12 director in providing policy research data, information, and analysis to the
13 Governor on public policy issues that impact the Commonwealth. The state
14 budget director shall identify and direct the research to be completed and
15 provided by the office. The state budget director shall maintain staff employed
16 in accordance with KRS Chapter 18A sufficient to carry out the functions of
17 the office.
- 18 (d) Governor's Office for Economic Analysis, headed by the state budget director.
19 The state budget director shall maintain staff employed in accordance with
20 KRS Chapter 18A sufficient to carry out the functions of the office. The
21 Governor's Office for Economic Analysis shall carry out the revenue
22 estimating and economic analysis functions and responsibilities, including but
23 not limited to the functions and responsibilities assigned to the Office of State
24 Budget Director by KRS Chapter 48. The Governor's Office for Economic
25 Analysis shall perform the tax administrative function of using tax data to
26 provide the Department of Revenue with studies, projections, statistical
27 analyses, and any other information that will assist the Department of

1 Revenue in performing its tax administrative functions.

2 ➔Section 5. KRS 48.010 is amended to read as follows:

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

- 4 (1) "Account" is a technical accounting term meaning a formal record in which related
5 transactions and events, (i.e., expenditures, receipts, encumbrances, and inter-
6 account charges or credits) which occur during a specific period of time, are
7 summarized and accumulated;
- 8 (2) "Activities" means those actions or services performed by a budget unit which
9 depict in a quantitative manner the fulfillment of lawful purposes;
- 10 (3) Appropriation-related terms are defined for procedures prescribed by this chapter as
11 follows:
- 12 (a) "Appropriation" means an authorization by the General Assembly to expend a
13 sum of money not in excess of the sum specified, for the purposes specified in
14 the authorization and under the procedure prescribed in this chapter;
- 15 (b) "Appropriation provision" means a section of any enactment by the General
16 Assembly which is not provided for by this chapter and which authorizes the
17 expenditure of funds other than by a general appropriation bill; and
- 18 (c) "General appropriation bill" means an enactment by the General Assembly
19 that authorizes the expenditure of funds in a branch budget bill as provided for
20 by this chapter;
- 21 (4) "Biennial highway construction plan" means the specifically identified individual
22 transportation projects or portions thereof identified for funding during the
23 upcoming biennium, which correspond to the first two (2) years of the six (6) year
24 road plan;
- 25 (5) "Budget" means the complete financial plan for each fiscal year contained in a
26 branch budget bill provided for by this chapter;
- 27 (6) "Branch budget bill" or "branch budget" means an enactment by the General

1 Assembly which provides appropriations and establishes fiscal policies and
2 conditions for the biennial financial plan for the judicial branch, the legislative
3 branch, and the executive branch, which shall include a separate budget bill for the
4 Transportation Cabinet;

5 (7) "Branch budget recommendation" means the recommendations made to the General
6 Assembly by:

7 (a) The Governor for the executive branch, including a separate recommendation
8 for the Transportation Cabinet;

9 (b) The Chief Justice for the judicial branch; and

10 (c) The Legislative Research Commission for the legislative branch;

11 (8) "Budget unit request" means a detailed statement of the financial requirements of a
12 budget unit by principal budget class, and an estimate of its receipts and
13 expenditures for the next two (2) fiscal years, with the accompanying explanations
14 provided for by this chapter;

15 (9) "Budget unit" or "appropriation unit" means any subdivision of any branch of
16 government, however designated in any branch budget bill;

17 (10) "Capital outlay" means the exchange of values involved in acquiring lands,
18 buildings, equipment, or other permanent properties, or in their construction,
19 development, or permanent improvement;

20 (11) "Consensus forecasting group" means the group established by KRS 48.115 that is
21 responsible for developing consensus revenue forecasts for the Commonwealth;

22 (12) "Disbursement" means cash actually paid out for any purpose;

23 (13) "Enacted estimates" means the revenue estimates used by the General Assembly as
24 the basis for appropriations made in the enacted branch budget bills;

25 (14) "Expenditure" means cash actually paid out or an exchange of value for any
26 purpose;

27 (15) "Fund" means an independent fiscal and accounting entity with a self-balancing set

1 of accounts recording cash or other resources or both together with all related
2 liabilities, obligations, reserves, and equities which are segregated for the purpose
3 of carrying on specific activities in accordance with legal restrictions or other
4 limitations, to include:

- 5 (a) "General Fund." This fund shall consist of all moneys, not otherwise
6 restricted, available for the general operations of state government;
- 7 (b) "Bond Debt Related Fund." This fund shall consist of all outstanding bonded
8 debt liability and related funds of state government, including all revenue
9 bonds issued by or approved by the State Property and Buildings Commission.
10 Accounts necessary to assure integrity of trust indentures shall be maintained.
11 Funds appropriated for debt service shall be allotted to these accounts and any
12 excess of appropriation over net requirements for principal, interest, and
13 reserves for any issue shall lapse to the surplus account of the general fund if
14 general funds are a part of the appropriation for that budget unit;
- 15 (c) "Capital Construction Fund." This fund shall consist of moneys appropriated
16 under the provision of KRS 45.750 to 45.800 for capital construction projects,
17 except road construction projects, for all budget units of state government;
- 18 (d) "Federal Fund." This fund shall include all receipts from the federal
19 government for any purpose;
- 20 (e) "Fiduciary Fund." This fund shall consist of moneys held by a budget unit in a
21 trustee capacity;
- 22 (f) "Restricted Fund." This fund shall consist of budget unit receipts restricted as
23 to purpose by statute; and
- 24 (g) "Road Fund." This fund shall consist of money derived from excise or license
25 taxation relating to gasoline and other motor fuels, and moneys derived from
26 fees, excise or license taxation relating to registration, operation, or use of
27 vehicles for use on public highways. A separate record of each source of

1 receipt within this fund group shall be maintained;

2 (16) "Principal budget class" includes the following:

3 (a) "Capital outlay" means the exchange of values involved in acquiring lands,
4 buildings, or other permanent properties, or in their construction,
5 development, or permanent improvement estimated to cost less than six
6 hundred thousand dollars (\$600,000), and items of equipment or other capital
7 items estimated to cost less than two hundred thousand dollars (\$200,000);

8 (b) "Debt service" means the amount of money required to pay the interest,
9 principal, and required contributions to accumulate moneys for future
10 retirement of lawfully incurred debt;

11 (c) "Grants, loans, or benefits" means expenditures for any grant, aid, loan, or
12 relief payment to individuals, organizations, or jurisdictions not otherwise
13 classified pursuant to this chapter;

14 (d) "Operating expenses" means expenditures directly attributable to the operation
15 of state government not otherwise classified pursuant to this chapter; and

16 (e) "Personnel costs" means the salaries, wages, benefits (including but not
17 limited to, employer share of FICA, retirement contributions, insurance,
18 unemployment insurance, workers' compensation), and increments of all
19 officers and employees, and payment to persons awarded personal service
20 contracts;

21 (17) "Receipts" includes the following:

22 (a) "Nonrevenue receipts" means values accruing that either decrease an asset or
23 create a liability;

24 (b) "Operating receipts" means cash received by a budget unit for services
25 rendered, or from the sale of materials, goods, or supplies created by the
26 budget unit or of items held for resale; and

27 (c) "Revenue receipts" means values accruing as a result of taxation or revenues,

1 or both, and without resultant increase in liabilities or decrease in assets,
 2 whether ~~the~~^{such} values are represented by cash actually received or by
 3 amounts due and payable, or partly by each;

4 (18) "Revenue shortfall" means either:

5 (a) An official revenue estimate for either the general fund or road fund that is
 6 less than the enacted estimates; or

7 (b) Actual receipts at the end of the fiscal year for either the general fund or road
 8 fund that are less than the enacted estimates, as determined by the Office of
 9 State Budget Director;

10 (19) "Surplus" means the undesignated fiscal year ending fund balance for the general
 11 fund or road fund, reduced by amounts designated to carry forward for
 12 appropriation in a subsequent fiscal year;

13 (20) "Six (6) year road plan" means the road plan developed under KRS 176.430;~~and~~

14 (21) **"Tax expenditure" has the same meaning as in Section 1 of this Act; and**

15 **(22)** "Writing" or "written" means letters, words, or numbers, or their equivalent, set
 16 down by handwriting, typewriting, printing, photostating, photographing, magnetic
 17 impulse, mechanical or electronic recording, or other form of data compilation.

18 ➔Section 6. KRS 48.110 is amended to read as follows:

19 Each branch budget recommendation shall contain a complete financial plan for the
 20 branch of government for each of the next two (2) fiscal years. Each branch budget
 21 recommendation shall include:

22 (1) A budget message signed by:

23 (a) The Governor for the executive branch;

24 (b) The Chief Justice for the judicial branch; and

25 (c) The co-chairmen of the Legislative Research Commission for the legislative
 26 branch;

27 (2) (a) Statements of income and receipts for the two (2) fiscal years last concluded,

- 1 and the estimated income and receipts, for each budget unit of the branch of
2 government for the current fiscal year and each of the next two (2) fiscal years.
- 3 (b) The statements of income and estimated income shall be itemized by budget
4 unit and fund, and shall show separately receipts from:
- 5 1. Current income;
 - 6 2. Refunds and reimbursements of expenditures;
 - 7 3. The sale of assets; and
 - 8 4. Receipts on account of the income of prior years.
- 9 (c) Existing sources of income and receipts shall be analyzed as to their equity,
10 productivity and need for revision, and any proposed new sources of income
11 or receipts shall be explained;
- 12 (3) A statement of the surplus in any account and in any special fund of the branch of
13 government. If a surplus exists in any account of the branch of government the
14 statement shall show the excess of all current assets over all current liabilities as of
15 the beginning of each of the two (2) fiscal years last concluded, and all changes in
16 these accounts during each of ~~the~~^{such} two (2) fiscal years;
- 17 (4) A statement as of the close of the last completed fiscal year and as of the close of
18 the current fiscal year showing, for each budget unit the total funded debt, the value
19 of sinking fund assets, the net funded debt, the floating liabilities as of the end of
20 the current fiscal year, and the total debt as of the close of the last completed fiscal
21 year and as of the close of the current fiscal year;
- 22 (5) Summary and detailed comparative statements of expenditures itemized by budget
23 unit for each of the two (2) fiscal years last concluded and requests for
24 appropriations by funds or accounts, the budget of the current year, and the
25 recommendations for appropriations for each of the next two (2) fiscal years.
26 Following the lists of actual and proposed expenditures of each budget unit there
27 shall be a detailed explanation of the actual and proposed expenditures, to include

1 activities, beneficiaries and expected results of the programs or services of the
2 budget units;

3 (6) A draft of the proposed branch budget bill containing:

4 (a) Within the first few pages, a brief fiscal impact for each year of the
5 proposed branch budget bill that states:

6 1. The total estimated revenues without considering any enacted tax
7 expenditures or any proposed changes from the branch budget
8 recommendation;

9 2. An estimate of the total additional revenues created from the branch
10 budget recommendation;

11 3. The total estimated cost of all enacted tax expenditures;

12 4. An estimate of the total revenue loss from all of the newly proposed or
13 amended tax expenditures in the branch budget recommendation; and

14 5. An estimate of the net revenues anticipated to be deposited into the
15 general fund, road fund, or any other funds from the branch budget
16 recommendation;

17 (b) Recommendations of the branch of government for appropriations for the next
18 two (2) fiscal years, and drafts of ~~such~~ revenue and other acts as may be
19 recommended for implementing the proposed financial plan. When the
20 recommendations include proposed tax expenditures, the proposed tax
21 expenditures shall be offset by the repeal or reduction of existing tax
22 expenditures in an amount equal to or greater than the amount of state
23 revenue that is estimated to be lost from the enactment of the proposed tax
24 expenditures;

25 (c) ~~(b)~~ Recommended appropriations for extraordinary expenses and capital
26 outlays, which shall be itemized in the proposed branch budget bill for the
27 branch by budget unit. The title of each budget unit shall be worded to limit

1 each appropriation to the specific use or purpose intended;

2 ~~(d)~~~~(e)~~ A plan for the reduction of the branch budget if there is a revenue
3 shortfall of five percent (5%) or less in the general fund or road fund. In
4 recommending budget reductions, the Governor, the Chief Justice, and the
5 Legislative Research Commission shall not recommend universal percentage
6 reductions, but shall weigh the needs of all budget units and shall strive to
7 protect the highest possible level of service in their respective branches.
8 Services which are not essential to constitutional functions shall be subject to
9 reduction. Transfer of funds may be authorized by the budget reduction plan;

10 ~~(e)~~~~(d)~~ 1. A plan for the expenditure of a general fund or road fund surplus
11 of up to two and one-half percent (2.5%).

12 2. The plan shall include provisions for the expenditure of a surplus, and
13 may provide for additional moneys for nonrecurring expenditures for
14 which an appropriation was not made in a branch budget bill, or for a
15 program or service authorized by law for which an appropriation was not
16 made, or which was not fully funded.

17 3. In lieu of recommending the appropriation of funds, the plan may
18 instead recommend the retention of surplus funds in the surplus account
19 of the general fund or road fund for investment until appropriated by the
20 General Assembly;

21 ~~(f)~~~~(e)~~ 1. A recommended state capital projects program and a
22 recommended program for the purchase of major items of equipment.

23 2. The recommended capital construction program shall include:

24 a. A complete list and summary description of each specific capital
25 construction project recommended for funding during the
26 biennium; and

27 b. For each project:

- i. The agency and purpose for which it will be used;
 - ii. The justification for the project;
 - iii. Its estimated completion date;
 - iv. The total estimated cost of completing the project;
 - v. The estimated cost of the project during the biennium;
 - vi. The recommended sources of funds for the entire project;
and
 - vii. The dollar amounts recommended for appropriation and the dollar amounts, listed by source, that are anticipated from every other source of funds for the biennium.
3. All information required by subparagraph 2. of this paragraph shall be included in each branch budget recommendation. Each branch budget bill shall contain only a complete list of the specific capital construction projects recommended for funding during the biennium and, for each project, the information specified in subparagraph 2.b.v., vi., and vii. of this paragraph.
4. A report which details the effect of recommended new debt on the debt position of the Commonwealth shall be submitted at the same time the recommended capital program is submitted. Information shall be presented separately, and in total, for the general fund, road fund, and any affected restricted fund account.
5. Information in the report shall include but not be limited to the following:
 - a. Debt service on existing appropriation-supported debt, as a percentage of anticipated total revenues;
 - b. Debt service on existing appropriation-supported debt, as a percentage of anticipated available revenues;

- 1 c. The sum of debt service on existing appropriation-supported debt
2 and debt service on recommended new appropriation-supported
3 debt, as a percentage of anticipated total revenues;
- 4 d. The sum of debt service on existing appropriation-supported debt
5 and debt service on recommended new appropriation-supported
6 debt, as a percentage of anticipated available revenues;
- 7 e. The sum of debt service on existing appropriation-supported debt
8 and debt service on recommended new appropriation-supported
9 debt, as a percentage of estimated state total personal income; and
- 10 f. The sum of existing appropriation-supported debt and
11 recommended new appropriation-supported debt, as a percentage
12 of estimated state total personal income.
- 13 6. The recommended program for the purchase of major items of
14 equipment submitted by the head of each branch of government shall
15 include:
- 16 a. A complete list and summary description of each specific major
17 item of equipment recommended for purchase during the
18 biennium; and
- 19 b. For each major item of equipment:
- 20 i. The agency and purpose for which it will be used;
- 21 ii. The justification for the purchase;
- 22 iii. The estimated cost of the item, including ancillary expenses
23 and any expenses necessary to make the equipment
24 functional and operational;
- 25 iv. The recommended sources of funds; and
- 26 v. The dollar amounts recommended for appropriation and
27 anticipated from every other source of funds for the

1 purchase.

2 7. All information required by subparagraph 5. of this paragraph shall be
3 included in the executive branch budget recommendation. The branch
4 budget bill for the executive branch shall contain only a complete list of
5 each specific item of major equipment recommended for purchase
6 during the biennium and, for each item, the information specified in
7 subparagraph 6.b.iii., iv., and v. of this paragraph;

8 ~~(g)~~~~(f)~~ The branch budget recommendation for the Transportation Cabinet shall
9 include the following information:

10 1. A separate branch budget bill that includes, within the first few pages, a
11 brief fiscal impact for each year of the proposed branch budget bill
12 that states:

13 a. The total estimated revenues without considering any enacted
14 tax expenditures or any proposed changes from the branch
15 budget recommendation;

16 b. An estimate of the total additional revenues created from the
17 branch budget recommendation;

18 c. The total estimated cost of all enacted tax expenditures;

19 d. An estimate of the total revenue loss from all of the newly
20 proposed or amended tax expenditures in the branch budget
21 recommendation; and

22 e. An estimate of the net revenues anticipated to be deposited into
23 the general fund, road fund, or any other funds from the branch
24 budget recommendation;

25 2. A recommended biennial highway construction plan, which shall be
26 presented as a separate bill, and which shall include a list of individual
27 transportation projects included in the last four (4) years of the six (6)

1 year road plan, not to exceed ten percent (10%) of the recommended
2 biennial highway construction appropriation, which can be advanced if:

- 3 a. Additional funds are received; and
4 b. All projects included in the biennial highway construction plan
5 have been advanced or completed to the extent possible; and

6 3. The six (6) year road plan. The Governor shall have ten (10) working
7 days after submission of the branch budget recommendation and the
8 recommended biennial highway construction plan to submit the six (6)
9 year road plan. The six (6) year road plan shall be submitted in a form
10 and format cooperatively developed by the Transportation Cabinet and
11 the General Assembly and approved by the Legislative Research
12 Commission; and

13 ~~(h)~~~~(g)~~ 1. In the executive branch budget recommendation, as a separate
14 section, an amount sufficient to meet unexpected contingencies or
15 emergencies, including but not limited to natural or man-made disasters,
16 civil disorders, court orders requiring or resulting in the expenditure of
17 state funds, or other related causes.

18 2. The amount shall be based on the nature, type, and frequency of named
19 categories of events which may, from past experience, be reasonably
20 anticipated.

21 3. This portion of the budget recommendation shall detail similar incidents
22 and the nature and amount of the expenditures for each during the ten
23 (10) years immediately preceding.

24 The total amount of appropriations recommended from any fund shall not exceed
25 the cash resources estimated to be available and to become available to meet
26 expenditures under the appropriations;

27 ~~(8)~~~~(7)~~ A certificate of the branch of government as to the accuracy of the statements

1 of financial condition, of income and receipts, and of expenditures; and
 2 ~~(9)~~~~(8)~~ ~~[Such]~~ Other information as is deemed desirable, or is required by law or
 3 regulation.

4 ➔Section 7. KRS 6.950 is amended to read as follows:

5 As used in KRS 6.955 to 6.975, unless the context otherwise requires:

- 6 (1) "**Local government mandate statement**~~[Fiscal note]~~" means a realistic statement of
 7 the estimated effect on expenditures or revenue of local government in
 8 implementing or complying with any proposed act of the General Assembly
 9 whether filed in regular session or prefiled during the interim, order, or
 10 administrative law;~~[-]~~
- 11 (2) "Local government" means cities, counties, or urban-county governments; ~~and~~~~[-]~~
- 12 (3) "State mandate" means any state constitutional, legislative, or executive law or
 13 order which requires any local government to establish, expand, or modify its
 14 activities, programs, or structure in~~[such]~~ a way **that affects**~~[as to affect]~~
 15 expenditures from local revenues.

16 ➔Section 8. KRS 6.955 is amended to read as follows:

- 17 (1) No bill or resolution which relates to any aspect of local government or any service
 18 provided thereby shall be voted on by either chamber of the General Assembly
 19 unless a **local government mandate statement**~~[fiscal note]~~ has been prepared and
 20 attached to the bill pursuant to KRS 6.960, except that, if in the chamber in which
 21 the bill is being considered, two-thirds (2/3) of the members elected vote to waive
 22 the **local government mandate statement**~~[fiscal note]~~ requirement, no
 23 **statement**~~[note]~~ shall be required. The **local government mandate statement**~~[fiscal~~
 24 ~~note]~~ waiver shall be certified by the clerk of the chamber in which the bill is being
 25 considered, and **the**~~[such]~~ certification shall be attached to the bill. Although
 26 waived in one **(1)** chamber, a **local government mandate statement**~~[fiscal note]~~
 27 shall be required when the bill goes to the other chamber unless a majority of the

1 members elected to ~~that~~^[such] chamber vote to waive the local government
2 mandate statement~~[fiscal note]~~ requirement.

3 (2) An executive order which relates to any aspect of local government or any service
4 provided thereby shall not be issued unless a local government mandate
5 statement~~[fiscal note]~~ has been prepared and made a part of the order pursuant to
6 KRS 6.960.

7 ➔Section 9. KRS 6.960 is amended to read as follows:

8 (1) The director of the Legislative Research Commission shall have the local
9 government mandate statement~~[fiscal note]~~ prepared by the Legislative Research
10 Commission or by other departments or agencies of state government for any bill
11 introduced before the General Assembly which relates to any aspect of local
12 government or any service provided thereby. Departments or agencies of state
13 government so requested by the director shall comply with the request within seven
14 (7) working days of receipt. The local government mandate statement~~[fiscal note]~~
15 shall be filed with the clerk in the chamber of the General Assembly in which the
16 bill was introduced and attached to each copy of the bill.

17 (2) The secretary of finance shall have the local government mandate statement~~[fiscal~~
18 ~~note]~~ prepared by the Finance and Administration Cabinet or by other departments
19 or agencies of state government for any order promulgated by an executive
20 department or agency which relates to any aspect of local government or any service
21 provided thereby. The director of the Legislative Research Commission shall
22 determine the form of the statements~~[such notes]~~. The secretary may request the
23 advice or assistance of the Legislative Research Commission in the preparation of
24 the local government mandate statement~~[fiscal note]~~. The local government
25 mandate statement~~[fiscal note]~~ shall be attached to each copy of the order.

26 ➔Section 10. KRS 6.965 is amended to read as follows:

27 (1) A local government mandate statement~~[fiscal note]~~ shall state whether the bill or

1 order is determined to be a state mandate. ~~This~~^{Such} determination shall be made
 2 by the director of the Legislative Research Commission except as provided by
 3 subsection (2) of this section. If the bill or order is a state mandate, the **local**
 4 **government mandate statement**~~[note]~~ shall contain an estimate of the effect the law
 5 will have on expenditures or revenues of local government for the first full fiscal
 6 year the law is to be in effect.

7 (2) The director, at his **or her** discretion, may seek a certification from the Attorney
 8 General on the question of whether a bill or order constitutes a state mandate. The
 9 Attorney General shall, within seven (7) working days from receipt of the request,
 10 certify to the director that the bill or order is or is not a state mandate.

11 (3) If any bill or order is amended after the preparation of the **local government**
 12 **mandate statement**~~[fiscal note]~~, it shall be resubmitted to the person responsible for
 13 preparation of the **local government mandate statement**~~[note]~~ who shall reevaluate
 14 the bill or order as amended and change the **local government mandate**
 15 **statement**~~[fiscal note]~~ in accordance therewith.

16 (4) Copies of the **local government mandate statement**~~[fiscal note]~~ shall be furnished
 17 by the Legislative Research Commission to any local official upon written request.

18 ➔Section 11. KRS 6.970 is amended to read as follows:

19 The Legislative Research Commission shall be responsible for compiling, analyzing, and
 20 collecting fiscal and other information from local governments necessary for the
 21 preparation of **local government mandate statements**~~[fiscal notes]~~. An information
 22 system shall be developed and designed to provide sufficient continuing information on
 23 the financial condition of local government which can be readily utilized for the
 24 preparation of **local government mandate statements**~~[fiscal notes]~~. In the development of
 25 this information system, the Legislative Research Commission shall:

26 (1) Compile, analyze, and maintain in a unified, concise, and orderly form, information
 27 on the nature and impact of existing state mandates and state programs which

1 involve the distribution of funds to local government; and
2 (2) Continuously compile, analyze, and maintain fiscal and other relevant information
3 which is required by statute or regulation to be prepared by local governments.

4 ➔Section 12. KRS 13A.190 is amended to read as follows:

- 5 (1) An emergency administrative regulation is one that:
- 6 (a) Must be placed into effect immediately in order to:
- 7 1. Meet an imminent threat to public health, safety, or welfare;
- 8 2. Prevent a loss of federal or state funds;
- 9 3. Meet a deadline for the promulgation of an administrative regulation that
10 is established by state statute or federal law; or
- 11 4. Protect human health and the environment; and
- 12 (b) 1. Is temporary in nature and will expire as provided in this section; or
- 13 2. Is temporary in nature and will be replaced by an ordinary administrative
14 regulation as provided in this section.
- 15 (2) Emergency administrative regulations shall become effective and shall be
16 considered as adopted upon filing. Emergency administrative regulations shall be
17 published in the Administrative Register in accordance with the publication
18 deadline established in KRS 13A.050(3).
- 19 (3) (a) Except as provided by paragraph (b) of this subsection, emergency
20 administrative regulations shall expire two hundred seventy (270) days after
21 the date of filing or when the same matter filed as an ordinary administrative
22 regulation filed for review is adopted, whichever occurs first.
- 23 (b) If an administrative body extends the time for filing a statement of
24 consideration as provided by KRS 13A.280(2)(b), an emergency
25 administrative regulation shall remain in effect for two hundred seventy (270)
26 days after the date of filing plus the number of days extended under the
27 provisions of KRS 13A.280(2)(b) or when the same matter filed as an

1 ordinary administrative regulation filed for review is adopted, whichever
2 occurs first.

3 (4) Except as established in subsection (5) of this section, an emergency administrative
4 regulation with the same number or title or governing the same subject matter shall
5 not be filed for a period of nine (9) months after it has been initially filed. No other
6 emergency administrative regulation that is identical to the previously filed
7 emergency administrative regulation shall be promulgated.

8 (5) If an emergency administrative regulation with the same number or title or
9 governing the same subject matter as an emergency administrative regulation filed
10 within the previous nine (9) months is filed, it shall contain a detailed explanation
11 of the manner in which it differs from the previously filed emergency administrative
12 regulation. The detailed explanation shall be included in the statement of emergency
13 required by subsection (6) of this section.

14 (6) Each emergency administrative regulation shall contain a statement of:

- 15 (a) The nature of the emergency;
- 16 (b) The reasons why an ordinary administrative regulation is not sufficient;
- 17 (c) Whether or not the emergency administrative regulation will be replaced by an
18 ordinary administrative regulation;
- 19 (d) If the emergency administrative regulation will be replaced by an ordinary
20 administrative regulation, the following statement: "The ordinary
21 administrative regulation (is or is not) identical to this emergency
22 administrative regulation.";
- 23 (e) If the emergency administrative regulation will not be replaced by an ordinary
24 administrative regulation, the reasons therefor; and
- 25 (f) If applicable, the explanation required by subsection (5) of this section.

26 (7) (a) An administrative body shall attach the:

- 27 1. Statement of emergency required by subsection (6) of this section to the

1 front of the original and each copy of a proposed emergency
2 administrative regulation; and

3 2. Regulatory impact analysis, tiering statement, federal mandate
4 comparison, fiscal note on state or local government, summary of
5 material incorporated by reference if applicable, and other forms or
6 documents required by the provisions of this chapter to the back of the
7 emergency administrative regulation.

8 (b) An administrative body shall file with the regulations compiler:

9 1. The original and five (5) copies of the emergency administrative
10 regulation; and

11 2. At the same time as, or prior to, filing the paper version, an electronic
12 version of the emergency administrative regulation and the attachments
13 required by paragraph (a) of this subsection saved as a single document
14 for each emergency administrative regulation in an electronic format
15 approved by the regulations compiler.

16 (c) The original and four (4) copies of each emergency administrative regulation
17 shall be stapled in the top left corner. The fifth copy of each emergency
18 administrative regulation shall not be stapled. The original and the five (5)
19 copies of each emergency administrative regulation shall be grouped together.

20 (8) (a) If an emergency administrative regulation will not be replaced by an ordinary
21 administrative regulation, the administrative body shall schedule a public
22 hearing and public comment period pursuant to KRS 13A.270(1). The public
23 hearing and public comment period information required by KRS 13A.270(2)
24 shall be attached to the back of the emergency administrative regulation.

25 (b) If an emergency administrative regulation will be replaced by an ordinary
26 administrative regulation:

27 1. The ordinary administrative regulation shall be filed at the same time as

1 the emergency administrative regulation that will be replaced; and

2 2. A public hearing and public comment period shall not be required for
3 the emergency administrative regulation.

4 (9) The statement of emergency shall have a two (2) inch top margin. The number of
5 the emergency administrative regulation shall be typed directly below the heading
6 "Statement of Emergency." The number of the emergency administrative regulation
7 shall be the same number as the ordinary administrative regulation followed by an
8 "E."

9 (10) Each executive department emergency administrative regulation shall be signed by
10 the head of the administrative body and countersigned by the Governor prior to
11 filing with the Commission. These signatures shall be on the statement of
12 emergency attached to the front of the emergency administrative regulation.

13 (11) (a) If an ordinary administrative regulation that was filed to replace an emergency
14 administrative regulation is withdrawn, the emergency administrative
15 regulation shall expire on the date the ordinary administrative regulation is
16 withdrawn.

17 (b) If an ordinary administrative regulation that was filed to replace an emergency
18 administrative regulation is withdrawn, the administrative body shall inform
19 the regulations compiler of the reasons for withdrawal in writing.

20 (12) (a) If an emergency administrative regulation that was intended to be replaced by
21 an ordinary administrative regulation is withdrawn, the emergency
22 administrative regulation shall expire on the date it is withdrawn.

23 (b) If an emergency administrative regulation has been withdrawn, the ordinary
24 administrative regulation that was filed with it shall not expire unless the
25 administrative body informs the regulations compiler that the ordinary
26 administrative regulation is also withdrawn.

27 (c) If an emergency administrative regulation is withdrawn, the administrative

1 body shall inform the regulations compiler of the reasons for withdrawal in
2 writing.

3 (13) A subcommittee may review an emergency administrative regulation and may
4 recommend to the Governor that the administrative regulation be withdrawn.

5 ➔Section 13. KRS 13A.230 is amended to read as follows:

6 (1) The administrative body shall attach the following forms to the back of the original
7 and each copy of an administrative regulation:

8 (a) Regulatory impact analysis as required by KRS 13A.240;

9 (b) Tiering statement as required by KRS 13A.210;

10 (c) Fiscal note **on state or local government** as required by KRS 13A.250;

11 (d) Federal mandate comparison, if applicable, as required by KRS 13A.245; and

12 (e) The summaries provided for in KRS 13A.2245, 13A.2251, or 13A.2255, if
13 applicable.

14 (2) The forms required by subsection (1) of this section shall be obtained from the
15 regulations compiler.

16 (3) The electronic version of an administrative regulation and the attachments required
17 by subsection (1) of this section shall be sent by e-mail to the regulations compiler
18 in a single document at the same time as, or prior to, filing the paper version in
19 accordance with KRS 13A.190, 13A.220, or 13A.280 in an electronic format
20 approved by the regulations compiler.

21 ➔Section 14. KRS 13A.250 is amended to read as follows:

22 (1) An administrative body that promulgates an administrative regulation shall consider
23 the cost that the administrative regulation may cause state or local government to
24 incur. The cost analysis shall include the projected cost or cost savings to the
25 Commonwealth of Kentucky and each of its affected agencies, and the projected
26 cost or cost savings to affected local governments, including cities, counties, fire
27 departments, and school districts. Agencies affected by the administrative regulation

1 may submit comments in accordance with KRS 13A.270(1) to the promulgating
2 administrative body or to a subcommittee reviewing the administrative regulation.

3 (2) Each administrative body that promulgates an administrative regulation shall
4 prepare and submit with the administrative regulation a fiscal note **on state or local**
5 **government**. The fiscal note **on state or local government** shall state:

- 6 (a) The number of the administrative regulation;
- 7 (b) The name, e-mail address, and telephone number of the contact person of the
8 administrative body identified pursuant to KRS 13A.220(6)(d), and, if
9 applicable, the name, e-mail address, and telephone number of an alternate
10 person to be contacted with specific questions about the fiscal note **on state or**
11 **local government**;
- 12 (c) The unit, part, or division of state or local government the administrative
13 regulation will affect;
- 14 (d) In detail, the aspect or service of state or local government to which the
15 administrative regulation relates, including identification of the applicable
16 state or federal statute or regulation that mandates the aspect or service or
17 authorizes the action taken by the administrative regulation; and
- 18 (e) The estimated effect of the administrative regulation on the expenditures and
19 revenues of a state or local government agency for the first full year the
20 administrative regulation will be in effect. If specific dollar estimates cannot
21 be determined, the administrative body shall provide a brief narrative to
22 explain the fiscal impact of the administrative regulation.

23 (3) Any administrative body may request the advice and assistance of the Commission
24 in the preparation of the fiscal note **on state or local government**.

25 ➔Section 15. KRS 13A.280 is amended to read as follows:

26 (1) Following the last day of the comment period, the administrative body shall give
27 consideration to all comments received at the public hearing and all written

1 comments received during the comment period, including any report filed by the
2 Commission on Small Business Advocacy in accordance with KRS 11.202(1)(e)
3 and 13A.270(4), or by a local government in accordance with KRS 11.202(1)(e) and
4 13A.270(5).

5 (2) (a) Except as provided in paragraph (b) of this subsection, the administrative
6 body shall file with the commission on or before 12 noon, eastern time, on the
7 fifteenth day of the calendar month following the end of the public comment
8 period the statement of consideration relating to the administrative regulation
9 and, if applicable, the amended after comments version.

10 (b) If the administrative body has received a significant number of public
11 comments, it may extend the time for filing the statement of consideration
12 and, if applicable, the amended after comments version by notifying the
13 regulations compiler in writing on or before 12 noon, eastern time, on the
14 fifteenth day of the calendar month following the end of the public comment
15 period. The administrative body shall file the statement of consideration and,
16 if applicable, the amended after comments version, with the Commission on
17 or before 12 noon, eastern time, no later than the fifteenth day of the second
18 calendar month following the end of the public comment period.

19 (3) (a) If the administrative regulation is amended as a result of the hearing or written
20 comments received, the administrative body shall forward the items specified
21 in this paragraph to the regulations compiler by 12 noon, eastern time, on the
22 applicable deadline specified in subsection (2) of this section:

23 1. The original and five (5) copies of the administrative regulation
24 indicating any amendments in the original wording resulting from
25 comments received at the public hearing and during the comment
26 period;

27 2. The original and five (5) copies of the statement of consideration as

1 required by subsection (2) of this section, attached to the back of the
2 original and each copy of the administrative regulation; and

3 3. The regulatory impact analysis, tiering statement, federal mandate
4 comparison, or fiscal note on state or local government. These
5 documents shall reflect changes resulting from amendments made after
6 the public hearing.

7 (b) The original and four (4) copies of the amended after comments version, the
8 statement of consideration, and the attachments required by paragraph (a)3. of
9 this subsection shall be stapled in the top left corner. The fifth copy shall not
10 be stapled.

11 (c) At the same time as, or prior to, filing the paper version, the administrative
12 body shall file an electronic version of the amended after comments version,
13 the statement of consideration, and the required attachments saved as a single
14 document for each amended after comments administrative regulation in an
15 electronic format approved by the regulations compiler.

16 (4) (a) If the administrative regulation is not amended as a result of the public
17 hearing, or written comments received, the administrative body shall file the
18 original and five (5) copies of the statement of consideration with the
19 regulations compiler by 12 noon, eastern time, on the deadline established in
20 subsection (2) of this section. The original and four (4) copies of the statement
21 of consideration shall be stapled in the top left corner. The fifth copy of each
22 statement of consideration shall not be stapled.

23 (b) If the statement of consideration covers multiple administrative regulations, as
24 authorized by subsection (6)(g) of this section, the administrative body shall
25 file with the regulations compiler:

26 1. The original and five (5) copies of the statement of consideration as
27 required by paragraph (a) of this subsection; and

- 1 2. Two (2) additional unstapled copies of the statement of consideration for
2 each additional administrative regulation included in the group of
3 administrative regulations.
- 4 (c) At the same time as, or prior to, filing the paper version, the administrative
5 body shall file an electronic version of the statement of consideration saved as
6 a single document for each statement of consideration in an electronic format
7 approved by the regulations compiler.
- 8 (5) If comments are received either at the public hearing or during the public comment
9 period, the administrative regulation shall be deferred to the next regularly
10 scheduled meeting of the subcommittee following the month in which the statement
11 of consideration is due.
- 12 (6) The format for the statement of consideration shall be as follows:
- 13 (a) The statement shall be typewritten on white paper, size eight and one-half (8-
14 1/2) by eleven (11) inches. Copies of the statement may be mechanically
15 reproduced;
- 16 (b) The first page of the statement of consideration shall have a two (2) inch top
17 margin;
- 18 (c) The heading of the statement shall consist of the words "STATEMENT OF
19 CONSIDERATION RELATING TO" followed by the number of the
20 administrative regulation that was the subject of the public hearing and
21 comment period and the name of the promulgating administrative body. The
22 heading shall be centered. This shall be followed by the words "Not Amended
23 After Comments" or "Amended After Comments," whichever is applicable;
- 24 (d) If a hearing has been held or written comments received, the heading is to be
25 followed by:
- 26 1. A statement setting out the date, time and place of the hearing, if the
27 hearing was held;

- 1 2. A list of those persons who attended the hearing or who submitted
2 comments and the organization, agency, or other entity represented, if
3 applicable; and
- 4 3. The name and title of the representative of the promulgating
5 administrative body;
- 6 (e) Following the general information, the promulgating administrative body shall
7 summarize the comments received at the public hearing and during the
8 comment period and the response of the promulgating administrative body.
9 Each subject commented upon shall be summarized in a separate numbered
10 paragraph. Each numbered paragraph shall contain two (2) subsections:
- 11 1. Subsection (a) shall be labeled "Comment," shall identify the name of
12 the person, and the organization represented if applicable, who made the
13 comment, and shall contain a summary of the comment; and
- 14 2. Subsection (b) shall be labeled "Response" and shall contain the
15 response to the comment by the promulgating administrative body;
- 16 (f) Following the summary and comments, the promulgating administrative body
17 shall:
- 18 1. Summarize the statement and the action taken by the administrative
19 body as a result of comments received at the public hearing and during
20 the comment period; and
- 21 2. If amended after the comment period, list the changes made to the
22 administrative regulation in the format prescribed by KRS
23 13A.320(2)(c) and (d); and
- 24 (g) If administrative regulations were considered as a group at a public hearing,
25 one (1) statement of consideration may include the group of administrative
26 regulations. If a comment relates to one (1) or more of the administrative
27 regulations in the group, the summary of the comment and response shall

1 specify each administrative regulation to which it applies.

2 (7) If the administrative regulation is amended pursuant to subsection (3) of this
3 section, the full text of the administrative regulation shall be published in the
4 Administrative Register. The changes made to the administrative regulation shall be
5 typed in bold and made in the format prescribed by KRS 13A.222(2). The
6 administrative regulation shall be reviewed by the Administrative Regulation
7 Review Subcommittee after ~~the~~^{such} publication.

8 (8) If requested, copies of the statement of consideration and, if applicable, the
9 amended after comments version of the administrative regulation shall be made
10 available by the promulgating administrative body to persons attending the hearing
11 or submitting comments or who specifically request a copy from the administrative
12 body.

13 ➔Section 16. KRS 131.190 is amended to read as follows:

14 (1) No present or former commissioner or employee of the department, present or
15 former member of a county board of assessment appeals, present or former property
16 valuation administrator or employee, present or former secretary or employee of the
17 Finance and Administration Cabinet, former secretary or employee of the Revenue
18 Cabinet, or any other person, shall intentionally and without authorization inspect or
19 divulge any information acquired by him of the affairs of any person, or information
20 regarding the tax schedules, returns, or reports required to be filed with the
21 department or other proper officer, or any information produced by a hearing or
22 investigation, insofar as the information may have to do with the affairs of the
23 person's business.

24 (2) The prohibition established by subsection (1) of this section shall not extend to:

25 (a) Information required in prosecutions for making false reports or returns of
26 property for taxation, or any other infraction of the tax laws;

27 (b) Any matter properly entered upon any assessment record, or in any way made

- 1 a matter of public record;
- 2 (c) Furnishing any taxpayer or the taxpayer's~~[his]~~ properly authorized agent with
3 information respecting his or her own return;
- 4 (d) Testimony provided by the commissioner or any employee of the department
5 in any court, or the introduction as evidence of returns or reports filed with the
6 department, in an action for violation of state or federal tax laws or in any
7 action challenging state or federal tax laws;
- 8 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
9 energy resources assessed under KRS 132.820, or owners of surface land
10 under which the unmined minerals lie, factual information about the owner's
11 property derived from third-party returns filed for that owner's property, under
12 the provisions of KRS 132.820, that is used to determine the owner's
13 assessment. This information shall be provided to the owner on a confidential
14 basis, and the owner shall be subject to the penalties provided in KRS
15 131.990(2). The third-party filer shall be given prior notice of any disclosure
16 of information to the owner that was provided by the third-party filer;
- 17 (f) Providing to a third-party purchaser pursuant to an order entered in a
18 foreclosure action filed in a court of competent jurisdiction, factual
19 information related to the owner or lessee of coal, oil, gas reserves, or any
20 other mineral resources assessed under KRS 132.820. The department may
21 promulgate an administrative regulation establishing a fee schedule for the
22 provision of the information described in this paragraph. Any fee imposed
23 shall not exceed the greater of the actual cost of providing the information or
24 ten dollars (\$10);
- 25 (g) Providing information to a licensing agency, the Transportation Cabinet, or
26 the Kentucky Supreme Court under KRS 131.1817;
- 27 (h) Statistics of gasoline and special fuels gallonage reported to the department

1 under KRS 138.210 to 138.448;

2 (i) Providing any utility gross receipts license tax return information that is
3 necessary to administer the provisions of KRS 160.613 to 160.617 to
4 applicable school districts on a confidential basis;

5 (j) Providing documents, data, or other information to a third party pursuant to an
6 order issued by a court of competent jurisdiction;~~[-or]~~

7 (k) Providing information to the Legislative Research Commission under:

8 1. KRS 139.519 for purposes of the sales and use tax refund on building
9 materials used for disaster recovery;

10 2. KRS 141.436 for purposes of the energy efficiency products credits;

11 3. KRS 141.437 for purposes of the ENERGY STAR home and the
12 ENERGY STAR manufactured home credits;

13 4. KRS 148.544 for purposes of the film industry incentives;

14 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
15 tax credits and the job assessment fees;

16 6. KRS 141.068 for purposes of the Kentucky investment fund;

17 7. KRS 141.396 for purposes of the angel investor tax credit;

18 8. KRS 141.389 for purposes of the distilled spirits credit;

19 9. KRS 141.408 for purposes of the inventory credit; and

20 10. KRS 141.390 for purposes of the recycling and composting credit; or

21 (l) Providing data to the Office of State Budget Director for the purposes of
22 preparing the biennial tax expenditure analysis report as required by
23 Section 4 of this Act.

24 (3) The commissioner shall make available any information for official use only and on
25 a confidential basis to the proper officer, agency, board or commission of this state,
26 any Kentucky county, any Kentucky city, any other state, or the federal government,
27 under reciprocal agreements whereby the department shall receive similar or useful

1 information in return.

2 (4) Access to and inspection of information received from the Internal Revenue Service
3 is for department use only, and is restricted to tax administration purposes.
4 Information received from the Internal Revenue Service shall not be made available
5 to any other agency of state government, or any county, city, or other state, and shall
6 not be inspected intentionally and without authorization by any present secretary or
7 employee of the Finance and Administration Cabinet, commissioner or employee of
8 the department, or any other person.

9 (5) Statistics of crude oil as reported to the Department of Revenue under the crude oil
10 excise tax requirements of KRS Chapter 137 and statistics of natural gas production
11 as reported to the Department of Revenue under the natural resources severance tax
12 requirements of KRS Chapter 143A may be made public by the department by
13 release to the Energy and Environment Cabinet, Department for Natural Resources.

14 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
15 submissions for the 1989 tax year, the department may make public or divulge only
16 those portions of mine maps submitted by taxpayers to the department pursuant to
17 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
18 out parcel areas. These electronic maps shall not be relied upon to determine actual
19 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
20 required under KRS Chapters 350 and 352 shall not be construed to constitute land
21 surveying or boundary surveys as defined by KRS 322.010 and any administrative
22 regulations promulgated thereto.

23 ➔Section 17. KRS 176.430 is amended to read as follows:

24 (1) The Transportation Cabinet shall undertake a continuing study of the needs of the
25 highways under its jurisdiction for the purpose of bringing existing facilities to
26 acceptable standards or for the replacement of existing facilities when required.

27 (2) The Transportation Cabinet shall develop a recommended six (6) year road plan that

1 identifies the individual transportation projects or portions thereof that are
2 scheduled to be constructed in each county. The recommended six (6) year road
3 plan shall include a recommended biennial highway construction plan. The
4 recommended six (6) year road plan and recommended biennial highway
5 construction plan shall be submitted to the General Assembly as required by KRS
6 48.110(6)(~~f~~)(g). The six (6) year road plan shall include but shall not be limited to
7 the following information for each project:

- 8 (a) The county name;
- 9 (b) The Kentucky Transportation Cabinet project identification number;
- 10 (c) The route where the project is located;
- 11 (d) The length of the project;
- 12 (e) A description of the project and the scope of improvement;
- 13 (f) The type of local, state, or federal funds to be used on the project;
- 14 (g) The stage of development for the design, right-of-way, utility, and
15 construction phase;
- 16 (h) The fiscal year in which each phase of the project should commence;
- 17 (i) The estimated cost for each phase of the project; and
- 18 (j) The estimated cost to complete the project.

19 (3) The Transportation Cabinet shall identify projects in the six (6) year road plan that
20 may, in accordance with this section, be advanced from later years, to maximize the
21 use of all funds available to the cabinet, and to plan for the historical precedent of
22 projects being delayed due to unforeseen circumstances. As required by KRS
23 48.110, the Governor shall submit to the General Assembly, as part of the proposed
24 biennial highway construction plan, a list of projects from the last four (4) years of
25 the six (6) year road plan, not to exceed ten percent (10%) of the recommended
26 biennial highway construction appropriation, which can be advanced if additional
27 money is received and all projects included in the enacted biennial highway

1 construction plan have been advanced or completed to the extent possible.

2 (4) In developing the design, right-of-way, utility, and construction phase of each
3 project, the following factors shall be considered but are not exclusive:

4 (a) Alignment of existing roads;

5 (b) The width or elevation of existing roadways and shoulder surfaces;

6 (c) The width of rights-of-way;

7 (d) The cost of each phase of the project plus a separate identification of the
8 cabinet's administrative costs for each phase;

9 (e) The type and volume of traffic;

10 (f) The condition of structures and drainage;

11 (g) The accident rate;

12 (h) The geographic distribution of roadways to be constructed or reconstructed;
13 and

14 (i) The social, economic, and environmental impact of the proposed project.

15 (5) The Transportation Cabinet shall, on a monthly basis, transmit electronically to the
16 General Assembly through the Legislative Research Commission a report on all
17 activity relating to all projects with open activity conducted by the Transportation
18 Cabinet during the biennium. The data for each project shall contain all cabinet
19 activity on projects funded through the road fund, including resurfacing and rural
20 and secondary projects, and shall also include but not be limited to the following:

21 (a) District number and project item number, which shall remain in effect
22 throughout the entire life of the project, subject to the following conditions:

23 1. A project split into more than one (1) project during its life shall
24 maintain the same item number with a suffix;

25 2. Two (2) or more projects merged shall be identified by the new merged
26 project maintaining the project item number of one (1) of the projects
27 being merged. The total cost of the merged project shall be set forth; and

- 1 3. A project that has been merged with another project and all funds
2 authorized for the initial project that is subsequently shifted to the new
3 merged project shall remain in the six (6) year road plan and shall be
4 identified with a cross reference to the superseded project and
5 superseded project item number;
- 6 (b) The county name and county number;
- 7 (c) The route prefix, route number, and route suffix;
- 8 (d) Termini description including beginning milepoint and ending milepoint;
- 9 (e) Type of work;
- 10 (f) Length of the project in miles;
- 11 (g) Project authorization system number, date the project was authorized, the TD-
12 10 number authorizing the project, and the amount authorized;
- 13 (h) Year the project was enacted in a six (6) year road plan, and the notation "A"
14 if the project is active and the notation "I" if the project is inactive;
- 15 (i) The phase code "P" for the planning phase, "D" for the design phase, "R" for
16 the right-of-way phase, "U" for the utility phase, and "C" for the construction
17 phase;
- 18 (j) The original estimate, fund code, and fiscal year each phase is expected to
19 begin as enacted in the six (6) year road plan;
- 20 (k) The current estimate, fund code, and fiscal year each phase is expected to
21 begin;
- 22 (l) The status of funding for each phase;
- 23 (m) The date current information has been changed for each phase;
- 24 (n) The letting date for each phase;
- 25 (o) Total number of right-of-way parcels, deeds signed, suits filed, and right-of-
26 way entries completed;
- 27 (p) The date right-of-way plans are to be submitted to the central office in

- 1 Frankfort and the status of right-of-way plans;
- 2 (q) Total utility relocations to be completed and the actual number completed;
- 3 (r) The award date, the construction project code number, and the award amount
- 4 for the construction phase;
- 5 (s) The total number of contract change orders issued for each phase, the date of
- 6 the most recent change order, and the net change order amount for each phase;
- 7 (t) The name of the contractor, the contractor's vendor number in the Statewide
- 8 accounting system, current contract amount, and the current amount earned by
- 9 the contractor;
- 10 (u) The estimated date for completion of the project, current percentage of work
- 11 completed based upon time, and the actual contract completion date;
- 12 (v) The department's engineer's estimate for the project; and
- 13 (w) Total expenditures by phase.
- 14 (6) The department shall transmit on a monthly basis, electronic data to the General
- 15 Assembly through the Legislative Research Commission on the activity on all state
- 16 resurfacing projects and all rural secondary projects that shall include as much
- 17 applicable information as possible as identified in subsection (5) of this section.
- 18 (7) In implementing the enacted biennial highway construction plan, the Transportation
- 19 Cabinet may expend funds necessary to complete the projects authorized, amended
- 20 only by variations necessitated by bid or unforeseen circumstances.
- 21 (8) The department shall pursue digitizing all Kentucky roads on a geographic
- 22 information system as funds are made available by the General Assembly. The
- 23 digitized maps shall merge map layers and text layers to produce maps that display
- 24 geographic information and textual information detailing the six (6) year road plan
- 25 as enacted by the General Assembly.

26 ➔Section 18. Whereas it is important to the Commonwealth's fiscal budget to

27 prevent the level of state revenue from decreasing and to understand the fiscal impact of

- 1 new legislation that creates tax expenditures, an emergency is declared to exist, and this
- 2 Act takes effect upon its passage and approval by the Governor or upon its otherwise
- 3 becoming a law.