1		AN ACT relating to broadband and making an appropriation therefor.
2	Be it	t enacted by the General Assembly of the Commonwealth of Kentucky:
3		→SECTION 1. KRS 246.010 IS REPEALED AND REENACTED TO READ AS
4	FOL	LOWS:
5	<u>As u</u>	sed in this chapter, unless the context requires otherwise:
6	<u>(1)</u>	"Agriculture" means the business of raising or producing:
7		(a) Crops, the products of which are used for food, feed, fiber, energy, or
8		<u>pharmaceuticals;</u>
9		(b) Horticulture products;
10		(c) Tobacco;
11		(d) Aquaculture products;
12		(e) Livestock, poultry, and ratite birds and eggs;
13		(f) Milk and milk products;
14		(g) Eggs and egg products;
15		(h) Bees and bee products; and
16		(i) Timber;
17	<u>(2)</u>	"Aquaculture" means the science, art, and business of producing and raising
18		aquatic organisms under controlled or semicontrolled conditions;
19	<u>(</u> 3)	"Board" means the state Board of Agriculture;
20	<u>(4)</u>	"Broadband" or "broadband service" means any wireline or fixed terrestrial
21		technology having a capacity to transmit data from or to the Internet with
22		minimum speed standards adopted by the Federal Communications Commission
23		or the United States Department of Agriculture and any amendments to those
24		definitions. If the agencies use different speed definitions, the faster speed
25		definition shall apply to Sections 4 and 5 of this Act;
26	<u>(5)</u>	"Broadband deployment fund" means a trust and agency fund as defined in KRS
27		45.253(2) to assist with the construction, development, or improvement of

1	<u>broadband</u>	infrastructure, broadband services, or technologies that constitute a
2	<u>part of, or</u>	are related to, broadband infrastructure or broadband services, to
3	<u>provide fo</u>	r broadband service in underserved or unserved areas of the
4	<u>Commonw</u>	<u>ealth;</u>
5	(6) ''Broadban	ed deployment project area'' means a geographic area determined by
6	<u>census blo</u>	ck or shapefile geospatial data for which grant funding has been
7	authorized	under Sections 4 and 5 of this Act;
8	<u>(7)</u> "Census b	lock" means the smallest geographic unit used by the United States
9	<u>Census</u> Bu	reau that is reported on the Federal Communications Commission
10	<u>Form 477</u>	relating to fixed broadband deployment data;
11	(8) ''Commissi	ioner'' means the Commissioner of Agriculture;
12	(9) ''Departme	nt" means the Department of Agriculture;
13	(10) ''Horticulti	ure" means the business of raising fruits, nuts, vegetables, flowers,
14	<u>ornamenta</u>	l plants, shrubs, trees, herbs, and the starts or transplants needed to
15	produce the	<u>ese items;</u>
16	(11) ''Livestock	" means cattle, sheep, swine, goats, horses, llamas, buffaloes, or any
17	<u>other anim</u>	als of the bovine, ovine, porcine, caprine, or equine species, deer and
18	<u>elk, whose</u>	regulatory requirements are under KRS Chapters 150 and 246, that
19	<u>are private</u>	ly owned and raised in a confined area for breeding stock, food, fiber,
20	and other p	<u>products;</u>
21	(12) ''Poultry''	means chickens, ducks, turkeys, or other domestic fowl being raised or
22	<u>kept on an</u>	y premises in the Commonwealth for profit;
23	<u>(13) ''Shapefile</u>	" means a file format for storing, depicting, and analyzing geospatial
24	<u>data showi</u>	ng broadband coverage;
25	(14) "Structure	" means a building erected as a shelter for human beings, animals or
26	<u>agricultura</u>	l products, equipment, or supplies;
27	(15) ''Underser	ved area" means any project area where fixed, terrestrial broadband

1		<u>serv</u>	ice with a minimum twenty-five (25) megabits per second downstream and
2		<u>thre</u>	e (3) megabits per second upstream is not available; and
3	<u>(16)</u>	''Un	served area" means any project area where fixed, terrestrial broadband
4		<u>serv</u>	ice with a minimum ten (10) megabits per second downstream and one (1)
5		meg	abit per second upstream is not available.
6		⇒s	ection 2. KRS 246.030 is amended to read as follows:
7	The	depar	tment shall consist of:
8	(1)	The	Office of the Commissioner;
9	(2)	The	Office of Agricultural Marketing, which shall include the following:
10		(a)	The Promotion and Development Division;
11		(b)	The Shows and Fairs Division;
12		(c)	The Livestock Division;
13		(d)	The Plant Division;
14		(e)	The Education and Outreach Division; and
15		(f)	The Direct Farm Marketing Division;
16	(3)	The	Office for Consumer and Environmental Protection, which shall include the
17		follo	owing:
18		(a)	The Division of Regulation and Inspection;
19		(b)	The Division of Food Distribution; and
20		(c)	The Division of Environmental Services;
21	(4)	The	Office of State Veterinarian, which shall include the following:
22		(a)	The Division of Animal Health; and
23		(b)	The Division of Producer Services;
24	(5)	<u>The</u>	Office of Innovation;
25	<u>(6)</u>	The	Office of Administrative Services, which shall include the following:
26		(a)	The Division of Human Resources;
27		(b)	The Division of Administrative Services; and

(c) <u>(7)[(6)]</u>

1

2

3 (8)[(7)] The Office of Legal Services; and

The Division of Information Technology;

The Office of Communications:

4 (9)[(8)] The State Board of Agriculture.

5 \rightarrow SECTION 3. A NEW SECTION OF KRS CHAPTER 246 IS CREATED TO

- 6 READ AS FOLLOWS:
- 7 (1) The Office of Innovation shall be established within the Department of
 8 Agriculture. The Commissioner shall be the administrative head and chief
- 9 <u>executive officer for the Office of Innovation. The Commissioner shall hire staff.</u>
- 10 contract for services, expend funds, and operate the normal business activities of
- 11 the Office of Innovation without regard to KRS Chapter 18A. The staff for the
- 12 Office of Innovation shall be exempt from classified service pursuant to KRS
 13 Chapter 18A.
- 14 (2) The Commissioner shall appoint an executive director for the Office of
 15 Innovation.
- 16 (3) The department may establish the standards and provisions of any broadband
- 17 <u>expansion program established in the Office of Innovation and the fees for</u>
- 18 administration of those programs through the promulgation of administrative
- 19 regulations in accordance with the provisions of KRS Chapter 13A.
- 20 (4) The Office of Innovation shall be the sole executive branch agency responsible
- 21 for planning and coordinating broadband deployment in unserved and
- 22 *underserved areas of Kentucky. The office shall also be the sole executive branch*
- 23 agency to apply for, receive, administer, and expend federal funds for broadband
- 24 deployment. The office shall be the sole point of contact and liaison to federal
- 25 agencies and programs regarding broadband deployment. The office shall
- 26 consult and coordinate with state, local, and regional agencies, and with private
- 27 *entities, to develop and implement a statewide broadband plan in order to achieve*

1		cost-effective broadband access for underserved and unserved areas of Kentucky.
2	<u>(5)</u>	The Office of Innovation shall:
3		(a) Collect broadband availability data from Kentucky broadband providers and
4		other sources at or below the street or road segment level;
5		(b) Verify the data through on-site testing;
6		(c) Create and maintain a statewide interactive broadband availability map
7		available to the public and government sectors;
8		(d) Provide analysis on future broadband infrastructure;
9		(e) Review the accuracy of broadband data collected by the Federal
10		Communications Commission; and
11		(f) Ensure Kentucky's allotted share of federal funding.
12	<u>(6)</u>	The Office of Innovation shall administer the broadband deployment fund
13		established in Sections 4 and 5 of this Act.
14	<u>(7)</u>	The Office of Innovation shall have no authority or oversight of KentuckyWired
15		as defined in KRS 154.15-010.
16	<u>(8)</u>	Beginning December 1, 2021, the Office of Innovation shall submit a report to
17		the Legislative Research Commission, and every six (6) months thereafter,
18		summarizing its recent activities including but not limited to making
19		recommendations for broadband infrastructure development, particularly in
20		underserved and unserved areas, and reporting the grant applications and
21		distributions from the broadband deployment fund.
22		→SECTION 4. A NEW SECTION OF KRS CHAPTER 246 IS CREATED TO
23	REA	AD AS FOLLOWS:
24	<u>(1)</u>	The broadband deployment fund shall be established in the State Treasury and
25		shall be administered by the Office of Innovation. All moneys in the fund shall be
26		allocated and dedicated solely to providing grant funds to governmental agencies
27		and private sector entities to construct infrastructure for the deployment of

1		broadband service to households and businesses in underserved and unserved
2		areas of the Commonwealth.
3	<u>(2)</u>	Moneys in the broadband deployment fund are hereby appropriated and shall
4		only be used for the purposes stated in Section 5 of this Act.
5	<u>(3)</u>	Notwithstanding KRS 45.229, any moneys remaining in the broadband
6		deployment fund at the close of the fiscal year shall not lapse but shall be carried
7		forward into the succeeding fiscal year to be used for the purposes set forth in
8		this section and Section 5 of this Act.

- 9 (4) Interest earned on the moneys in the broadband deployment fund shall stay in the
 10 fund.
- 11 → Section 5. KRS 224A.1121 is repealed, reenacted as a new section of KRS
 12 Chapter 246, and amended to read as follows:
- 13 The purpose of the broadband deployment fund set forth in Section 4 of this (1)14 Act[KRS 224A.112] shall be to assist governmental agencies and private sector 15 entities to construct infrastructure for the deployment of broadband service to 16 underserved or unserved areas of the Commonwealth. The Office of 17 Innovation[authority] shall manage the fund and may accept and receive 18 appropriations from the General Assembly or other funds or gifts from both public 19 and private sources, including but not limited to local governments and federal 20 agencies.
- (2) The <u>office[authority]</u> shall establish a grant program that allocates funds from the
 broadband deployment fund in accordance with this section <u>and administrative</u>
 <u>regulations promulgated under this section</u>. Grant funds may be used by
 government or private sector entities for broadband deployment projects.
- (3) The grant program shall be developed to give highest funding priority to those
 projects which most effectively provide broadband service to the greatest number of
 underserved and unserved Kentucky citizens and at the lowest cost. Funding shall

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1		not	be used to duplicate broadband service to citizens, households, and businesses
2		in a	broadband deployment project area where fixed, terrestrial broadband service
3		mee	ts or exceeds twenty-five (25) megabits per second downstream and three (3)
4		meg	abits per second upstream.
5	(4)	The	<u>office</u> [authority] shall develop funding criteria and prioritization schedules for
6		broa	dband deployment projects in a technology-neutral manner in accordance with
7		this	section.
8	(5)	The	office[authority] shall establish guidelines and standards for applying for and
9		appr	oving grants from the broadband deployment fund. An eligible applicant shall
10		subr	nit an application to the <u>office</u> [authority]. An application for a grant shall
11		cont	ain any information the <u>office</u> [authority] requires, including but not limited to:
12		(a)	A geographic description of the broadband deployment project area, including
13			whether the area is partially served;
14		(b)	A description of the broadband deployment project, including facilities,
15			equipment, total cost, timeframe for completion, and network capabilities,
16			including minimum speed thresholds;
17		(c)	Documentation of the applicant's technical, financial, and managerial
18			resources and experience to build, operate, and manage broadband serving
19			citizens, households, and businesses in Kentucky;
20		(d)	Documentation of the economic and commercial feasibility of the proposed
21			broadband deployment project;
22		(e)	The number of citizens, households, or businesses that would have new access
23			to broadband as a result of the grant;
24		(f)	The amount of matching funds the eligible applicant will contribute and a
25			certification that no portion of the matching funds is derived from any state or
26			federal grant received for the purpose of funding broadband infrastructure
27			within the project area; and

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- 2 3

(g) A certification that none of the funds provided by the program for the project in the application will be used to extend or deploy facilities to any currently served citizens, households, or businesses.

4 (6) The <u>office[authority]</u> shall make the applications available to the public within five
5 (5) business days of the deadline for submission of applications, provided the
6 information contained within an application is not exempt from disclosure under the
7 provisions of the Open Records Act, KRS 61.870 to 61.884. The description of the
8 geographic scope of the broadband deployment project area shall not be exempt
9 under the Open Records Act, KRS 61.870 to 61.884, and shall be made available to
10 the public within five (5) days after submission of the application.

11 (7)As part of the grant application process, pursuant to subsection (3) of this section, 12 the *office*[authority] shall include an opportunity for a broadband service provider 13 to challenge the application. As part of the dispute process, the *office*[authority] 14 may consider any relevant geospatial data available from a broadband service 15 provider or grant applicant. Geospatial data may include but is not limited to 16 shapefiles detailing broadband coverage, the most current Federal Communications 17 Commission Form 477 fixed broadband deployment data reporting, or other 18 documentation of broadband deployment infrastructure in the project area to show 19 that a challenged project area is underserved or unserved. A challenging provider 20 may provide the *office*[authority] with proof, including but not limited to:

(a) The broadband deployment project area is currently served or is under
construction for provision of broadband service within twelve (12) months of
the challenge; or

(b) The applicant has received funds from another state or federally funded grant
 program designed to encourage broadband deployment in the area.

26 (8) Upon a determination that an application meets the funding criteria, but the
 27 proposed project area is found to be partially served, the *office*[authority] may

amend the application and grant partial funding based on the partial service
 provided in order to ensure that grant funds are used to only provide broadband
 service to citizens, households, or businesses deemed underserved or unserved.

4 (9) No funds shall be used to support any broadband deployment project involving the
5 upgrade of an existing facility or for non-capital expenses, non-broadband services,
6 marketing, or advertising. The broadband deployment project area shall be
7 described by census block including the specific addresses to be serviced or by
8 shapefile geospatial data.

9 (10) Grant applicants shall pay a minimum of fifty percent (50%) of the project cost
10 which shall not include any matching funds received from federal or state
11 government grants for broadband deployment in the project area.

12 (11) Moneys in this fund shall not be used by or transferred to the Kentucky13 Communications Network Authority.

14 (12) To carry out the purposes of this section, the *department*[authority] shall 15 promulgate administration regulations in accordance with KRS Chapter 13A. On or 16 before December 31, 2021 Within one hundred eighty (180) days of July 15, 2020], 17 the *department*[authority] shall promulgate regulations to implement the provisions 18 of this section and Section 4 of this Act[KRS 224A.011, 224A.110, and 224A.112] 19 and govern the submission, review, and approval of applications and the 20 administration of broadband deployment projects. The *department*[authority] shall 21 not promulgate any regulations that place obligations on the applicants that are 22 more restrictive than applicable federal or state law. Except as otherwise provided 23 in this section, all of the *department's*[authority's] records relating to the broadband 24 deployment fund shall be deemed confidential unless disclosure is required under 25 the provisions of the Open Records Act, KRS 61.870 to 61.884.

26 → Section 6. KRS 224A.011 is amended to read as follows:

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

- (1) "Administrative fee" means a fee assessed and collected by the authority from
 borrowers and applicants under assistance agreements, to be used for operational
 expenses of the authority;
- 4 (2) "Applicable interest rate" means the rate of interest which shall be used as part of
 5 the repayment criteria for an assistance agreement between a governmental agency
 6 and the authority, and shall be determined by the authority pertinent to the source of
 7 funds from which the assistance agreement is funded;
- 8 (3) ["Applicant" means a governmental agency or private sector entity that has
 9 submitted an application to the authority for a grant from the broadband deployment
 10 fund;
- (4) "Application" means an application submitted by an applicant for a grant from the
 broadband deployment fund;
- (5)]"Assistance agreement" means the agreement to be made and entered into by and
 between a governmental agency or a private entity and the authority, as authorized
 by this chapter, providing for a lease, loan, services, or grant to a governmental
 agency or a private entity or for the purchase of obligations issued by the
 governmental agency, and for the repayment thereof to the authority by the
 governmental agency or a private entity;
- 19 (4)[(6)] "Authority" means the Kentucky Infrastructure Authority, which is created by
 20 this chapter;
- 21 (5)[(7)] "Authority revenues" means the totality of all:
- 22 (a) Service charges;
- (b) Utility tax receipts, to the extent not otherwise committed and budgeted by the
 authority during any fiscal period of the authority;
- 25 (c) Any gifts, grants, or loans received, to the extent not otherwise required to be
 26 applied;
- 27 (d) Any and all appropriations made to the authority by the General Assembly of

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- the Commonwealth of Kentucky, to the extent not otherwise required to be
 applied;
- (e) All moneys received in repayment of and for interest on any loans made by the
 authority to a governmental agency, except as provided in KRS 224A.111,
 224A.1115, and 224A.112, or as principal of and interest on any obligations
 issued by a governmental agency and purchased by the authority, or as receipts
 under any assistance agreement;
- 8 (f) The proceeds of bonds or long-term debt obligations of governmental 9 agencies pledged to the payment of bond anticipation notes issued by the 10 authority on behalf of the said governmental agency to provide interim 11 construction financing; and
- 12 (g) Payments under agreements with any agencies of the state and federal13 government;
- 14 (6)[(8)] "Borrower or borrowing entity" means any agency of the state or its political
 15 subdivisions, any city, or any special district created under the laws of the state
 16 acting individually or jointly under interagency or interlocal cooperative agreements
 17 to enter into assistance agreements with the authority;
- 18 [(9) "Broadband" means any wireline or fixed terrestrial technology having a capacity to
 19 transmit data from or to the Internet with a minimum speed of twenty-five (25)
 20 megabits per second downstream and three (3) megabits per second upstream as
 21 defined by the Federal Communications Commission or the United States
 22 Department of Agriculture and any amendments to those definitions. If the agencies
 23 use different speed definitions, the faster speed definition shall apply to KRS
 24 224A.110, 224A.112, and 224A.1121;
- (10) "Broadband deployment fund" means a fund to assist with the construction,
 development, or improvement of broadband infrastructure, broadband services, or
 technologies that constitute a part of, or are related to, broadband infrastructure or

1	broa	dband services, to provide for broadband service in underserved or unserved
2	area	s of the Commonwealth;
3	(11) "Bre	adband deployment project" means a proposed deployment of broadband
4	serv	ice infrastructure set forth in an application for grant funding under KRS
5	2244	4.112;
6	(12) "Bre	adband deployment project area" means a geographic area determined by
7	cens	us block or shapefile geospatial data for which grant funding has been
8	auth	orized under this section and KRS 224A.110, 224A.112, and 224A.1121;
9	(13) "Cer	usus block" means the smallest geographic unit used by the United States
10	Cent	sus Bureau that is reported on the Federal Communications Commission (FCC)
11	Form	n 477 relating to fixed broadband deployment data;]
12	<u>(7)</u> [(14)]	"Community flood damage abatement project" means any structural or
13	nons	structural study, plan, design, construction, development, improvement, or other
14	activ	vity to provide for flood control;
15	<u>(8)</u> [(15)]	"Construction" means and includes but is not limited to:
16	(a)	Preliminary planning to determine the economic and engineering feasibility of
17		infrastructure projects, the engineering, architectural, legal, fiscal, and
18		economic investigations, and studies necessary thereto, and surveys, designs,
19		plans, working drawings, specifications, procedures, and other actions
20		necessary to the construction of infrastructure or solid waste projects;
21	(b)	The erection, building, acquisition, alteration, remodeling, improvement, or
22		extension of infrastructure or solid waste projects; and
23	(c)	The inspection and supervision of the construction of infrastructure or solid
24		waste projects and all costs incidental to the acquisition and financing of
		same. This term shall also relate to and mean any other physical devices or
25		
25 26		appurtenances in connection with, or reasonably attendant to, infrastructure or

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- (9){(16)} "Dams" means any artificial barrier, including appurtenant works, which does
 or can impound or divert water, and which either:
- 3 (a) Is or will be twenty-five (25) feet or more in height from the natural bed of the
 4 stream or watercourse at the downstream toe of the barrier, as determined by
 5 the Energy and Environment Cabinet; or
- 6 (b) Has or will have an impounding capacity at maximum water storage elevation
 7 of fifty (50) acre feet or more;
- 8 (10)[(17)] "Distribution facilities" means all or any part of any facilities, devices, and 9 systems used and useful in obtaining, pumping, storing, treating, and distributing 10 water for agricultural, industrial, commercial, recreational, public, and domestic 11 use;
- (11)[(18)] "Energy and Environment Cabinet" means the Kentucky Energy and
 Environment Cabinet, or its successor, said term being meant to relate specifically
 to the state agency which is designated as the water pollution agency for the
 Commonwealth of Kentucky, for purposes of the federal act;
- (12)[(19)] "Federal act" means the Federal Clean Water Act (33 U.S.C. secs. 1251 et
 seq.) as said federal act may be amended from time to time in the future, or any
 other enactment of the United States Congress providing funds that may assist in
 carrying out the purposes of the authority;
- (13)[(20)] "Federally assisted wastewater revolving fund" means that fund which will
 receive federal and state funds or the proceeds from the sale of revenue bonds of the
 authority for the purpose of providing loans to finance construction of publicly
 owned treatment works as defined in Section 212 of the federal act and for the
 implementation of a management program established under Section 319 of the
 federal act and for the development and implementation of a conservation and
 management plan under Section 320 of the federal act;
- 27 (14)[(21)] "Governmental agency" means any incorporated city or municipal corporation,

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1 or other agency, or unit of government within or a department or a cabinet of the 2 Commonwealth of Kentucky, now having or hereafter granted, the authority and power to finance, acquire, construct, or operate infrastructure or solid waste 3 4 projects. This definition shall specifically apply but not by way of limitation to 5 incorporated cities; counties, including any counties containing a metropolitan 6 sewer district; sanitation districts; water districts; water associations if these 7 associations are permitted to issue interest-bearing obligations which interest would 8 be excludable from gross income under Section 103 of the Internal Revenue Code 9 of 1986 as amended; sewer construction districts; metropolitan sewer districts; 10 sanitation taxing districts; a regional wastewater commission established under 11 KRS 65.8901 to 65.8923; and any other agencies, commissions, districts, or 12 authorities (either acting alone, or in combination with one another in accordance 13 with any regional or area compact, or intergovernmental cooperative agreements), 14 now or hereafter established in accordance with the laws of the Commonwealth of 15 Kentucky having and possessing the described powers described in this subsection;

(15)[(22)] "Industrial waste" means any liquid, gaseous, or solid waste substances
resulting from any process of industry, manufacture, trade, or business, or from the
mining or taking, development, processing, or recovery of any natural resources,
including heat and radioactivity, together with any sewage as is present therein,
which pollutes the waters of the state, and specifically, but not by way of limitation,
means heat or thermal differentials created in the waters of the state by any
industrial processing, generating, or manufacturing processes;

(16)[(23)] "Infrastructure project" means any construction or acquisition of treatment
 works, facilities related to the collection, transportation, and treatment of
 wastewater as defined in KRS 65.8903, distribution facilities, or water resources
 projects instituted by a governmental agency or an investor-owned water utility
 which is approved by the authority and, if required, by the Energy and Environment

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Cabinet, Public Service Commission, or other agency; solid waste projects; dams;
 storm water control and treatment systems; gas or electric utility; broadband
 deployment project;] or any other public utility or public service project which the
 authority finds would assist in carrying out the purposes set out in KRS 224A.300;

5 (17)[(24)] "Infrastructure revolving fund" means that fund which will receive state funds,
6 the proceeds from the sale of revenue bonds of the authority or other moneys
7 earmarked for that fund for the purpose of providing loans or grants to finance
8 construction or acquisition of infrastructure projects as defined in this section;

9 (18)[(25)] "Loan or grant" means moneys to be made available to governmental agencies
10 by the authority for the purpose of defraying all or any part of the total costs
11 incidental to construction or acquisition of any infrastructure project;

(19)[(26)] "Market interest rate" means the interest rate determined by the authority
 under existing market conditions at the time the authority shall provide financial
 assistance to a governmental agency;

(20)[(27)] "Obligation of a governmental agency" means a revenue bond, bond
 anticipation note, revenue anticipation note, lease, or other obligation issued by a
 governmental agency under KRS 58.010 et seq. or other applicable statutes;

18 (21)[(28)] "Person" means any individual, firm, partnership, association, corporation, or
 19 governmental agency;

(22)[(29)] "Pollution" means the placing of any noxious or deleterious substances
 ("pollutants"), including sewage and industrial wastes, in any waters of the state or
 affecting the properties of any waters of the state in a manner which renders the
 waters harmful or inimical to the public health or to animal or aquatic life, or to the
 use, present or future, of these waters for domestic water supply, industrial or
 agricultural purposes, or recreational purposes;

26 (23)[(30)] "Prioritization schedules" means the list of wastewater treatment works,
 27 distribution facilities and water resources projects which the Energy and

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Environment Cabinet has evaluated and determined to be of priority for receiving financial assistance from the federally assisted wastewater revolving fund and the federally assisted drinking water revolving fund, or the list of infrastructure projects which the authority has evaluated and determined to be of priority for receiving financial aid from the infrastructure revolving fund. The evaluation by the authority of infrastructure projects for water systems shall be undertaken with input from the appropriate area development district;

8 (24)[(31)] "Recovered material" means those materials which have known current use, 9 reuse, or recycling potential, which can be feasibly used, reused, or recycled, and 10 which have been diverted or removed from the solid waste stream for sale, use, 11 reuse, or recycling, whether or not requiring subsequent separation and processing 12 but does not include materials diverted or removed for purposes of energy recovery 13 or combustion except refuse-derived fuel (RDF), which shall be credited as a 14 recovered material in an amount equal to that percentage of the municipal solid 15 waste received on a daily basis at the processing facility and processed into RDF; 16 but not to exceed fifteen percent (15%) of the total amount of the municipal solid 17 waste received at the processing facility on a daily basis;

18 (25)[(32)] "Recovered material processing facility" means a facility engaged solely in the
 19 storage, processing, and resale or reuse of recovered material but does not mean a
 20 solid waste facility if solid waste generated by a recovered material processing
 21 facility is managed in accordance with KRS Chapter 224 and administrative
 22 regulations adopted by the cabinet;

(26)[(33)] "Revenue bonds" means special obligation bonds issued by the authority as
 provided by the provisions of this chapter, which are not direct or general
 obligations of the state, and which are payable only from a pledge of, and lien upon,
 authority revenues as provided in the resolution authorizing the issuance of the
 bonds, and shall include revenue bond anticipation notes;

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1	(27)[(34)] "Service charge" means any monthly, quarterly, semiannual, or annual charge
2	to be imposed by a governmental agency, or by the authority, for any infrastructure
3	project financed by the authority, which service charge arises by reason of the
4	existence of, and requirements of, any assistance agreement;
5	(28) [(35)] "Sewage" means any of the waste products or excrements, or other discharges
6	from the bodies of human beings or animals, which pollute the waters of the state;
7	[(36) "Shapefile" means a file format for storing, depicting, and analyzing geospatial data
8	showing broadband coverage;]
9	(29)[(37)] "Solid waste" means "solid waste" as defined by KRS 224.1-010(30)(a);
10	(30)[(38)] "Solid waste facility" means any facility for collection, handling, storage,
11	transportation, transfer, processing, treatment, or disposal of solid waste, whether
12	the facility is associated with facilities generating the waste or otherwise, but does
13	not include a container located on property where the waste is generated and which
14	is used solely for the purpose of collection and temporary storage of that solid waste
15	prior to off-site disposal, or a recovered material processing facility;
16	(31) [(39)] "Solid waste project" means construction, renovation, or acquisition of a solid
17	waste facility which shall be instituted and owned by a governmental agency;
18	(32)[(40)] "Solid waste revolving fund" means that fund which shall receive state funds,
19	the proceeds from the sale of revenue bonds of the authority, or other moneys
20	earmarked for the purpose of providing loans or grants to finance solid waste
21	projects defined in this section;
22	(33)[(41)] "State" means the Commonwealth of Kentucky;
23	(34)[(42)] "System" means the system owned and operated by a governmental agency
24	with respect to solid waste projects, treatment works, or infrastructure projects
25	financed as provided by the assistance agreement between the governmental agency
26	and the authority;
27	(35)[(43)] "Treatment works" or "wastewater treatment works" means all or any part of

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1 any facilities, devices, and systems used and useful in the storage, treatment, 2 recycling, and reclamation of wastewater or the abatement of pollution, including facilities for the treatment, neutralization, disposal of, stabilization, collecting, 3 4 segregating, or holding of wastewater, including without limiting the generality of 5 the foregoing, intercepting sewers, outfall sewers, pumping power stations, and 6 other equipment and their appurtenances; extensions, improvements, remodeling, 7 additions, and alterations thereof, and any wastewater treatment works, including 8 site acquisition of the land that will be an integral part of the wastewater treatment 9 process, or is used for ultimate disposal of residues resulting from wastewater 10 treatment, together with any other facilities which are deemed to be treatment works 11 in accordance with the federal act;

- 12 [(44) "Underserved area" means any project area where fixed, terrestrial broadband
 13 service with a minimum twenty five (25) megabits per second downstream and
 14 three (3) megabits per second upstream is not available;]
- 15 [(45) "Unserved area" means any project area where fixed, terrestrial broadband service
- with a minimum ten (10) megabits per second downstream and one (1) megabit per
 second upstream is not available;]
- 18 (36)[(46)] "Utility tax" means the tax which may be imposed by the authority on every
 19 purchase of water or sewer service in the Commonwealth of Kentucky;
- 20 (37)[(47)] "Variable rate revenue bonds" means revenue bonds the rate of interest on
 21 which fluctuates either automatically by reference to a predetermined formula or
 22 index or in accordance with the standards set forth in KRS 224A.120;
- 23 (38)[(48)] "Wastewater" means any water or liquid substance containing sewage,
 24 industrial waste, or other pollutants or contaminants derived from the prior use of
 25 these waters;

26 (39)[(49)] "Water resources" means all waters of the state occurring on the surface, in 27 natural or artificial channels, lakes, reservoirs, or impoundments, and in subsurface

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aquifers, which are available, or which may be made available to agricultural, industrial, commercial, recreational, public, and domestic users;

(40)[(50)] "Water resources project" means any structural or nonstructural study, plan,
 design, construction, development, improvement, or any other activity including
 programs for management, intended to conserve and develop the water resources of
 the state and shall include all aspects of water supply, facilities to collect, transport,
 and treat wastewater as defined in KRS 65.8903, flood damage abatement,
 navigation, water-related recreation, and land conservation facilities and measures;
 and

(41)[(51)] "Waters of the state" means all streams, lakes, watercourses, waterways,
ponds, marshes, wells, springs, irrigation systems, drainage systems, and all other
bodies or accumulations of water, surface and underground, natural or artificial,
which are situated wholly or partly within, or border upon, this state, or are within
its jurisdiction, except those private waters which do not combine or effect a
junction with natural, surface, or underground waters.

16 → Section 7. KRS 224A.110 is amended to read as follows:

17 (1) All moneys derived by the authority pursuant to assistance agreements other than
18 those assistance agreements funded under KRS 224A.111 <u>and[,]</u> 224A.112[, and
19 <u>224A.1121]</u> shall be received by the authority as constituting authority revenues,
20 and shall, in common with other authority revenues, be immediately deposited into
21 such funds or accounts as the authority shall designate.

Moneys derived by the authority pursuant to assistance agreements funded under
 KRS 224A.111 and all federal and state money or proceeds from the sale of revenue
 bonds of the authority received in support of assistance agreements funded under
 KRS 224A.111 shall be deposited into an account designated as the "federally
 assisted wastewater revolving fund."

27 (3) Moneys derived by the authority pursuant to assistance agreements funded under

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1		KRS 224A.112 and all state money or proceeds from the sale of revenue bonds of
2		the authority received in support of KRS 224A.112 shall be deposited into [either
3		the infrastructure revolving fund for the broadband deployment fund.
4	(4)	All authority revenues shall, before being expended for any other purposes of the
5		authority, first be applied to the payment of the principal of and interest on authority
6		revenue bonds in accordance with the resolution authorizing their issuance, as, and
7		when the same become due and payable.
8		→ Section 8. KRS 224A.112 is amended to read as follows:
9	(1)	The infrastructure revolving fund shall be established in the State Treasury and shall
10		be administered by the authority. The fund shall be a dedicated fund, and all moneys
11		in the fund shall be allocated and dedicated solely to providing financial assistance
12		to governmental agencies, and investor-owned water systems as provided for in
13		KRS 96.540, 224A.306, 224A.308, and 224A.310, for the construction or
14		acquisition of infrastructure projects through an account designated as the 2020
15		water service account.
16	(2)	[The broadband deployment fund shall be established in the State Treasury and
17		shall be administered by the authority. The fund shall be a dedicated fund, and all
18		moneys in the fund shall be allocated and dedicated solely to providing grant funds
19		to governmental agencies and private sector entities to construct infrastructure for
20		the deployment of broadband service to households and businesses in underserved
21		or unserved areas of the Commonwealth through an account designated as the
22		broadband deployment fund.
23	(3)	Funds in subsections (1) and (2) of this section shall not be commingled and shall
24		be used only for the stated purposes in subsections (1) and (2) of this section.
25	(4)	
26		limited to:
27		(a) Making loans, on the condition that the loans are made at or below market

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- interest rates, including interest free loans, at terms not to exceed thirty (30)
 years and that the fund will be credited with all payments of principal and
 interest on all loans;
- 4 (b) Purchasing or guaranteeing, or purchasing insurance for, local or state
 5 obligations when the action would improve credit market access or reduce
 6 interest rates;
- 7 (c) Providing a source of revenue or security for the payment of principal and
 8 interest on bonds or notes issued by the authority or other agencies of the state
 9 if the proceeds of the sale of the bonds will be deposited in the fund;
- 10 (d) Providing moneys with which to carry out the requirements of assistance
 11 agreements; and
- (e) Making grants as funds specifically appropriated for grants or proceeds from
 the sale of the authority's revenue bonds are available.
- 14 <u>(3)</u>[(5)] The revolving fund shall be established, maintained, and credited with 15 repayments and the fund balance shall be available in perpetuity for its stated 16 purposes.
- 17 (4)[(6)] The authority may provide financial assistance from the fund to supplement
 18 assistance provided from the federally assisted wastewater revolving fund as created
 19 in KRS 224A.111.
- 20 (5)[(7)] The authority shall advise governmental agencies of the availability of the
 21 infrastructure revolving fund and how moneys may be obtained from the fund.
- <u>(6)</u>[(8)] The authority may enter into any necessary or required agreement with federal
 or state agencies or persons to carry out the provisions of this section. All state
 agencies shall cooperate with the authority and share information with the authority
 as appropriate to accomplish the purposes set out in KRS 224A.300.
- 26 (7)[(9)] Moneys in the fund are hereby appropriated for the purposes set forth in this
 27 section[and KRS 224A.1121].

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1	<u>(8)</u> [(10)]	Notwithstanding KRS 45.229, any moneys remaining in the fund at the close
2		of th	he fiscal year shall not lapse but shall be carried forward into the succeeding
3		fisca	I year to be used for the purposes set forth in this section [and KRS 224A.1121.
4	(11)	Inter	rest earned on moneys in the broadband deployment fund shall stay in the fund].
5		⇒S	ection 9. KRS 154.15-020 is amended to read as follows:
6	(1)	The	Kentucky Communications Network Authority is established and shall be
7		attac	ched to the Office of the Governor. The authority shall be headed by an
8		exec	eutive director who shall be hired by the board and approved by the Governor.
9	(2)	Notv	withstanding KRS 42.726 and Section 3 of this Act, the duties of the authority
10		shall	be to:
11		(a)	Oversee and maintain KentuckyWired, the Commonwealth's open-access
12			broadband network;
13		(b)	Manage the master agreement establishing the public-private partnership
14			between the Commonwealth and its private industry partner or partners. The
15			purpose of the agreement is to design, engineer, build, operate, maintain, and
16			upgrade the network;
17		(c)	Provide network connectivity to public agencies;
18		(d)	Offer access to entities eligible to utilize excess capacity on the network;
19		(e)	Manage other aspects of the network and its utilization through the executive
20			director and with oversight and input from the board established in KRS
21			154.15-030 and the advisory group established in this section;
22		(f)	Promulgate administrative regulations pursuant to KRS Chapter 13A
23			necessary to implement the purposes of this subchapter;
24		(g)	Enter into contracts with public and private entities to carry out its duties and
25			responsibilities. A contract or other agreement involving the acquisition or
26			disposition of a property interest by the Commonwealth shall be signed by the
27			secretary of the Finance and Administration Cabinet. KRS Chapters 45A and

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1			56 may require the secretary's signature on other contracts or agreements;
2		(h)	Provide program management services ensuring the financial viability of the
3			master agreement and related contracts and agreements, including grant
4			administration, contract compliance and oversight, community planning
5			support, and constituent services;
6		(i)	Seek out, secure, and manage funding sources for the network; and
7		(j)	Create an advisory group, including major stakeholders, to provide input and
8			feedback on issues important to the user community and to the long-term
9			sustainability of the project and the network. The advisory group shall be
10			administratively attached to and managed by the authority. The advisory group
11			shall include but not be limited to representatives of:
12			1. The Department of Education;
13			2. The Council on Postsecondary Education;
14			3. The Cabinet for Economic Development;
15			4. The Cabinet for Health and Family Services;
16			5. The Transportation Cabinet;
17			6. The Justice and Public Safety Cabinet;
18			7. The Finance and Administration Cabinet;
19			8. The Administrative Office of the Courts;
20			9. The Legislative Research Commission;
21			10. Institutions of higher education;
22			11. Local government entities;
23			12. Libraries;
24			13. Public health care institutions or agencies;
25			14. Kentucky Educational Television; and
26			15. Others whose input will benefit the network.
27	(3)	With	the approval of the board, the executive director may hire additional officers

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and other personnel necessary for the proper functioning of the authority, fix their salaries, and prescribe their duties. The executive director and persons employed by the authority shall not be subject to the provisions of KRS Chapter 18A.

- 4 (4) (a) With the approval of the board, the executive director may make, execute, and
 5 effectuate contracts, leveraging future revenues from provision of
 6 government-to-government services and sale or lease of excess capacity, to
 7 incur debt in the name of the authority and enter into financing agreements
 8 with the Commonwealth, agencies of the Commonwealth, lending
 9 institutions, investors, or investing entities.
- 10 (b) The total amount of debt or financing under this subsection shall not exceed 11 one hundred ten million dollars (\$110,000,000), and shall not leverage any 12 future revenues committed to the repayment of any other debt, or expected to 13 be used for the repayment of any other debt, as of the time the debt or 14 financing is entered into.
- 15 (c) Any proposed debt or financing under this subsection shall be submitted to the
 16 Capital Projects and Bond Oversight Committee for review at least fourteen
 17 (14) days prior to the committee meeting.
- 18 (d) If any debt or financing is incurred under this subsection, the authority shall
 19 provide to the Legislative Research Commission:
- Within thirty (30) days of entering into a debt or financing agreement, a
 copy of the agreement; and
- 22 2. On January 1, April 1, July 1, and October 1 of each year that the debt or23 financing is outstanding:
- 24a.The amount of principal and interest remaining on the debt or25financing;
- 26 b. The use to which the capital gained from the debt or financing has27 been put; and

1			c. Any amendments, if any, to the original debt or financing
2			instruments or agreements.
3	<u>(5)</u>	The	authority shall not seek, apply for, secure, or accept federal funds without
4		<u>first</u>	obtaining written permission from the Office of Innovation within the
5		<u>Ken</u>	tucky Department of Agriculture.
6		⇒s	ection 10. KRS 18A.115 is amended to read as follows:
7	(1)	The	classified service to which KRS 18A.005 to 18A.200 shall apply shall comprise
8		all p	positions in the state service now existing or hereafter established, except the
9		follo	owing:
10		(a)	The General Assembly and employees of the General Assembly, including the
11			employees of the Legislative Research Commission;
12		(b)	Officers elected by popular vote and persons appointed to fill vacancies in
13			elective offices;
14		(c)	Members of boards and commissions;
15		(d)	Officers and employees on the staff of the Governor, the Lieutenant Governor,
16			the Office of the Secretary of the Governor's Cabinet, and the Office of
17			Program Administration;
18		(e)	Cabinet secretaries, commissioners, office heads, and the administrative heads
19			of all boards and commissions, including the executive director of Kentucky
20			Educational Television and the executive director and deputy executive
21			director of the Education Professional Standards Board;
22		(f)	Employees of Kentucky Educational Television who have been determined to
23			be exempt from classified service by the Kentucky Authority for Educational
24			Television, which shall have sole authority over such exempt employees for
25			employment, dismissal, and setting of compensation, up to the maximum
26			established for the executive director and his principal assistants;
27		(g)	One (1) principal assistant or deputy for each person exempted under

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subsection (1)(e) of this section;

- 2 (h) One (1) additional principal assistant or deputy as may be necessary for 3 making and carrying out policy for each person exempted under subsection 4 (1)(e) of this section in those instances in which the nature of the functions, 5 size, or complexity of the unit involved are such that the secretary approves 6 such an addition on petition of the relevant cabinet secretary or department 7 head and such other principal assistants, deputies, or other major assistants as 8 may be necessary for making and carrying out policy for each person 9 exempted under subsection (1)(e) of this section in those instances in which 10 the nature of the functions, size, or complexity of the unit involved are such 11 that the board may approve such an addition or additions on petition of the 12 department head approved by the secretary. Effective August 1, 2010:
- All positions approved under this paragraph prior to August 1, 2010,
 shall be abolished effective December 31, 2010, unless reapproved
 under subparagraph 2. of this paragraph; and
- 162.A position approved under this paragraph on or after August 1, 2010,17shall be approved for a period of five (5) years, after which time the18position shall be abolished unless reapproved under this subparagraph19for an additional five (5) year period;
- 20 (i) Division directors subject to the provisions of KRS 18A.170. Division
 21 directors in the classified service as of January 1, 1980, shall remain in the
 22 classified service;
- 23 (j) Physicians employed as such;
- (k) One (1) private secretary for each person exempted under subsection (1)(e),
 (g), and (h) of this section;
- 26 (1) The judicial department, referees, receivers, jurors, and notaries public;
- 27 (m) Officers and members of the staffs of state universities and colleges and

- student employees of such institutions; officers and employees of the
 Teachers' Retirement System; and officers, teachers, and employees of local
 boards of education;
- 4 (n) Patients or inmates employed in state institutions;
- 5 (o) Persons employed in a professional or scientific capacity to make or conduct a 6 temporary or special inquiry, investigation, or examination on behalf of the 7 General Assembly, or a committee thereof, or by authority of the Governor, 8 and persons employed by state agencies for a specified, limited period to 9 provide professional, technical, scientific, or artistic services under the 10 provisions of KRS 45A.690 to 45A.725;
- 11 (p) Interim employees;
- 12 (q) Officers and members of the state militia;
- 13 (r) Department of Kentucky State Police troopers;
- 14 (s) University or college engineering students or other students employed part-15 time or part-year by the state through special personnel recruitment programs; 16 provided that while so employed such aides shall be under contract to work 17 full-time for the state after graduation for a period of time approved by the 18 commissioner or shall be participants in a cooperative education program 19 approved by the commissioner;
- (t) Superintendents of state mental institutions, including heads of centers for
 individuals with an intellectual disability, and penal and correctional
 institutions as referred to in KRS 196.180(2);
- (u) Staff members of the Kentucky Historical Society, if they are hired in
 accordance with KRS 171.311;
- 25 (v) County and Commonwealth's attorneys and their respective appointees;
- 26 (w) Chief district engineers and the state highway engineer;
- 27 (x) Veterinarians employed as such by the Kentucky Horse Racing Commission;

1		(y) Employees of the Kentucky Peace Corps;
2		(z) Employees of the Council on Postsecondary Education;
3		(aa) Executive director of the Commonwealth Office of Technology;
4		(ab) Employees of Serve Kentucky;
5		(ac) Persons employed in certified teaching positions at the Kentucky School for
6		the Blind and the Kentucky School for the Deaf; [and]
7		(ad) Federally funded time-limited employees as defined in KRS 18A.005; and
8		(ae) Employees of the Office of Innovation in the Kentucky Department of
9		<u>Agriculture</u> .
10	(2)	Nothing in KRS 18A.005 to 18A.200 is intended, or shall be construed, to alter or
11		amend the provisions of KRS 150.022 and 150.061.
12	(3)	Nothing in KRS 18A.005 to 18A.200 is intended or shall be construed to affect any
13		nonmanagement, nonpolicy-making position which must be included in the
14		classified service as a prerequisite to the grant of federal funds to a state agency.
15	(4)	Career employees within the classified service promoted to positions exempted
16		from classified service shall, upon termination of their employment in the exempted
17		service, revert to a position in that class in the agency from which they were
18		terminated if a vacancy in that class exists. If no such vacancy exists, they shall be
19		considered for employment in any vacant position for which they were qualified
20		pursuant to KRS 18A.130 and 18A.135.
21	(5)	Nothing in KRS 18A.005 to 18A.200 shall be construed as precluding appointing
22		officers from filling unclassified positions in the manner in which positions in the
23		classified service are filled except as otherwise provided in KRS 18A.005 to
24		18A.200.
25	(6)	The positions of employees who are transferred, effective July 1, 1998, from the
26		Cabinet for Workforce Development to the Kentucky Community and Technical
27		College System shall be abolished and the employees' names removed from the

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1 roster of state employees. Employees that are transferred, effective July 1, 1998, to 2 the Kentucky Community and Technical College System under KRS Chapter 164 3 shall have the same benefits and rights as they had under KRS Chapter 18A and 4 have under KRS 164.5805; however, they shall have no guaranteed reemployment 5 rights in the KRS Chapter 151B or KRS Chapter 18A personnel systems. An 6 employee who seeks reemployment in a state position under KRS Chapter 151B or 7 KRS Chapter 18A shall have years of service in the Kentucky Community and 8 Technical College System counted towards years of experience for calculating 9 benefits and compensation.

10 (7)On August 15, 2000, all certified and equivalent personnel, all unclassified 11 personnel, and all certified and equivalent and unclassified vacant positions in the 12 Department for Adult Education and Literacy shall be transferred from the 13 personnel system under KRS Chapter 151B to the personnel system under KRS 14 Chapter 18A. The positions shall be deleted from the KRS Chapter 151B personnel 15 system. All records shall be transferred including accumulated annual leave, sick 16 leave, compensatory time, and service credit for each affected employee. The 17 personnel officers who administer the personnel systems under KRS Chapter 151B 18 and KRS Chapter 18A shall exercise the necessary administrative procedures to 19 effect the change in personnel authority. No certified or equivalent employee in the 20 Department for Adult Education and Literacy shall suffer any penalty in the 21 transfer.

(8) On August 15, 2000, secretaries and assistants attached to policymaking positions
in the Department for Technical Education and the Department for Adult Education
and Literacy shall be transferred from the personnel system under KRS Chapter
151B to the personnel system under KRS Chapter 18A. The positions shall be
deleted from the KRS Chapter 151B system. All records shall be transferred
including accumulated annual leave, sick leave, compensatory time, and service

credit for each affected employee. No employee shall suffer any penalty in the
 transfer.

3 (9) On May 1, 2017, all contract employees of Eastern Kentucky University who are 4 engaged in providing instructional and support services to the Department of 5 Criminal Justice Training shall be transferred to the personnel system under KRS 6 Chapter 18A. All records shall be transferred, including accumulated annual leave, 7 sick leave, compensatory time, and service credit for each affected employee. The 8 personnel officers who administer the personnel systems for Eastern Kentucky 9 University and under KRS Chapter 18A shall exercise the necessary administrative 10 procedures to effect the change in personnel authority. No employee shall suffer any 11 penalty in the transfer.

12 \rightarrow Section 11. Upon the effective date of this Act, the affairs of the Kentucky 13 Infrastructure Authority that pertain to broadband and the broadband deployment fund as 14 set forth in KRS 224A.112 and the former 224A.1121 shall be concluded, and the 15 Kentucky Department of Agriculture shall organize itself to manage the administrative 16 affairs of the broadband and the broadband deployment fund. Any records, files, and 17 documents associated with the activities of the Kentucky Infrastructure Authority that 18 pertain to broadband and the broadband deployment fund shall be transferred to the Department of Agriculture. Any records, files, documents, equipment, staff, supporting 19 20 budgets, and any and all unexpended funds associated with the activities of the Kentucky 21 Infrastructure Authority that pertain to broadband and the broadband deployment fund 22 shall be transferred to the Department of Agriculture. All administrative regulations, 23 decisions, and actions promulgated, made, or taken by the Kentucky Infrastructure 24 Authority that pertain to broadband and the broadband deployment fund that have not 25 been repealed or rescinded shall continue in effect after the effective date of this Act.