

1 AN ACT relating to reorganization.

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

3 ➔Section 1. KRS 151B.020 is amended to read as follows:

- 4 (1) The Education and Workforce Development Cabinet is hereby created, which shall
5 constitute a cabinet of the state government within the meaning of KRS Chapter 12.
6 The cabinet shall consist of a secretary and those administrative bodies and
7 employees as provided by law.
- 8 (2) The cabinet, subject to the provisions of KRS Chapter 12, shall be composed of the
9 major organizational units listed below, units listed in KRS 12.020, and other
10 departments, divisions, and sections as are from time to time deemed necessary for
11 the proper and efficient operation of the cabinet:
- 12 (a) The Department of Workforce Investment, which is hereby created and
13 established within the Education and Workforce Development Cabinet. The
14 department shall be directed and managed by a commissioner who shall be
15 appointed by the Governor under the provisions of KRS 12.040, and who shall
16 report to the secretary of the Education and Workforce Development Cabinet.
17 The department shall be composed of the following offices:
- 18 1. The Office of Vocational Rehabilitation, which is created by KRS
19 151B.185;{
 - 20 ~~2.—The Office of Unemployment Insurance;}~~
 - 21 2.{~~3.~~}The Office of Employer and Apprenticeship Services;{
 - 22 ~~4.—The Office of Career Development;}~~
 - 23 3.{~~5.~~}The Office of Adult Education, which is created by KRS 151B.406;{
 - 24 ~~6.—The Unemployment Insurance Commission established by KRS~~
25 ~~341.110;}~~ and
 - 26 4.{~~7.~~}The Kentucky Apprenticeship Council, which shall be attached to the
27 department for administrative purposes only; and

- 1 (b) The Early Childhood Advisory Council, which is attached to the Office of the
2 Secretary for administrative purposes only.
- 3 (3) The executive officer of the cabinet shall be the secretary of the Education and
4 Workforce Development Cabinet. The secretary shall be appointed by the Governor
5 pursuant to KRS 12.255 and shall serve at the pleasure of the Governor. The
6 secretary shall have general supervision and direction over all activities and
7 functions of the cabinet and its employees and shall be responsible for carrying out
8 the programs and policies of the cabinet. The secretary shall be the chief executive
9 officer of the cabinet and shall have authority to enter into contracts, subject to the
10 approval of the secretary of the Finance and Administration Cabinet, when the
11 contracts are deemed necessary to implement and carry out the programs of the
12 cabinet. The secretary shall have the authority to require coordination and
13 nonduplication of services provided under the Federal Workforce Investment Act of
14 1998, 20 U.S.C. secs. 9201 et seq. The secretary shall have the authority to mandate
15 fiscal responsibility dispute resolution procedures among state organizational units
16 for services provided under the Federal Workforce Investment Act of 1998, 20
17 U.S.C. secs. 9201 et seq.
- 18 (4) The secretary of the Education and Workforce Development Cabinet and the
19 secretary's designated representatives, in the discharge of the duties of the secretary,
20 may administer oaths and affirmations, take depositions, certify official acts, and
21 issue subpoenas to compel the attendance of witnesses and production of books,
22 papers, correspondence, memoranda, and other records considered necessary and
23 relevant as evidence at hearings held in connection with the administration of the
24 cabinet.
- 25 (5) The secretary of the Education and Workforce Development Cabinet may delegate
26 any duties of the secretary's office to employees of the cabinet as he or she deems
27 necessary and appropriate, unless otherwise prohibited by statute.

1 (6) The secretary of the Education and Workforce Development Cabinet shall
2 promulgate, administer, and enforce administrative regulations that are necessary to
3 implement programs mandated by federal law, or to qualify for the receipt of federal
4 funds, and that are necessary to cooperate with other state and federal agencies for
5 the proper administration of the cabinet and its programs except for programs and
6 federal funds within the authority of the Department of Education, the Kentucky
7 Board of Education, and the Education Professional Standards Board.

8 ➔Section 2. KRS 151B.280 is amended to read as follows:

9 ~~[(1) The Office of Unemployment Insurance is created and established within the
10 Department of Workforce Investment within the Education and Workforce
11 Development Cabinet. The Office of Unemployment Insurance shall be headed by
12 an executive director appointed by the Governor pursuant to KRS 12.050 who shall
13 report to the commissioner of the Department of Workforce Investment.]~~

14 (1)~~[(2)]~~ The Office of Employer and Apprenticeship Services is created and
15 established within the Department of Workforce Investment within the Education
16 and Workforce Development Cabinet. The Office of Employer and Apprenticeship
17 Services shall be headed by an executive director appointed by the Governor
18 pursuant to KRS 12.050 who shall report to the commissioner of the Department of
19 Workforce Investment.}

20 ~~(3) The Career Development Office is created and established within the Department of
21 Workforce Investment within the Education and Workforce Development Cabinet.
22 The Career Development Office shall be headed by an executive director appointed
23 by the Governor pursuant to KRS 12.050 who shall report to the commissioner of
24 the Department of Workforce Investment.]~~

25 (2)~~[(4)]~~ (a) The Office of Adult Education is created and established within the
26 Department of Workforce Investment within the Education and Workforce
27 Development Cabinet. The Office of Adult Education shall be headed by an

1 executive director appointed by the Governor pursuant to KRS 12.050 who
2 shall report to the commissioner of the Department of Workforce Investment.

3 (b) All employees of the Office of Adult Education (Kentucky Skills U) shall be
4 unclassified employees.

5 ~~(3)(5)~~ (a) The secretary of the Education and Workforce Development Cabinet
6 shall develop and promulgate administrative regulations which protect the
7 confidential nature of all records and reports of the ~~Office of Unemployment~~
8 ~~Insurance, the Career Development Office, and the~~ Office of Employer and
9 Apprenticeship Services which directly or indirectly identify a client or former
10 client and which ensure that these records are not disclosed to or by any
11 person except and insofar as:

- 12 1. The person identified shall give his consent; or
- 13 2. Disclosure may be permitted under state or federal law.

14 (b) Notwithstanding any other state statute or administrative regulation to the
15 contrary, any information concerning individual clients or applicants in the
16 possession of the Department of Workforce Investment may be shared with
17 any authorized representative of any other state or local governmental agency,
18 if the agency has a direct, tangible, and legitimate interest in the individual.
19 The agency receiving the information shall assure the confidentiality of all
20 information received. The Department of Workforce Investment may share
21 information concerning a client or applicant with any private or quasi-private
22 agency if:

- 23 1. The agency has an agreement with the cabinet assuring the
24 confidentiality of the information; and
- 25 2. The agency has a direct, tangible, and legitimate interest in the
26 individual.

27 ➔Section 3. KRS 336.015 is amended to read as follows:

- 1 (1) The secretary of the Labor Cabinet shall have the duties, responsibilities, power,
 2 and authority relating to labor, wages and hours, occupational safety and health of
 3 employees, child labor, workers' compensation, and all other matters previously
 4 under the jurisdiction of the Department of Labor.
- 5 (2) The Labor Cabinet shall consist of the Office of the Secretary, the Office of
 6 Unemployment Insurance, the Career Development Office, the Department of
 7 Workers' Claims, and the Department of Workplace Standards.
- 8 (3) The following agencies are attached to the cabinet for administrative purposes only:
 9 (a) Kentucky Occupational Safety and Health Review Commission;
 10 (b) State Labor Relations Board;
 11 (c) Workers' Compensation Funding Commission;
 12 (d) Occupational Safety and Health Standards Board;
 13 (e) Employers' Mutual Insurance Authority;~~and~~
 14 (f) Workers' Compensation Nominating Committee~~[-];~~ and
 15 (g) The Unemployment Insurance Commission established by Section 9 of this
 16 Act.

17 ➔Section 4. KRS 336.020 is amended to read as follows:

- 18 (1) The Department of Workplace Standards shall be headed by a commissioner
 19 appointed by the Governor in accordance with KRS 12.040 and shall be divided for
 20 administrative purposes into the Division of Occupational Safety and Health
 21 Compliance, the Division of Occupational Safety and Health Education and
 22 Training, and the Division of Wages and Hours. Each of these divisions shall be
 23 headed by a director appointed by the secretary and approved by the Governor in
 24 accordance with KRS 12.050.
- 25 (2) The Department of Workers' Claims shall be headed by a commissioner appointed
 26 by the Governor, and confirmed by the Senate in accordance with KRS 342.228.
 27 The department shall be divided for administrative purposes into the Office of

1 Administrative Law Judges, the Division of Claims Processing, the Division of
 2 Security and Compliance, the Division of Workers' Compensation Funds, and the
 3 Division of Specialist and Medical Services. The Office of Administrative Law
 4 Judges shall be headed by a chief administrative law judge appointed in accordance
 5 with KRS 342.230. Each division in the department shall be headed by a director
 6 appointed by the secretary and approved by the Governor in accordance with KRS
 7 12.050. The Workers' Compensation Board shall be attached to the Department of
 8 Workers' Claims for administrative purposes only.

9 (3) The Office of General Counsel for the Labor Cabinet, the Office of Administrative
 10 Services, and the Office of Inspector General are attached to the Office of the
 11 Secretary of the Labor Cabinet.

12 (4) (a) The Office of General Counsel for the Labor Cabinet shall be headed by a
 13 general counsel appointed by the secretary with approval by the Governor in
 14 accordance with KRS 12.050 and 12.210.

15 (b) The Office of General Counsel shall be divided for administrative purposes
 16 into the following legal divisions:~~[Workplace Standards Legal Division and~~
 17 ~~the Workers' Claims Legal Division]~~

18 1. Workplace Standards Legal Division;

19 2. Workers' Claims Legal Division; and

20 3. Career Development and Unemployment Insurance Legal Division.

21 (c) Each legal division shall be headed by a general counsel appointed by the
 22 secretary with approval by the Governor in accordance with KRS 12.050 and
 23 12.210.

24 (5) (a) The Office of Administrative Services shall be headed by an executive
 25 director appointed by the Governor in accordance with KRS 12.040.

26 (b) The Office of Administrative Services shall be divided for administrative
 27 purposes into the Division of Fiscal Management, the Division of Human

1 Resources Management, the Division of Information Technology and Support
2 Services, and the ~~{Division of Professional Development and Organizational~~
3 ~~Management}~~Division of Operation and Support Services. Each division
4 shall be headed by a director appointed by the secretary and approved by the
5 Governor in accordance with KRS 12.050.

6 (6) The Office of Inspector General shall be headed by an executive director appointed
7 by the Governor in accordance with KRS 12.040.

8 (7) The Office of Unemployment Insurance shall be headed by an executive director
9 appointed by the Governor pursuant to KRS 12.050 who shall report to the
10 secretary of the Labor Cabinet.

11 (8) The Career Development Office shall be headed by an executive director
12 appointed by the Governor pursuant to KRS 12.050 who shall report to the
13 secretary of the Labor Cabinet.

14 ➔Section 5. KRS 14A.7-030 is amended to read as follows:

15 (1) An entity administratively dissolved under KRS 14A.7-020 or predecessor law may
16 apply to the Secretary of State for reinstatement at any time after the effective date
17 of dissolution. The application shall:

18 (a) Recite the name of the entity and the effective date of its administrative
19 dissolution;

20 (b) State that the ground or grounds for dissolution either did not exist or have
21 been eliminated;

22 (c) State that the entity's name satisfies the requirements of KRS 14A.3-010;

23 (d) Contain a certificate from the Department of Revenue reciting that all taxes
24 owed by the entity have been paid;

25 (e) Contain a representation that the entity has taken no steps to wind up and
26 liquidate its business and affairs and notify claimants;

27 (f) If a business corporation, contain a certificate from the Office of

- 1 Unemployment Insurance~~[in the Department for Workforce Investment]~~
2 reciting that all employer contributions, interest, penalties, and service
3 capacity upgrade fund assessments have been paid; and
- 4 (g) Be accompanied by the reinstatement penalty and the current fee for filing
5 each delinquent annual report as provided for in this chapter.
- 6 (2) If the Secretary of State determines that the application satisfies the requirement of
7 subsection (1) of this section, he or she shall cancel the certificate of dissolution and
8 prepare a certificate of existence that recites his or her determination and the
9 effective date of reinstatement, file the original of the certificate, and notify the
10 entity of that filing, which notification may be accomplished electronically.
- 11 (3) When the reinstatement is effective:
- 12 (a) It shall relate back to and take effect as of the effective date of the
13 administrative dissolution:
- 14 (b) The entity shall continue carrying on its business as if the administrative
15 dissolution or revocation had never occurred; and
- 16 (c) The liability of any agent shall be determined as if the administrative
17 dissolution or revocation had never occurred.
- 18 (4) Notwithstanding any other provision to the contrary, any entity which was
19 administratively dissolved and has taken the action necessary to wind up and
20 liquidate its business and affairs and notify claimants shall be prohibited from
21 reinstatement.
- 22 ➔Section 6. KRS 141.065 is amended to read as follows:
- 23 (1) For the purposes of this section, "code" or "Internal Revenue Code" means the
24 Internal Revenue Code in effect as of December 31, 1981.
- 25 (2) There shall be allowed as a credit for any taxpayer against the tax imposed by KRS
26 141.020 or 141.040 and 141.0401 for any taxable year, with the ordering of the
27 credits as provided in KRS 141.0205, an amount equal to one hundred dollars

1 (\$100) for each person hired by the taxpayer, if that person has been classified as
2 unemployed by the Office of Unemployment Insurance~~[of the Department of~~
3 ~~Workforce Investment in the Education and Workforce Development Cabinet]~~ and
4 has been so classified for at least sixty (60) days prior to his employment by the
5 taxpayer, and if further that person has remained in the employ of the taxpayer for at
6 least one hundred eighty (180) consecutive days during the taxable year in which
7 the taxpayer claims the credit.

8 (3) No credit shall be allowed to any taxpayer for any person hired under any of the
9 following circumstances:

10 (a) A person for whom the taxpayer receives federally funded payments for on-
11 the-job training;

12 (b) For any person who bears any of the relationships to the taxpayer described in
13 paragraphs (1) through (8) of Section 152(a) of the Internal Revenue Code, or,
14 if the taxpayer is a corporation, to an individual who owns, directly or
15 indirectly, more than fifty percent (50%) in value of the outstanding stock of
16 the corporation as determined with the application of Section 267(c) of the
17 code;

18 (c) If the taxpayer is an estate or trust, to any person who is a grantor, beneficiary,
19 or fiduciary of the estate or trust, or is an individual who bears any of the
20 relationships described in paragraphs (1) through (8) of Section 152(a) of the
21 code to a grantor, beneficiary, or fiduciary of the estate or trust; or

22 (d) To any person who is a dependent of the taxpayer as described in code Section
23 152(a)(9), or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or
24 fiduciary of the estate or trust.

25 (4) For purposes of this section, all employees of all corporations which are members
26 of the same controlled group of corporations shall be treated as employed by a
27 single employer. In no instance shall the credit, if any, allowable by subsection (2)

1 of this section for any employee qualified thereunder be claimed more than once for
2 any taxable year by such a controlled group of corporations. For purposes of this
3 subsection, the term "controlled group of corporations" has the meaning given to
4 that term by code Section 1563(a), except that "more than fifty percent (50%)" shall
5 be substituted for "at least eighty percent (80%)" each place it appears in code
6 Section 1563(a)(1), and the determination shall be made without regard to
7 subsections (a)(4) and (e)(3)(c) of code Section 1563.

8 (5) For purposes of this section, all employees of trades or businesses (whether or not
9 incorporated) which are under common control shall be treated as employed by a
10 single employer, and in no instance shall the credit, if any, allowable by subsection
11 (2) of this section for any employee qualified thereunder be claimed more than once
12 for any taxable year.

13 (6) No credit shall be allowed under subsection (2) of this section to any organization
14 which is exempt from income tax by this chapter.

15 (7) In the case of a pass-through entity, the amount of the credit determined under this
16 section for any taxable year shall be applied at the entity level against the limited
17 liability entity tax imposed by KRS 141.0401 and shall also be apportioned pro rata
18 among the members, partners, or shareholders of the limited liability entity on the
19 last day of the taxable year, and any person to whom an amount is so apportioned
20 shall be allowed, subject to code Section 53, a credit under subsection (2) of this
21 section for that amount.

22 (8) In the case of an estate or trust, the amount of the credit determined under this
23 section for any taxable year shall be apportioned between the estate or trust and the
24 beneficiaries on the basis of income of the estate or trust allocable to each, and any
25 beneficiary to whom any amount has been apportioned under this subsection shall
26 be allowed, subject to code Section 53, a credit under subsection (2) of this section
27 for that amount.

1 (9) In no event shall the credit allowed, pursuant to this section, for any taxable year
2 exceed the tax liability of the taxpayer for the taxable year.

3 ➔Section 7. KRS 341.005 is amended to read as follows:

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

5 (1) "Cabinet" means the Labor~~[Education and Workforce Development]~~ Cabinet;

6 (2) "Secretary" means the secretary of the Labor~~[Education and Workforce~~
7 ~~Development]~~ Cabinet~~[or his or her duly authorized representative]~~; and

8 (3) "Commission" means the unemployment insurance commission.

9 ➔Section 8. KRS 341.080 is amended to read as follows:

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

11 (1) Except in so far as the ~~[Education and Workforce Development]~~ cabinet by
12 regulation prescribes the equivalent thereof to meet particular conditions:

13 (a) "Calendar year" means a year beginning on January 1; and

14 (b) "Calendar quarter" means three (3) consecutive months beginning on January
15 1, April 1, July 1, or October 1;

16 (2) "Week" means such period of seven (7) consecutive calendar days as the ~~[Education~~
17 ~~and Workforce Development]~~ cabinet regulation prescribes; and

18 (3) "Week of unemployment" means any period of seven (7) consecutive days, as
19 prescribed by the ~~[Education and Workforce Development]~~ cabinet in
20 administrative regulations, during which a worker performed less than full-time
21 work and earned less than an amount equal to one and one-fourth (1-1/4) times the
22 benefit rate determined for him in accordance with the provisions of subsection (2)
23 of KRS 341.380.

24 ➔Section 9. KRS 341.110 is amended to read as follows:

25 (1) In the Labor Cabinet~~[Education and Workforce Development Cabinet]~~, there shall
26 be an Unemployment Insurance Commission composed of the secretary or his or
27 her duly authorized representative, as ex officio chairman and two (2) members

1 appointed by the Governor.

2 (2) The secretary shall represent the state and the public. One (1) member shall be
3 appointed as a representative of labor and one (1) as a representative of employers.
4 The chairman and one (1) other member of the commission shall constitute a
5 quorum.

6 (3) The members representing labor and employers shall be appointed on the basis of
7 their merit and fitness to perform their duties and exercise the responsibilities of
8 their offices. They shall be citizens of this state and not less than thirty (30) years of
9 age.

10 (4) The terms of each member appointed to represent labor and employers shall be for
11 four (4) years from the date of appointment and until a successor is appointed and
12 qualified, except that appointments to vacancies shall be for the unexpired term.

13 (5) The compensation of the members representing labor and employers shall be
14 \$12,000 each per annum.

15 ➔Section 10. KRS 341.125 is amended to read as follows:

16 (1) It shall be the duty of the secretary~~[of the Education and Workforce Development~~
17 ~~Cabinet]~~ to administer this chapter; and he shall have power and authority to make
18 such expenditures, require such reports, make such investigations, and take such
19 other action not specifically assigned to the cabinet, as he or she deems necessary
20 for the proper administration of this chapter.

21 (2) The secretary is authorized, subject to the provisions of KRS Chapters 12, 42, 45,
22 and 45A, to appoint, fix the compensation, and prescribe duties and powers of such
23 officers and employees as may be necessary in the performance of his or her duties
24 under this chapter. All positions shall be filled by persons selected and appointed on
25 a nonpartisan merit basis. The secretary shall not employ or pay any person who is
26 an officer or committee member of any political party organization. The secretary
27 may delegate to any such person so appointed such power and authority as he or she

1 deems reasonable and proper for the effective administration of this chapter.

2 (3) The salary and expenses of the secretary and his or her staff shall be considered a
3 proper cost of the administration of this chapter, to be charged to the unemployment
4 compensation administration fund in that proportion which the cost of such services
5 rendered in the administration of this chapter bears to the overall cost of the services
6 rendered in the administration of the cabinet.

7 (4) The secretary shall submit to the Governor an annual report covering the
8 administration and operation of this chapter and make such recommendations for
9 amendments to this chapter as he or she deems proper.

10 (5) In the administration of this chapter the secretary shall cooperate to the fullest
11 extent possible with any agency of this state or any other state or of the United
12 States and shall take such action, through the adoption of appropriate rules,
13 regulations, administrative methods, and standards, as may be necessary to secure
14 for this state and its citizens all the advantages available under the provisions of the
15 Social Security Act, as amended, that relate to unemployment compensation, the
16 Federal Unemployment Tax Act, as amended, the Wagner-Peyser Act, as amended,
17 and the Federal-State Extended Unemployment Compensation Act of 1970.

18 ➔Section 11. KRS 341.145 is amended to read as follows:

19 (1) The secretary ~~[of the Education and Workforce Development Cabinet]~~ may enter
20 into arrangements with the appropriate agencies of other states or of the federal
21 government, or both, for the purpose of assisting the secretary and such agencies in
22 the payment of benefits and the furnishing of services to unemployed or
23 underemployed workers. Such arrangements may provide that the respective
24 agencies shall, for and on behalf of each other, act as agents in effecting
25 registrations for work, notices of unemployment, and any other certifications or
26 statements relating to a worker's claim for benefits; in making investigations, taking
27 depositions, holding hearings, or otherwise securing information relating to benefit

1 eligibility and payments; and in such other matters as the secretary considers
2 suitable in effectuating the purpose of these administrative arrangements.

3 (2) The secretary may enter into arrangements with the appropriate agencies of other
4 states or the federal government whereby workers performing services in this and
5 other states for a single employing unit under circumstances not specifically
6 provided in KRS 341.050, or under similar provisions in the unemployment
7 compensation laws of such other states, shall be deemed to be engaged in
8 employment performed entirely within this state or within one of such other states.

9 (3) (a) The secretary shall participate in any arrangements for the payment of benefits
10 on the basis of combining an individual's wages and employment covered
11 under this chapter with his wages and employment covered under the
12 unemployment compensation laws of other states or the federal government
13 which are approved by the United States Secretary of Labor in consultation
14 with the state unemployment compensation agencies as reasonably calculated
15 to assure the prompt and full payment of benefits in such situations and which
16 include provisions for applying the base period of a single state law to a claim
17 involving the combining of an individual's wages and employment covered
18 under two (2) or more state unemployment compensation laws, and avoiding
19 the duplicate use of wages and employment by reason of such combining.
20 Reimbursements to another state or the federal government, paid from the
21 fund pursuant to this subsection, shall be deemed to be benefits for the
22 purposes of this chapter and charged to contributory employers' reserve
23 accounts and reimbursing employers' accounts in accordance with the
24 provisions of KRS 341.530(2) and (3) to the extent of calculations made on
25 wages paid during the base period established by KRS 341.090 and wages
26 paid after such base period; provided, however, benefits based on a period
27 previous to the base-wage period established by KRS 341.090 shall be

1 charged to the pooled account for contributing employers only. Provided, that
2 if the Secretary of Labor determines that the charging of reimbursements
3 provided above is inconsistent with the requirements of the Federal
4 Unemployment Tax Act, charges of such reimbursements shall then be made
5 in accordance with regulations prescribed by the secretary.

6 (b) In order that such reciprocal arrangements, when entered into, may be
7 effectuated, wages for insured work under an employment security law of
8 another state or of the federal government shall be deemed to be wages earned
9 in covered employment from a subject employer for the purpose of
10 determining his benefits under this chapter.

11 (4) Notwithstanding any other provision of this chapter, benefits shall not be denied or
12 reduced to an individual solely because he files a claim in another state (or a
13 contiguous country with which the United States has an agreement with respect to
14 unemployment compensation) or because he resides in another state (or such a
15 contiguous country) at the time he files a claim for benefits.

16 (5) To the extent permissible under the laws and Constitution of the United States, the
17 secretary is authorized to enter into or cooperate in arrangements or reciprocal
18 agreements with appropriate and duly authorized agencies of other states or the
19 United States Secretary of Labor or both, whereby:

20 (a) Overpayments of unemployment benefits, as determined under this chapter,
21 shall be recoverable (after due notice and opportunity for appeal has been
22 provided to the claimant) by offset from unemployment benefits otherwise
23 payable under the unemployment compensation law of another state, in either
24 the current or any subsequent benefit year, in an amount equivalent to the
25 amount of overpayment determined under this chapter, provided the
26 Department of Workforce Investment certifies to the other state the facts
27 involved and that the claimant is liable to repay the benefits and the office

1 requests the other state to recover the benefits; and

2 (b) Overpayments of unemployment benefits, as determined under the
3 unemployment compensation law of another state, shall be recoverable (after
4 such state has provided due notice and opportunity for appeal to the claimant)
5 by offset from unemployment benefits otherwise payable under this chapter, in
6 either the current or subsequent benefit year, in an amount equivalent to the
7 amount of overpayment determined by such other state, provided such state
8 certifies to the office the facts involved and that the individual is liable to
9 repay the benefits and the state requests the office to recover the benefits; and

10 (c) Provided there is in effect a reciprocal agreement between this state and the
11 United States Secretary of Labor, as authorized by Section 303(g)(2) of the
12 Social Security Act, the overpayment of unemployment benefits or allowances
13 for unemployment provided under a federal program administered by this state
14 shall be recoverable by offset from benefits otherwise payable under this
15 chapter or any such federal program. Such agreement shall also suffice to
16 permit the offset from unemployment benefits, otherwise payable under a
17 federal program administered by this state, the overpayment of unemployment
18 benefits paid under this chapter.

19 If another state also has in effect a like agreement with the United States Secretary
20 of Labor, then these provisions for cross-offset of state and federal unemployment
21 benefits shall apply to benefits otherwise payable under this chapter, the laws of the
22 other state or any federal unemployment program administered by either state.

23 ➔Section 12. KRS 341.190 is amended to read as follows:

24 (1) As used in this section:

25 (a) "Agent" means one who acts for or in the place of an individual, an employing
26 unit, or a public official by the authority of that individual, employing unit, or
27 public official; and

1 (b) "Public official" means an official, agency, or public entity within the
2 executive branch of federal, state, or local government who or which has
3 responsibility for administering or enforcing a law, or an elected official in
4 federal, state, or local government.

5 (2) Each employing unit shall keep true and accurate work records of all workers
6 employed by it, of the wages paid by it to each worker, and such other information
7 as the secretary ~~[of the Education and Workforce Development Cabinet]~~ considers
8 necessary for the proper administration of this chapter. The records shall be open for
9 inspection and subject to being copied by the secretary or his or her authorized
10 representatives at any reasonable time and as often as necessary.

11 (3) The secretary may require any employing unit to furnish to the cabinet at its central
12 office from time to time information concerning the total amounts of wages paid,
13 total number of persons employed, an individual record of each worker employed,
14 an individual record of each worker whose employment has been terminated or who
15 has been laid-off, an individual wage and hour record of each worker employed part
16 time entitled to benefits, and other related matters, including hours worked, which
17 the secretary considers necessary to the effective administration of this chapter.

18 (4) Information obtained from an employing unit or individual and other records made
19 by the cabinet in the administration of this chapter are confidential and shall not be
20 published or be open for public inspection, except as provided below and in
21 subsections (5) and (6) of this section:

22 (a) 1. Public officials and the agents and contractors of public officials, in the
23 performance of their official duties, may be provided information and
24 records, but the public officials receiving the information and records
25 shall assure the confidentiality, as required in this section, of all
26 information and records so released. Official duties do not include
27 solicitation of contributions or expenditures to or on behalf of a

- 1 candidate for public office or a political party;
- 2 2. A contractor shall include a temporary staffing engaged by the cabinet
3 for any purpose in connection with the administration of this chapter;
4 and
- 5 3. Disclosures shall be made under this subsection only if the recipient has
6 entered into a written, enforceable, and terminable agreement with the
7 cabinet and has satisfied the safeguards set forth in federal statutes and
8 regulations;
- 9 (b) 1. An individual or employing unit shall be provided, upon request,
10 information and records maintained by the cabinet in the administration
11 of wage records, claim, reserve account, reimbursing employer account,
12 or any proceeding under this chapter to which it is a party.
- 13 2. An agent of an individual or employing unit shall be provided the
14 individual's or employing unit's information and records upon the
15 presentation of a written release or other legally enforceable evidence of
16 the informed consent of the individual or employing unit.
- 17 3. An attorney retained by an individual or employing unit in any
18 proceeding under this chapter shall be provided the individual's or
19 employing unit's information and records if the attorney asserts in
20 writing that he or she is representing that individual or employing unit.
- 21 4. An elected official performing constituent services shall be provided the
22 individual's or employing unit's information and records if the official
23 presents reasonable written evidence that the individual or employing
24 unit has authorized the disclosure;
- 25 (c) A third party other than an agent, or third party on an ongoing basis, shall be
26 provided the individual or employing unit's information and records if the
27 individual or employing unit to whom the information pertains provides a

- 1 signed written release which shall specify:
- 2 1. The information and records to be disclosed;
 - 3 2. The purpose for which the information and records are sought,
4 specifying the expected service or benefit to the individual signing the
5 release, or specifying their use in the administration or evaluation of the
6 public program to which the release pertains;
 - 7 3. Assurance that the information and records shall be used solely for that
8 purpose;
 - 9 4. All parties who may receive the information and records disclosed; and
 - 10 5. That state government files shall be accessed to obtain information and
11 records.

12 Disclosures shall be made under this subsection only if the recipient has
13 entered into a written, enforceable, and terminable agreement with the cabinet
14 and has satisfied the safeguards set forth in federal statutes and regulations;

15 (d) Precedential orders issued by the Unemployment Insurance Commission shall
16 be released provided that Social Security numbers and employer identification
17 numbers have been removed and the disclosure is otherwise consistent with
18 federal and state law;

19 (e) A public official with authority under state or federal law to obtain the
20 information and records by subpoena, other than a clerk of court on behalf of a
21 litigant, shall be provided information and records upon service of a duly
22 issued subpoena;

23 (f) A federal official, when required for the purposes of oversight and auditing of
24 the unemployment insurance program, shall be provided information and
25 records;

26 (g) Statistical information derived from information and records obtained or made
27 by the cabinet may be released to the Bureau of Labor Statistics under a

1 cooperative agreement or may be published, if it in no way reveals the identity
2 of any individual or employing unit; and

3 (h) Nothing in this section shall preclude the secretary or any employee of the
4 cabinet from testifying in any proceeding under this chapter or in any court, or
5 from introducing as evidence information and records obtained or made by the
6 cabinet in an action for violation of state or federal law to which the cabinet is
7 a party or upon order of the court.

8 (5) Disclosures shall be made under subsection (4) of this section only if:

9 (a) The disclosure is necessary for the proper administration of the unemployment
10 insurance program;

11 (b) No more than an incidental amount of staff time or a nominal processing cost
12 is required to make the disclosure; or

13 (c) The cost of providing the information and records is paid by the recipient prior
14 to the disclosure, consistent with federal laws and regulations, except this
15 requirement shall not apply to disclosures made under subsection (4)(f) of this
16 section nor to disclosures made under subsection (4)(e) and (h) of this section
17 if the cabinet attempts without success to recover the cost of disclosure. For
18 disclosures made to other public officials under subsection (4)(a) of this
19 section, this requirement shall be met if the recipient provides a reciprocal
20 benefit to the cabinet in the administration of the unemployment insurance
21 program, or if a reasonable reimbursement for the disclosure shall be
22 determined under federal law.

23 (6) Recipients of information and records disclosed under subsection (4)(a) and (c) of
24 this section may redisclose the information and records only as follows:

25 (a) To the individual or employing unit who is the subject of the information and
26 records;

27 (b) To an attorney or duly authorized agent representing the individual or

- 1 employing unit;
- 2 (c) In any civil or criminal proceedings for or on behalf of the recipient;
- 3 (d) In response to a subpoena but only as provided in subsection (4)(e) and (h) of
- 4 this section;
- 5 (e) A public official may redisclose to an agent or contractor, but only if the
- 6 public official retains responsibility for the uses of the confidential
- 7 information and records by the agent or contractor and subject to the
- 8 safeguards set forth in the agreement required under subsection (4) of this
- 9 section;
- 10 (f) A public official may redisclose to another public official;
- 11 (g) A state or local child support enforcement agency may redisclose to its agent
- 12 under contract for the purpose of carrying out child support enforcement; or
- 13 (h) When specifically authorized by a written release for redisclosure that meets
- 14 the requirements of subsection (4)(c) of this section.
- 15 (7) Any disclosure or use of information and records that is inconsistent with the
- 16 provisions of this section shall be subject to the penalty prescribed in KRS
- 17 341.990(11).
- 18 (8) No information and records held confidential under subsection (4) of this section
- 19 shall be the subject matter or basis for any suit for slander or libel in any court, but
- 20 no employer or employee, or his representative, testifying before the commission,
- 21 the secretary, or any duly authorized representative thereof, shall be exempt from
- 22 punishment for perjury.

23 ➔Section 13. KRS 341.230 is amended to read as follows:

24 The secretary may authorize the destruction of such original reports and records as have

25 been properly recorded and summarized in the permanent records of the Labor~~[Education~~

26 ~~and Workforce Development]~~ Cabinet or are no longer considered necessary for the

27 proper administration of this chapter. Wage records of the individual worker or

1 transcripts thereof may be destroyed or disposed of two (2) years after the expiration of
2 the period covered by them or upon proof of death of the worker. Such destruction or
3 disposition shall be made only by order of the secretary. Any money received from the
4 disposition of such records shall be deposited to the credit of the unemployment
5 compensation administration fund.

6 ➔Section 14. KRS 341.245 is amended to read as follows:

7 Subject to the provisions of KRS 56.440 to 56.550, inclusive, the secretary~~[of the~~
8 ~~Education and Workforce Development Cabinet]~~ is authorized and empowered to use all
9 or any part of the funds accumulated under the provisions of KRS 341.295 for the
10 purpose of acquiring suitable space for either central or district offices of the cabinet by
11 way of purchase, lease, contract, or in any other manner including the right to use said
12 funds or any part thereof to assist in financing the construction of any building erected by
13 the Commonwealth or any of its agencies wherein available space will be provided for the
14 cabinet under lease or contract between the cabinet and the Commonwealth or such other
15 agency whereby said cabinet will continue to occupy such space, rent free, after the cost
16 of financing such building has been liquidated.

17 ➔Section 15. KRS 341.250 is amended to read as follows:

- 18 (1) Any employing unit that becomes subject to this chapter within any calendar year
19 shall be considered a subject employer during the whole of that calendar year,
20 except as specifically provided elsewhere in this section or this chapter.
- 21 (2) Except as provided in subsections (3) and (5) of this section, a subject employer
22 shall cease to be a subject employer only as of the first day of January of any
23 calendar year if he files with the Office of Unemployment Insurance~~[, Department~~
24 ~~of Workforce Investment,]~~ on or before the fifteenth day of April of that year, a
25 written application for termination of coverage, and the covered employment
26 performed for such subject employer within the preceding calendar year was not
27 sufficient to render an employing unit a subject employer under KRS 341.070. The

1 secretary may, however, after notifying such employer in writing at his last known
2 address, terminate the coverage of any subject employer as of the first day of
3 January of any calendar year if such subject employer has had no individuals in
4 covered employment in this state at any time during the three (3) preceding calendar
5 years, and the balance of such employer's reserve account may be immediately
6 transferred to the pooled account.

7 (3) (a) Any employing unit not otherwise subject to this chapter that files with the
8 office its written election to become a subject employer for not less than two
9 (2) calendar years shall, with the written approval of such election by the
10 secretary, become subject hereto to the same extent as all other subject
11 employers, as of the date stated in such approval, but not with respect to the
12 period previous to such date. Such subject employer shall cease to be subject
13 hereto as of January 1 of any calendar year subsequent to such two (2)
14 calendar years, only if on or before April 15 of such year, it has filed with the
15 office a written notice to that effect.

16 (b) Any employing unit for which services that do not constitute covered
17 employment are performed may file with the office a written election that all
18 such services performed by individuals in its employ in one (1) or more
19 distinct establishments or places of business shall be considered to constitute
20 covered employment by a subject employer for all the purposes of this chapter
21 for not less than two (2) calendar years. Upon written approval of such
22 election by the secretary, such services shall be considered to constitute
23 covered employment from and after the date stated in such approval, but not
24 with respect to the period previous to such date. Such services shall cease to
25 be considered covered employment subject hereto as of January 1 of a
26 calendar year subsequent to such two (2) calendar years, only if on or before
27 April 15 of such year such employing unit has filed with the office a written

1 notice to that effect.

2 (c) Any employing unit having service performed in covered employment solely
3 by reason of KRS 341.050(1)(h) may terminate such service as "covered
4 employment" as of the first day of January of any calendar year if such service
5 does not meet the provisions of paragraph (e), (f) or (g), but only if on or
6 before April 15 of such year, the employing unit has filed with the office a
7 written request to terminate service as "covered employment."

8 (4) An employing unit that becomes a subject employer under KRS 341.070(7), shall
9 become subject as of the date of acquisition.

10 (5) Notwithstanding the provisions of subsections (1), (2), and (3) of this section, any
11 subject employer whose entire reserve account has been transferred to a successor in
12 interest as provided for in KRS 341.540 shall immediately cease to be a subject
13 employer and shall thereafter become a subject employer only upon his future
14 employment experience.

15 ➔Section 16. KRS 341.260 is amended to read as follows:

16 (1) Contributions shall accrue and become payable by each subject employer for each
17 calendar year in which he is subject to this chapter. Such contributions shall be
18 based upon wages paid during such calendar year for covered employment. Such
19 contributions shall become due and be paid at the offices of the Office of
20 Unemployment Insurance~~[, Department of Workforce Investment,]~~ in Frankfort by
21 each subject employer to the office for the fund in accordance with such regulations
22 as the secretary prescribes, and shall not be deducted in whole or in part from the
23 wages of workers in his employ. In the payment of any contributions, a fractional
24 part of a cent shall be disregarded, unless it amounts to one-half cent (\$0.005) or
25 more, in which case it shall be increased to one cent (\$0.01).

26 (2) Any contractor, who is or becomes a subject employer under the provisions of this
27 chapter, who contracts with any subcontractor, who also is or becomes a subject

1 employer under the provisions of this chapter, shall withhold sufficient moneys on
2 said contract to guarantee that all contributions, penalties, and interest are paid upon
3 completion of said contract, or shall require of said subcontractor a good and
4 sufficient bond guaranteeing payment of all contributions, penalties, and interest
5 due, or to become due with respect to wages paid for employment on said contract.
6 Failure to comply with the provisions of this section shall render said contractor
7 directly liable for such contributions, penalties, and interest due from said
8 subcontractor and the wages paid by said subcontractor shall be deemed wages paid
9 by the said contractor with respect to the same periods for all purposes under this
10 chapter, and liens of the same nature are attachable and enforceable in the same
11 manner as liens under KRS 341.310 and 341.315. A person, employing unit, or
12 entity that enters into a verbal or written agreement with another, or between which
13 there exists an implied contract based upon the circumstances, conduct, or acts or
14 relations of the parties:

- 15 (a) To have work performed consisting of the removal, excavation or drilling of
16 soil, rock, or mineral, or the cutting or removal of timber from land; or
17 (b) To have work performed of a kind which is a customary or a recurrent part of
18 the work of the trade, business, occupation, or profession of such person or
19 entity, shall for the purposes of this subsection be deemed a contractor, and
20 such other person or entity a subcontractor. This subsection shall not apply to
21 the owner or lessee of land principally used for agriculture.

22 ➔Section 17. KRS 341.270 is amended to read as follows:

- 23 (1) Except as otherwise provided in this section, each employer's contribution rate shall
24 be three percent (3%). Effective for employers who become subject to this chapter
25 on or after January 1, 1999, except as otherwise provided in this section, each
26 employer's contribution rate shall be two and seven-tenths percent (2.7%).
27 (2) Except as otherwise provided in this section, no subject employer's contribution rate

1 shall be less than two and seven-tenths percent (2.7%), unless he has been an
2 employer subject to the provisions of this chapter for twelve (12) consecutive
3 calendar quarters ended as of the computation date. In any calendar year in which
4 the rate schedule prescribed in paragraph (3)(a) of this section is in effect, no
5 subject employer who was assigned an entry rate of three percent (3.0%) under the
6 provisions of subsection (1) of this section prior to January 1, 1999, shall have a
7 contribution rate less than two and eight hundred fifty-seven thousandths percent
8 (2.857%), unless subject to this chapter for the minimum time period specified
9 above.

10 (3) For the calendar year 2001 and each calendar year thereafter, employer contribution
11 rates shall be determined in accordance with "Table A" set out in subsection (4) of
12 this section. For each calendar year, the secretary shall determine the rate schedule
13 to be in effect based upon the "trust fund balance" as of September 30 of the
14 preceding year. If the "trust fund balance":

15 (a) Equals or exceeds one and eighteen hundredths percent (1.18%) of the total
16 wages paid in covered employment in the state during the state fiscal year
17 ended as of June 30 of that year, the rates listed in the "Trust Fund Adequacy
18 Rates" schedule of "Table A" shall be in effect;

19 (b) Equals or exceeds five hundred million dollars (\$500,000,000) but is less than
20 the amount required to effectuate the "Trust Fund Adequacy Rates" schedule
21 as provided in paragraph (a) of this subsection, the rates listed in "Schedule
22 A" of "Table A" shall be in effect;

23 (c) Equals or exceeds three hundred fifty million dollars (\$350,000,000) but is
24 less than five hundred million dollars (\$500,000,000), the rates listed in
25 "Schedule B" of "Table A" shall be in effect;

26 (d) Equals or exceeds two hundred fifty million dollars (\$250,000,000) but is less
27 than three hundred fifty million dollars (\$350,000,000), the rates listed in

1 "Schedule C" of "Table A" shall be in effect;

2 (e) Equals or exceeds one hundred fifty million dollars (\$150,000,000) but is less

3 than two hundred fifty million dollars (\$250,000,000), the rates listed in

4 "Schedule D" of "Table A" shall be in effect; and

5 (f) Is less than one hundred fifty million dollars (\$150,000,000), the rates listed in

6 "Schedule E" of "Table A" shall be in effect.

7 (4) For the calendar year 1982 and each calendar year thereafter, contribution rates shall

8 be determined upon the basis of an individual employer's reserve ratio as of the

9 computation date and the schedule of rates established under subsection (3) of this

10 section. Except as otherwise provided in this section, the contribution rate for each

11 subject employer for the calendar year immediately following the computation date

12 shall be the rate in that "Schedule" of "Table A," as set out below, effective with

13 respect to the calendar year, which appears on the same line as his reserve ratio as

14 shown in the "Employer Reserve Ratio" column of the same table.

TABLE A

Rate Schedule

| Employer Reserve Ratio | Trust Fund | A Adequacy Rates | B | C | D | E |
|------------------------|------------|------------------|-------|-------|-------|-------|
| 8.0% and over | | 0.000% 0.30% | 0.40% | 0.50% | 0.60% | 1.00% |
| 7.0% but under 8.0% | 0.000% | 0.40% | 0.50% | 0.60% | 0.80% | 1.05% |
| 6.0% but under 7.0% | 0.008% | 0.50% | 0.60% | 0.70% | 0.90% | 1.10% |
| 5.0% but | | | | | | |

| | | | | | | | |
|----|-------------|--------|-------|-------|-------|-------|-------|
| 1 | under 6.0% | 0.208% | 0.70% | 0.80% | 1.00% | 1.20% | 1.40% |
| 2 | 4.6% but | | | | | | |
| 3 | under 5.0% | 0.508% | 1.00% | 1.20% | 1.40% | 1.60% | 1.80% |
| 4 | 4.2% but | | | | | | |
| 5 | under 4.6% | 0.808% | 1.30% | 1.50% | 1.80% | 2.10% | 2.30% |
| 6 | 3.9% but | | | | | | |
| 7 | under 4.2% | 1.008% | 1.50% | 1.70% | 2.20% | 2.40% | 2.70% |
| 8 | 3.6% but | | | | | | |
| 9 | under 3.9% | 1.308% | 1.80% | 1.80% | 2.40% | 2.60% | 3.00% |
| 10 | 3.2% but | | | | | | |
| 11 | under 3.6% | 1.508% | 2.00% | 2.10% | 2.50% | 2.70% | 3.10% |
| 12 | 2.7% but | | | | | | |
| 13 | under 3.2% | 1.608% | 2.10% | 2.30% | 2.60% | 2.80% | 3.20% |
| 14 | 2.0% but | | | | | | |
| 15 | under 2.7% | 1.708% | 2.20% | 2.50% | 2.70% | 2.90% | 3.30% |
| 16 | 1.3% but | | | | | | |
| 17 | under 2.0% | 1.808% | 2.30% | 2.60% | 2.80% | 3.00% | 3.40% |
| 18 | 0.0% but | | | | | | |
| 19 | under 1.3% | 1.908% | 2.40% | 2.70% | 2.90% | 3.10% | 3.50% |
| 20 | -0.5% but | | | | | | |
| 21 | under -0.0% | 6.500% | 6.50% | 6.75% | 7.00% | 7.25% | 7.50% |
| 22 | -1.0% but | | | | | | |
| 23 | under -0.5% | 6.750% | 6.75% | 7.00% | 7.25% | 7.50% | 7.75% |
| 24 | -1.5% but | | | | | | |
| 25 | under -1.0% | 7.000% | 7.00% | 7.25% | 7.50% | 7.75% | 8.00% |
| 26 | -2.0% but | | | | | | |
| 27 | under -1.5% | 7.250% | 7.25% | 7.50% | 7.75% | 8.00% | 8.25% |

| | | | | | | | | |
|----|-------------|--------|-------|-------|-------|-------|--------|--|
| 1 | -3.0% but | | | | | | | |
| 2 | under -2.0% | 7.500% | 7.50% | 7.75% | 8.00% | 8.25% | 8.50% | |
| 3 | -4.0% but | | | | | | | |
| 4 | under -3.0% | 7.750% | 7.75% | 8.00% | 8.25% | 8.50% | 8.75% | |
| 5 | -6.0% but | | | | | | | |
| 6 | under -4.0% | 8.250% | 8.25% | 8.50% | 8.75% | 9.00% | 9.25% | |
| 7 | -8.0% but | | | | | | | |
| 8 | under -6.0% | 8.500% | 8.50% | 8.75% | 9.00% | 9.25% | 9.50% | |
| 9 | Less | | | | | | | |
| 10 | than -8.0%. | 9.000% | 9.00% | 9.25% | 9.50% | 9.75% | 10.00% | |

11 (5) As used in this section and elsewhere in this chapter, unless the context clearly
12 requires otherwise:

13 (a) "Trust fund balance" means the amount of money in the unemployment
14 insurance fund, less any unpaid advances made to the state under Section 1201
15 of the Social Security Act. In determining the amount in the fund as of a given
16 date all money received by the Office of Unemployment Insurance~~;~~
17 ~~Department of Workforce Investment,~~ on that date shall be considered as
18 being in the fund on that date;

19 (b) "Total wages" means all remuneration for services, as defined in KRS
20 341.030(1) to (7), paid by subject employers;

21 (c) An employer's "reserve ratio" means the percentage ratio of his reserve
22 account balance as of the computation date to his taxable payrolls for the
23 twelve (12) consecutive calendar quarters ended as of June 30 immediately
24 preceding the computation date;

25 (d) For the purposes of this section, an employer's "reserve account balance"
26 means the amount of contributions credited to his reserve account as of the
27 computation date, less the benefit charges through June 30 immediately

1 preceding the computation date. If benefits charged to an account exceed
2 contributions credited to the account, the account shall be considered as
3 having a debit balance and a reserve ratio of "less than zero"; and

4 (e) "Computation date" is July 31 of each calendar year prior to the effective date
5 of new rates of contributions.

6 ➔Section 18. KRS 341.275 is amended to read as follows:

7 (1) For the purpose of this section, a nonprofit organization is an organization (or group
8 of organizations) described in Section 501(c)(3) of the United States Internal
9 Revenue Code which is exempt from income tax under Section 501(a) of such code.
10 For the purpose of this section, "cabinet" shall mean the Labor~~Education and~~
11 ~~Workforce Development~~ Cabinet and "secretary" shall mean the secretary of the
12 Labor~~Education and Workforce Development~~ Cabinet.

13 (2) Any nonprofit organization which, pursuant to KRS 341.070(4), is, or becomes, a
14 subject employer shall pay contributions under the provisions of KRS 341.270,
15 unless it elects, in accordance with this section, to pay to the cabinet for the fund an
16 amount equal to the amount of regular benefits and of one-half (1/2) of the extended
17 benefits paid to workers for weeks of unemployment that is attributable to service in
18 the employ of the nonprofit organization, performed during the effective period of
19 the election but only if the employer is the worker's most recent employer. No
20 employer shall be deemed to be the most recent employer unless the eligible worker
21 to whom benefits are payable shall have worked for that employer in each of ten
22 (10) weeks whether or not consecutive.

23 (a) Any nonprofit organization which is, or becomes, a subject employer on July
24 1, 1972, may elect to become liable for payments in lieu of contributions for a
25 period of not less than the remainder of 1972 and the calendar year of 1973,
26 provided it files with the cabinet a written notice of its election within the
27 thirty (30) day period immediately following such date.

- 1 (b) Any nonprofit organization which becomes a subject employer after July 1,
2 1972, may elect to become liable for payments in lieu of contributions for a
3 period of not less than the period of subjectivity during the year in which such
4 subjectivity begins and the following calendar year by filing a written notice
5 of its election with the cabinet not later than thirty (30) days immediately
6 following the date of the determination of such subjectivity.
- 7 (c) Any nonprofit organization which makes an election in accordance with
8 paragraph (a) or (b) of this subsection will continue to be liable for payments
9 in lieu of contributions until it files with the secretary a written notice
10 terminating its election not later than thirty (30) days prior to the beginning of
11 the calendar year for which such termination shall first be effective, except
12 that liability for payments in lieu of contributions shall continue thereafter
13 with respect to wages paid prior to the effective date of such termination.
- 14 (d) Any nonprofit organization which has been paying contributions under this
15 chapter for a period subsequent to July 1, 1972, may change to a reimbursable
16 basis by filing with the cabinet not later than thirty (30) days prior to the
17 beginning of any calendar year a written notice of election to become liable
18 for payments in lieu of contributions. Such election shall not be terminable by
19 such organization for that and the following year.
- 20 (e) The secretary may for good cause extend the period within which a notice of
21 election, or a notice of termination, must be filed and may permit an election
22 to be retroactive but not any earlier than with respect to benefits paid after
23 December 31, 1969.
- 24 (f) The secretary shall notify each nonprofit organization of any determination
25 which may be made of its status as an employer and of the effective date of
26 any election which it makes and of any termination of such election. Such
27 determinations shall be subject to appeal and review in accordance with the

1 provisions of KRS 341.430(2).

2 (3) Payments in lieu of contributions shall be made in accordance with the provisions
3 of this subsection.

4 (a) At the end of each calendar quarter or at the end of any other period as
5 determined by the secretary, the cabinet shall bill each nonprofit organization
6 (or group of such organizations) which has elected to make payments in lieu
7 of contributions for an amount equal to the full amount of regular benefits
8 plus one-half (1/2) of the amount of extended benefits paid during such
9 quarter plus any prior period adjustments, which are attributable to service
10 performed in covered employment in the employ of such organization plus
11 interest on the total amount billed at the average rate of earnings in the
12 unemployment insurance fund for the prior calendar year. All interest
13 collected under this subsection shall be credited to the unemployment
14 insurance fund.

15 (b) Payment of any bill rendered under paragraph (a) shall be made not later than
16 thirty (30) days after such bill was mailed to the last known address of the
17 nonprofit organization or was otherwise delivered to it, unless there has been
18 an application for review in accordance with paragraph (d) of this subsection.

19 (c) Payments made by any nonprofit organization under the provisions of this
20 subsection shall not be deducted or deductible, in whole or in part, from the
21 remuneration of workers in the employ of the organization.

22 (d) The amount due specified in any bill from the secretary shall be conclusive on
23 the organization unless, not later than fifteen (15) days after the bill was
24 mailed to its last known address or otherwise delivered to it, the organization
25 files an appeal to the commission setting forth the grounds for such appeal.
26 Proceedings on appeal to the commission from the amount of a bill rendered
27 under this subsection shall be in accordance with the provisions of KRS

1 341.430, and the decision of the commission shall be subject to review under
2 the provisions of KRS 341.460(1).

3 (e) Past-due payments of amounts in lieu of contributions shall be subject to the
4 same interest, penalties, collection service, and lien provisions that, pursuant
5 to KRS 341.300 to 341.310, apply to past-due contributions.

6 (4) (a) The secretary may, in accordance with regulations prescribed by the cabinet,
7 require any nonprofit organization that elects to become liable for payments in
8 lieu of contributions to deposit with the cabinet, within thirty (30) days after
9 the effective date of its election as a condition thereof, money equal to two
10 percent (2%) of the organization's total wages paid for employment as defined
11 in KRS 341.050(1)(e) for the four (4) calendar quarters immediately preceding
12 the effective date of such election. If the nonprofit organization did not pay
13 wages in each of such four (4) calendar quarters, the amount of the deposit
14 shall be as determined by the secretary.

15 (b) Money deposited in accordance with this subsection shall be retained by the
16 cabinet in an escrow account until all possible liability to the fund under the
17 election is terminated, at which time it shall be returned to the organization,
18 less any deductions as hereinafter provided. The cabinet may deduct from the
19 money deposited under this subsection by a nonprofit organization to the
20 extent necessary to satisfy any due and unpaid payments in lieu of
21 contributions and any applicable interest and penalties provided for in
22 subsection (3)(e) of this section. The secretary shall require the organization
23 within thirty (30) days following any deduction from a money deposit under
24 the provisions of this subsection to deposit sufficient additional money to
25 make whole the organization's deposit at the prior level. The secretary may, at
26 any time, review the adequacy of the deposit made by any organization. If, as
27 a result of such review, he determines that an adjustment is necessary, he shall

1 require the organization to make additional deposit within thirty (30) days of
2 written notice of his determination or shall return to it such portion of the
3 deposit as he no longer considers necessary, whichever action is appropriate.

4 (c) If any nonprofit organization fails to make a deposit, or to increase or make
5 whole the amount of a previously made deposit, as provided under this
6 subsection, the secretary may terminate such organization's election to make
7 payments in lieu of contributions and such termination shall continue for not
8 less than the remainder of that calendar year and the following calendar year
9 beginning with the quarter in which such termination becomes effective;
10 provided, that the secretary may extend for good cause the applicable filing,
11 deposit, or adjustment period by not more than sixty (60) days.

12 (5) If any nonprofit organization is delinquent in making payments in lieu of
13 contributions as required under subsection (3) of this section, the secretary may
14 terminate such organization's election to make payments in lieu of contributions as
15 of the beginning of the next calendar year, and such termination shall be effective
16 for that and the next calendar year.

17 (6) Notwithstanding any other section of this chapter, no employing unit electing to
18 make payments in lieu of contributions under the provisions of this section shall be
19 entitled to relief of benefit charges.

20 ➔Section 19. KRS 341.300 is amended to read as follows:

21 (1) Contributions unpaid on the date on which they are due and payable, as prescribed
22 by the secretary, shall be subject to interest at the rate of one and five-tenths percent
23 (1.5%) per month or fraction thereof, not to exceed ninety percent (90%) of the
24 amount of such contributions, from and after such date until payment is received by
25 the Office of Unemployment Insurance~~[- Department of Workforce Investment,]~~
26 irrespective of whether such delinquency has been reduced to a judgment or not as
27 provided in subsection (2) of this section or is the subject of an administrative

1 appeal or court action. The interest charged for a month, in which the unpaid
2 contributions remain unpaid, shall be considered accrued and therefore due and
3 owing on the first day after the last day of the month in which the balance is due.
4 Such interest shall be paid into the unemployment compensation administration
5 fund.

6 (2) If, after due notice, any subject employer defaults in any payment of contributions,
7 interest or penalties thereon, the amount due shall be collected by a civil action
8 instituted in the Franklin Circuit Court or the Franklin District Court depending
9 upon the jurisdictional amount in controversy including interest and penalties in the
10 name of the state, and the subject employer adjudged in default shall pay the costs
11 of the action. Civil actions brought under this section shall be heard by the court,
12 without the intervention of a jury, at the earliest possible date, and shall be entitled
13 to preference upon the calendar of the court over all other civil actions except
14 petitions for judicial review under this chapter and cases arising under the workers'
15 compensation law.

16 (3) At or after the commencement of an action under subsection (2) of this section,
17 attachment may be had against the property of the liable subject employer for such
18 contributions, interest, and penalties, without the execution of a bond, or after
19 judgment has been entered an execution may be issued against the property of such
20 employer without the execution of a bond.

21 (4) An action for the recovery of contributions, interest, or penalties under this section
22 shall be barred and any lien therefor shall be canceled and extinguished unless
23 collected or suit for collection has been filed within ten (10) years from the due date
24 of such contributions, except, in the case of the filing of a false or fraudulent report,
25 the contributions due shall not be barred and may at any time be collected by the
26 methods set out in this chapter, including action in a court of competent jurisdiction.

27 ➔Section 20. KRS 341.360 is amended to read as follows:

- 1 (1) No worker may be paid benefits for any week of unemployment:
- 2 (a) With respect to which a strike or other bona fide labor dispute which caused
- 3 him to leave or lose his employment is in active progress in the establishment
- 4 in which he is or was employed, except that benefits may be paid unless the
- 5 employer notifies the Office of Unemployment Insurance~~], Department of~~
- 6 ~~Workforce Investment,~~ in writing within seven (7) days after the beginning of
- 7 such alleged strike or labor dispute of the alleged existence of such strike or
- 8 labor dispute. For the purpose of this subsection, a lockout shall not be
- 9 deemed to be a strike or a bona fide labor dispute and no worker shall be
- 10 denied benefits by reason of a lockout;
- 11 (b) For which he has received or is seeking unemployment compensation under
- 12 an unemployment compensation law of another state or of the United States,
- 13 except as otherwise provided by an arrangement between this state and such
- 14 other state or the United States; but if the appropriate agency of such state or
- 15 of the United States finally determines that he is not entitled to such
- 16 unemployment compensation, this subsection shall not apply;
- 17 (c) 1. Which, when based on service in an instructional, research, or principal
- 18 administrative capacity in an institution of higher education as defined in
- 19 KRS 341.067(2) or in an educational institution as defined in KRS
- 20 341.067(4), begins during the period between two (2) successive
- 21 academic years, or during a similar period between two (2) regular
- 22 terms, whether or not successive, or during a period of paid sabbatical
- 23 leave provided for in the individual's contract, if the worker performs
- 24 such services in the first of such academic years or terms and if there is a
- 25 contract or a reasonable assurance that the worker will perform such
- 26 services in any such capacity for any institution or institutions of higher
- 27 education or an educational institution in the second of such academic

- 1 years or such terms; or
- 2 2. Which, when based on service other than as defined in subparagraph 1.
- 3 of this paragraph, in an institution of higher education or an educational
- 4 institution, as defined in KRS 341.067(2) or (4), begins during the
- 5 period between two (2) successive academic years or terms, if the
- 6 worker performs such services in the first of such academic years or
- 7 terms and there is a reasonable assurance that the worker will perform
- 8 such services in the second of such academic years or terms; except that
- 9 if benefits are denied to any worker under this paragraph and such
- 10 worker was not offered an opportunity to perform such services for such
- 11 institution of higher education or such educational institution for the
- 12 second of such academic years or terms, such worker shall be entitled to
- 13 a retroactive payment of benefits for each week for which the worker
- 14 filed a timely claim for benefits and for which benefits were denied
- 15 solely by reason of this paragraph; or
- 16 3. Which, when based on service in any capacity defined in subparagraphs
- 17 1. and 2. of this paragraph, begins during an established and customary
- 18 vacation period or holiday recess if the worker performs any such
- 19 services in the period immediately before such vacation period or
- 20 holiday recess, and there is a reasonable assurance that such worker will
- 21 perform any such services in the period immediately following such
- 22 vacation period or holiday recess; or
- 23 4. Based on service in any capacity defined in subparagraph 1. or 2. of this
- 24 paragraph when such service is performed by the worker in an institution
- 25 of higher education or an educational institution, as defined in KRS
- 26 341.067(2) or (4), while the worker is in the employ of an educational
- 27 service agency, and such unemployment begins during the periods and

1 pursuant to the conditions specified in subparagraphs 1., 2., and 3. of
2 this paragraph. For purposes of this paragraph, the term "educational
3 service agency" means a governmental agency or governmental entity
4 which is established and operated exclusively for the purpose of
5 providing such services to one (1) or more institutions of higher
6 education or educational institutions;

7 Notwithstanding any other provision of this paragraph, any benefits paid to a
8 worker based on service other than as defined in subparagraph 1. of this
9 paragraph performed in an institution of higher education as defined in KRS
10 341.067(2) shall be deemed to have been paid as a result of Office of
11 Unemployment Insurance~~[- Department of Workforce Investment,]~~ error and
12 not recoverable by the cabinet or such institution if such payment is improper
13 by virtue of the retroactive application to October 30, 1983, of subparagraph
14 2. of this paragraph; or

15 (d) With respect to which the worker is suspended from work for misconduct, as
16 defined in KRS 341.370(6), connected with the work.

17 (2) Benefits shall not be paid to any individual on the basis of any services,
18 substantially all of which consist of participating in sports or athletic events or
19 training or preparing to so participate, for any week which commences during the
20 period between two (2) successive sport seasons or similar periods and there is a
21 reasonable assurance that such individual will perform such services in the later of
22 such seasons or similar periods.

23 (3) (a) Benefits shall not be paid on the basis of services performed by an alien unless
24 such alien is an individual who was lawfully admitted for permanent residence
25 at the time such services were performed, was lawfully present for purposes of
26 performing such services, or was residing in the United States under color of
27 law at the time such services were performed, including an alien who was

1 lawfully present in the United States as a result of the application of the
2 provisions of Section 203(a)(7) or Section 212(d)(5) of the Immigration and
3 Nationality Act.

4 (b) Any data or information required of individuals applying for benefits to
5 determine whether benefits are not payable to them because of their alien
6 status shall be uniformly required from all applicants for benefits.

7 (c) In the case of an individual whose application for benefits would otherwise be
8 approved, no determination that benefits to such individual are not payable
9 because of his alien status shall be made except upon a preponderance of the
10 evidence.

11 ➔Section 21. KRS 341.370 is amended to read as follows:

12 (1) A worker shall be disqualified from receiving benefits for the duration of any period
13 of unemployment with respect to which:

14 (a) He has failed without good cause either to apply for available, suitable work
15 when so directed by the employment office or the secretary or to accept
16 suitable work when offered him, or to return to his customary self-
17 employment when so directed by the secretary; or

18 (b) He has been discharged for misconduct or dishonesty connected with his most
19 recent work, or from any work which occurred after the first day of the
20 worker's base period and which last preceded his most recent work, but
21 legitimate activity in connection with labor organizations or failure to join a
22 company union shall not be construed as misconduct; or

23 (c) He has left his most recent suitable work or any other suitable work which
24 occurred after the first day of the worker's base period and which last preceded
25 his most recent work voluntarily without good cause attributable to the
26 employment. No otherwise eligible worker shall be disqualified from
27 receiving benefits for:

- 1 1. Leaving his next most recent suitable work which was concurrent with
 - 2 his most recent work;
 - 3 2. Leaving work which is one hundred (100) road miles or more, as
 - 4 measured on a one (1) way basis, from his home to accept work which is
 - 5 less than one hundred (100) road miles from his home;
 - 6 3. Accepting work which is a bona fide job offer with a reasonable
 - 7 expectation of continued employment; or
 - 8 4. Leaving work to accompany the worker's spouse to a different state,
 - 9 military base of assignment, or duty station that is one hundred (100)
 - 10 road miles or more, as measured on a one (1) way basis, from the
 - 11 worker's home when the spouse is reassigned by the military.
- 12 (2) A worker shall be disqualified from receiving benefits for any week with respect to
- 13 which he knowingly made a false statement to establish his right to or the amount of
- 14 his benefits, and, within the succeeding twenty-four (24) months, for the additional
- 15 weeks immediately following the date of discovery, not to exceed a total of fifty-
- 16 two (52), as may be determined by the secretary.
- 17 (3) No worker shall be disqualified under paragraph (b) or (c) of subsection (1) of this
- 18 section unless the employer, within a reasonable time as prescribed by regulations
- 19 promulgated by the secretary, notifies the ~~{Education and Workforce Development~~
- 20 ~~}cabinet~~ and the worker in writing of the alleged voluntary quitting or the discharge
- 21 for misconduct. Nothing in this subsection shall restrict the right of the secretary to
- 22 disqualify a worker whose employer has refused or failed to notify the ~~{Education~~
- 23 ~~and Workforce Development}cabinet~~ of the alleged voluntary quitting or discharge
- 24 for misconduct, if the alleged voluntary quitting or discharge for misconduct is
- 25 known to the secretary prior to the time benefits are paid to the worker. The
- 26 exercise of the right by the secretary, in the absence of timely notice from the
- 27 employer, shall not relieve the employer's reserve account or reimbursing

1 employer's account of benefit charges under the provisions of subsection (3) of KRS
2 341.530.

3 (4) As used in this section and in subsection (3) of KRS 341.530, "most recent" work
4 shall be construed as that work which occurred after the first day of the worker's
5 base period and which last preceded the week of unemployment with respect to
6 which benefits are claimed; except that, if the work last preceding the week of
7 unemployment was seasonal, intermittent, or temporary in nature, most recent work
8 may be construed as that work last preceding the seasonal, intermittent, or
9 temporary work.

10 (5) No worker shall be disqualified or held ineligible under the provisions of this
11 section or KRS 341.350, who is separated from employment pursuant to a labor
12 management contract or agreement, or pursuant to an established employer plan,
13 program, or policy, which permits the employer to close the plant or facility for
14 purposes of vacation or maintenance.

15 (6) "Discharge for misconduct" as used in this section shall include but not be limited
16 to, separation initiated by an employer for falsification of an employment
17 application to obtain employment through subterfuge; knowing violation of a
18 reasonable and uniformly enforced rule of an employer; unsatisfactory attendance if
19 the worker cannot show good cause for absences or tardiness; damaging the
20 employer's property through gross negligence; refusing to obey reasonable
21 instructions; reporting to work under the influence of alcohol or drugs or consuming
22 alcohol or drugs on employer's premises during working hours; conduct
23 endangering safety of self or co-workers; and incarceration in jail following
24 conviction of a misdemeanor or felony by a court of competent jurisdiction, which
25 results in missing at least five (5) days work.

26 (7) "Duration of any period of unemployment," as that term is used in this section, shall
27 be the period of time beginning with the worker's discharge, voluntary quitting, or

1 failure to apply for or accept suitable work and running until the worker has worked
2 in each of ten (10) weeks, whether or not consecutive, and has earned ten (10) times
3 his weekly benefit rate in employment covered under the provisions of this chapter
4 or a similar law of another state or of the United States.

5 ➔Section 22. KRS 341.415 is amended to read as follows:

- 6 (1) (a) Any person who has received any sum as benefits under this chapter or any
7 other state's unemployment insurance statutes or any United States
8 Department of Labor unemployment insurance benefit program, providing the
9 secretary has signed a reciprocal agreement with such other state or the United
10 States Department of Labor as provided in KRS 341.145, while any condition
11 for the receipt of such benefits was not fulfilled in his case, or while he was
12 disqualified from receiving benefits, or if he has received benefits in weeks for
13 which he later receives a back pay award, shall, in the discretion of the
14 secretary, either have such sum deducted from any future benefits payable to
15 him under this chapter or repay the Office of Unemployment Insurance~~],~~
16 ~~Department of Workforce Investment,]~~ for the fund a sum equal to the amount
17 so received by him.
- 18 (b) If after due notice, the recipient of such sum fails to remit or arrange for
19 remittance of the sum, the sum may be collected in the manner provided in
20 KRS 341.300(2) for collection of past-due contributions and any sums so
21 collected shall be credited to the pooled account or the appropriate
22 reimbursing employer account.
- 23 (c) The appropriate reimbursing employer account shall not receive credit for
24 sums collected under this subsection or KRS 341.550(2)(b) if a determination
25 has been made that an improper benefit payment established after October 21,
26 2013, was due to the reimbursing employer, or an agent of the employer, in
27 accordance with the provisions of KRS 341.530(4)(a) and (b). The sums

1 collected shall be credited to the pooled account.

2 (d) If any benefit was paid as a result of office error as defined by administrative
3 regulation, there shall be no recoupment or recovery of an improperly paid
4 benefit, except by deduction from any future benefits payable to him under
5 this chapter. For purposes of this section, overpayments as a result of a
6 reversal of entitlement to benefits in the appeal or review process shall not be
7 construed to be the result of office error.

8 (2) At or after the commencement of an action under subsection (1) of this section,
9 attachment may be had against property of the recipient of improperly paid benefits
10 in the manner provided in KRS 341.300(3).

11 (3) A lien on a parity with state, county, and municipal ad valorem tax liens, is hereby
12 created in favor of the office upon all property of any recipient of improperly paid
13 benefits. This lien shall be for a sum equal to the amount of the overpayment finally
14 determined and shall continue until the amount of the overpayment plus any
15 subsequent assessment of additional improperly paid benefits, penalty, interest, and
16 fees are fully paid. The lien shall commence from such time as the recipient has
17 exhausted or abandoned the appeal procedure set forth in this chapter and the
18 amount of the overpayment is finally fixed. A notice of lien may be filed in the
19 same manner as that provided for in KRS 341.310.

20 (4) Any amount paid to a person as benefits, which he has been found liable to repay or
21 to have deducted from future benefits under subsections (1), (2), and (3) of this
22 section, which has neither been repaid nor so deducted within a period of five (5)
23 years following the last day of the benefit year within which it was paid, may be
24 deemed to be uncollectible and shall be permanently charged to the pooled account,
25 except that if such payment was made by reason of fraudulent representations, no
26 future benefits shall be paid such person within a period of ten (10) years of the last
27 day of the benefit year within which such payments were made at which time these

1 amounts may be declared uncollectible. Nothing in this subsection shall be deemed
2 to affect collection of improperly paid benefits pursuant to a judgment or other legal
3 remedy.

4 (5) In the event benefits have been paid as a result of a false statement,
5 misrepresentation, or concealment of material information by a recipient of benefits
6 and have not been repaid by the recipient within one (1) calendar year from the date
7 of the first notice, interest at the rate of one and five-tenths percent (1.5%) per
8 month or any part thereof, shall be imposed on and added to the unpaid balance
9 each successive month, providing due notice has been given to the recipient. Such
10 interest shall be paid into the unemployment compensation administration account.

11 (6) A recipient of benefits paid as a result of a false statement, misrepresentation, or
12 concealment of material information by the recipient shall be assessed a fifteen
13 percent (15%) penalty of the amount of improperly paid benefits. The penalty under
14 this subsection shall be collected in the same manner as improperly paid benefits in
15 this section and paid into the unemployment trust fund.

16 (7) The deduction from future benefits specified in subsection (1) of this section shall
17 be limited to twenty-five percent (25%) of the benefit amount otherwise payable
18 under this chapter unless the overpayment resulted from a backpay award, false
19 statement, misrepresentation, or concealment of material information by a recipient
20 of benefits. In these instances, the rate of deduction shall be one hundred percent
21 (100%). The rate of deduction from benefits payable by another state or the United
22 States of America shall be determined by the applicable state or federal statute.

23 ➔Section 23. KRS 341.440 is amended to read as follows:

24 (1) The manner in which appeals are presented and hearings and appeals conducted
25 shall be in accordance with regulations prescribed by the secretary for determining
26 the rights of the parties, and such hearings to be conducted in a summary manner. A
27 complete record shall be kept of all proceedings in connection with any appeal. All

1 testimony at any hearing upon an appeal shall be recorded either stenographically or
2 mechanically, but need not be transcribed unless further appealed. No examiner,
3 referee or member of the commission shall participate in any hearing in which he is
4 an interested party.

5 (2) Witnesses subpoenaed pursuant to proceedings under KRS 341.420 and 341.430
6 shall be allowed fees in accordance with rates allowed by law. Such fees and all
7 expenses of proceedings before the Office of Unemployment Insurance~~],~~
8 ~~Department of Workforce Investment,]~~ or commission involving disputed claims
9 shall be deemed a part of the expense of administering this chapter.

10 (3) In the absence of an appeal therefrom, decisions of the commission shall become
11 final twenty (20) days after the date they are made.

12 ➔Section 24. KRS 341.470 is amended to read as follows:

13 (1) No agreement by a worker to waive, release, or commute his rights to benefits or
14 any other rights under this chapter shall be valid. No agreement by any worker to
15 pay any portion of a subject employer's contributions, required under this chapter
16 from such subject employer, shall be valid. No subject employer shall directly or
17 indirectly make or require or accept any deductions from wages to finance the
18 subject employer's contributions required of him. In cases involving awards to a
19 worker by an arbitrator, court, or other administrative body or mediator, the
20 secretary may require the employer to withhold benefits paid under this chapter
21 from the award and pay the amount withheld into the unemployment insurance trust
22 fund. All subject employers are required to notify the Office of Unemployment
23 Insurance~~], Department of Workforce Investment,]~~ prior to paying any back pay
24 award.

25 (2) No worker claiming benefits shall be charged fees of any kind in any proceeding
26 under this chapter by the commission, the secretary, or his or her representatives.
27 Any worker claiming benefits in any proceeding before a referee or the commission

1 may represent himself or herself or may be represented by counsel or other agent
2 duly authorized by such worker and shall be afforded the opportunity to participate
3 in the proceeding without restriction; but no counsel or agent shall either charge or
4 receive for such service more than an amount approved by the commission.

5 (3) (a) Any employer in any proceeding before a referee or the commission may
6 represent himself or may be represented by counsel or other agent duly
7 authorized by such employer; and

8 (b) Any person appearing in any proceeding before a referee or the commission
9 who is an officer of, or who regularly performs in a managerial capacity for, a
10 corporation or partnership which is a party to the proceeding in which the
11 appearance is made shall be permitted to represent such corporation or
12 partnership and shall be afforded the opportunity to participate in the
13 proceeding without restriction.

14 (4) No assignment, pledge, or encumbrance of any right to benefits due or payable
15 under this chapter shall be valid; and such rights to benefits shall be exempt from
16 levy, execution, attachment, or any other remedy for the collection of debt. Benefits
17 received by any worker, as long as they are not mingled with other funds of the
18 recipient, shall be exempt from any remedy for the collection of all debts except
19 debts incurred for necessities furnished to such worker or his spouse or dependents
20 during the time such worker was unemployed. No waiver of any exemption
21 provided for in this subsection shall be valid.

22 (5) The provisions of this section shall not be applicable to child support deductions
23 made in accordance with KRS 341.392 and withholding for federal and state
24 income tax in accordance with KRS 341.395.

25 ➔Section 25. KRS 341.530 is amended to read as follows:

26 (1) The Office of Unemployment Insurance~~[- Department of Workforce Investment,]~~
27 shall maintain a reserve account for each subject employer making contributions to

1 the fund and a reimbursing employer account for each subject employer making
2 payment in lieu of contributions, and shall, except as provided in KRS 341.590,
3 credit to such account the total amount of all contributions or benefit reimbursement
4 paid by the employer on his own behalf. Nothing in this section or elsewhere in this
5 chapter shall be construed to grant any employer or individual who is or was in his
6 employ prior claims or rights to the amounts paid by him into the fund.

7 (2) Except as provided in subsection (3) of this section, all regular benefits paid to an
8 eligible worker in accordance with KRS 341.380 plus the extended benefits paid in
9 accordance with KRS 341.700 to 341.740, subject to the provisions of paragraphs
10 (a) and (b) of this subsection, shall be charged against the reserve account or
11 reimbursing employer account of his most recent employer. No employer shall be
12 deemed to be the most recent employer unless the eligible worker to whom benefits
13 are payable shall have worked for such employer in each of ten (10) weeks whether
14 or not consecutive back to the beginning of the worker's base period.

15 (a) Subject employers, which are not governmental entities as defined in KRS
16 341.069, shall be charged one-half (1/2) of the extended benefits paid in
17 accordance with KRS 341.700 to 341.740; and

18 (b) Subject employers which are governmental entities, as defined in KRS
19 341.069, shall be charged for all extended benefits paid in accordance with
20 KRS 341.700 to 341.740 for compensable weeks occurring on or after January
21 1, 1979, and for one-half (1/2) of the extended benefits paid for compensable
22 weeks occurring prior to such date.

23 (3) Notwithstanding the provisions of subsection (2) of this section, benefits paid to an
24 eligible worker and chargeable to a contributing employer's reserve account under
25 such subsection shall be charged against the pooled account if such worker was
26 discharged by such employer for misconduct connected with his most recent work
27 for such employer, voluntarily left his most recent work with such employer without

1 good cause attributable to the employment, or the employer has continued to
2 provide part-time employment and wages, without interruption, to the same extent
3 that was provided from the date of hire, and the employer within a reasonable time,
4 as prescribed by regulation of the secretary, notifies the office, in writing, of the
5 alleged voluntary quitting, discharge for misconduct or continuing part-time
6 employment; provided, however, that no employer making payments to the fund in
7 lieu of contributions shall be relieved of charges by reason of this subsection.

8 (4) Notwithstanding the provisions of subsection (3) of this section, no contributing
9 employer's reserve account shall be relieved of any charges for benefits relating to
10 an improper benefit payment to a worker established after October 21, 2013, if:

11 (a) The improper benefit payment was made because the employer, or an agent of
12 the employer, was at fault for failing to respond timely or adequately to the
13 request of the secretary for information relating to a claim for benefits; and

14 (b) The employer, or an agent of the employer, has a pattern of failing to respond
15 timely or adequately to requests under paragraph (a) of this subsection. For
16 purposes of this paragraph, a "pattern of failing" means at least six (6) failures
17 occur in a calendar year or the failure to respond to two percent (2%) of such
18 requests in a calendar year, whichever is greater.

19 (5) Any determination under subsection (4) of this section shall be transmitted to the
20 last known physical or electronic address provided by the employer and may be
21 appealed in accordance with the provisions of KRS 341.420(2).

22 (6) Each subject employer's reserve account or reimbursing account shall, unless
23 terminated as of the computation date (as defined in subsection (5) of KRS
24 341.270), be charged with all benefits paid to eligible workers which are chargeable
25 to such reserve account or reimbursing account under subsection (2) of this section.
26 A subject employer's reserve account or reimbursing account shall be deemed to be
27 terminated if he has ceased to be subject to this chapter, and his account has been

1 closed and any balance remaining therein has been transferred to the fund's pooled
2 account or to a successor's account as provided in KRS 341.540 or has been
3 refunded if the employer is a reimbursing employer.

4 (7) Notwithstanding subsection (1) of this section, two (2) or more nonprofit Internal
5 Revenue Code sec. 501(c)(3) organizations may jointly request the secretary to
6 establish a group reserve account or reimbursing account for such nonprofit
7 organizations. Two (2) or more governmental entities may jointly request the
8 secretary to establish a group reserve account or reimbursing account, and once
9 established, such account shall remain in effect at least two (2) calendar years and
10 thereafter until either dissolved at the discretion of the secretary or upon filing
11 application for dissolution by the group members. Each member of a group shall be
12 jointly and severally liable for all payments due under this chapter from each or all
13 of such group members. The secretary shall prescribe such procedures as he deems
14 necessary for the establishment, maintenance, and dissolution of a group reserve
15 account or reimbursing account.

16 (8) Any subject contributing employer may at any time on or before December 31,
17 2011, make voluntary payments to the fund, additional to the contributions required
18 under KRS 341.260 and 341.270. Effective January 1, 2012, any subject
19 contributing employer with a negative reserve account balance may make voluntary
20 payments to the fund every other calendar year, in addition to the contributions
21 required under KRS 341.260 and 341.270. Notwithstanding any other provision of
22 this chapter, contributions paid on or before the computation date and voluntary
23 payments made within twenty (20) days following the mailing of notices of new
24 rates shall be credited to an employer's reserve account as of the computation date,
25 provided no voluntary payments shall be used in computing an employer's rate
26 unless the payment is made prior to the expiration of one hundred and twenty (120)
27 days after the beginning of the year for which the rate is effective. Voluntary

1 payments by any employer shall not exceed any negative balance they may have in
2 their reserve account as of the computation date. Any employer who is delinquent in
3 the payment of contributions, penalties, or interest as of the computation date shall
4 be entitled to make voluntary payments only after the amount of the delinquency is
5 paid in full.

6 ➔Section 26. KRS 341.540 is amended to read as follows:

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

8 (a) "Substantially common" or "substantially the same" means that there is
9 identifiable or demonstrative commonality or similarity of ownership, familial
10 relationships, principals or corporate officers, day-to-day operations, assets
11 and liabilities, and stated business;

12 (b) "Trade" or "business" includes but is not limited to a commercial enterprise or
13 establishment; any entity engaged in the supplying, production, or
14 manufacturing of goods, commodities, or services; any entity engaged in
15 commerce, sale for profit, or the providing of goods, personnel, or services;

16 (c) "Knowingly" means having actual knowledge of, or acting with deliberate
17 ignorance or disregard for, the prohibition involved;

18 (d) "Violates" or "attempts to violate" includes, but is not limited to, intended
19 evasion, misrepresentation, or willful nondisclosure; and

20 (e) "Person" has the same meaning as in Section 7701(a)(1) of the Internal
21 Revenue Code.

22 (2) (a) For the purpose of this chapter, if a subject employer transfers all or part of its
23 trade or business, the acquiring employing unit shall be deemed a successor if
24 the transfer is in accordance with administrative regulations promulgated by
25 the secretary, or if there is substantially common ownership, management, or
26 control of the subject employer and employing unit. If an employing unit is
27 deemed a successor, the transferring employing unit shall be deemed a

1 predecessor.

2 (b) For the purpose of this chapter, if a nonsubject employer acquires all or part of
3 the trade or business of a subject employer, the nonsubject employer shall file
4 an application with the Office of Unemployment Insurance~~[, Department of~~
5 ~~Workforce Investment,]~~ to establish an unemployment reserve account within
6 forty-five (45) days of employing personnel. The application will be
7 considered and processed in accordance with administrative regulations
8 promulgated by the secretary and shall require information necessary to
9 determine whether the nonsubject employer is a successor of the subject
10 employer and to establish an initial unemployment contribution rate for the
11 employer. Factors to be considered in the determination of successorship and
12 the fixing of the initial rate shall include but not be limited to the nonsubject
13 employer's prior unemployment claims history, benefit charges, historical rate
14 charges, and payment penalties assessed in the previous five (5) years, in
15 addition to the factors set forth in subsection (6)(b) of this section. After
16 consideration of these factors, and others that the applicant may submit in
17 justification of an initial rate determination, the secretary shall set an
18 appropriate contribution rate. Any determinations of initial unemployment
19 contribution rates made pursuant to this subsection shall not be effective prior
20 to January 1, 2018.

21 (3) (a) Notwithstanding subsection (2)(b) of this section, any successor to the trade or
22 business of a subject employer shall assume the resources and liabilities of the
23 predecessor's reserve account, including interest, and shall continue the
24 payment of all contributions and interest due under this chapter, except that
25 the successor shall not be required to assume the liability of any delinquent
26 contributions and interest of a predecessor or predecessors unless the cabinet
27 notifies the successor of the delinquency within six (6) months after the

1 department has notice of the succession; and

2 (b) Any nonsubject employer that is deemed a successor in whole or part shall be
3 allowed to make a one (1) time voluntary payment to pay off or reduce the
4 negative reserve assumed from the predecessor. This payment shall be made
5 within sixty (60) days of receipt of the first notice of a negative predecessor
6 reserve account. This one (1) time voluntary payment cannot exceed the
7 amount of negative reserve assumed by the successor.

8 (4) The liability for delinquent contributions and interest imposed upon the successor
9 by subsection (3) of this section shall be secondary to the liability of the predecessor
10 or predecessors, and if the delinquency has been reduced to judgment, the order of
11 execution on the judgment shall be as follows:

12 (a) Against the assets, both real and personal, of the predecessor or predecessors;

13 (b) Against the assets, both real and personal, of the business acquired; and

14 (c) Against the assets, both real and personal, of the successor or acquirer.

15 (5) (a) Notwithstanding the provisions of subsection (3) of this section, any successor
16 to a portion of the trade or business of a subject employer, who is, or by
17 reason of the transfer becomes, a subject employer, shall assume the resources
18 and liabilities of the predecessor's reserve account in proportion to the
19 percentage of the payroll or employees assignable to the transferred portion. In
20 calculating the transferred portion, the secretary shall utilize the last four (4)
21 calendar quarters preceding the date of transfer for workers employed by the
22 successor subsequent to that date. The taxable payroll, benefit charges and the
23 potential benefit charges shall be assumed by the successors in a like
24 proportion.

25 (b) Notwithstanding the provisions of paragraph (a) of this subsection, if any
26 employing unit succeeds to a portion of the trade or business of another
27 employing unit; becomes, by reason of that succession, a subject employer

1 with substantially the same ownership, management, or control as the
2 predecessor employing unit; and lays off or terminates more than one-half
3 (1/2) of the original employees transferred within six (6) months of the date of
4 transfer; then the succession and creation of the new employing unit shall be
5 voided, and the benefits attributable to the lay-offs or terminations shall be
6 charged to the reserve account of the original employing unit.

7 (6) (a) The contribution rate of a successor in whole or in part, which was a subject
8 employer prior to succession, shall not be affected by the transfer of the
9 reserve account for the remainder of the rate year in which succession
10 occurred; except that the rate of the successor shall be recalculated and made
11 effective upon the first day of the calendar quarter immediately following the
12 date of the transfer if there is substantially common ownership, management,
13 or control of the predecessor and successor.

14 (b) The contribution rate of a successor in whole or in part, which was not a
15 subject employer prior to succession, shall be determined by a review of the
16 application required by subsection (2)(b) of this section, except if the secretary
17 finds, after a thorough investigation based on the use of objective factors,
18 including but not limited to:

- 19 1. The cost of acquiring the business;
- 20 2. How long the original business enterprise was continued; and
- 21 3. Whether a substantial number of new employees were hired for
22 performance of duties unrelated to the business activity prior to
23 acquisition;

24 that the succession was solely for the purpose of obtaining a rate lower than
25 that prescribed in KRS 341.270(1) and 341.272 for a new employing unit,
26 then the unemployment experience of the predecessor shall not be transferred,
27 the rate for a new employing unit shall be assigned, and the employing unit

1 shall be otherwise deemed a successor for the purpose of KRS 341.070(7) and
2 subsection (3) of this section.

3 (c) The contribution rate for a successor which becomes a subject employer
4 through the simultaneous transfer, either in whole or in part, of two (2) or
5 more predecessor reserve accounts shall be the rate determined in accordance
6 with the provisions of KRS 341.270, by combining the reserve accounts
7 succeeded to as of the computation date for determining rates for the calendar
8 year in which succession occurred.

9 (d) The contribution rate of a successor which succeeds, either in whole or in part,
10 to a predecessor's reserve account after a computation date, but prior to the
11 beginning of the calendar year immediately following that computation date,
12 shall be the rate determined in accordance with KRS 341.270, by effecting the
13 transfer of the reserve account as of the computation date immediately
14 preceding the date of succession.

15 (7) Notwithstanding KRS 341.270, the contribution rate for an employing unit that
16 knowingly violates or attempts to violate the provisions of this section or any other
17 provision of the chapter related to determining the assignment of a contribution rate
18 shall be the highest rate assignable under this chapter for the calendar year during
19 which the violation or attempted violation occurred and the three (3) calendar years
20 immediately following that year. If that employer's rate is already at the highest
21 assignable rate, or if the amount of increase in the employer's rate would be less
22 than an additional two percent (2%) for that year, then a penalty rate of
23 contributions of an additional two percent (2%) of taxable wages shall be imposed
24 for each year.

25 (8) In addition to the penalties prescribed in subsection (7) of this section and KRS
26 341.990(9), any person who knowingly violates this section shall be subject to the
27 penalties stipulated under KRS 341.990.

1 (9) (a) The secretary shall establish procedures to identify the transfer of a business
2 for purposes of this section.

3 (b) The secretary shall have the authority and discretion to set an initial
4 contribution rate upon the providing of justification by a subject employer and
5 consideration of relevant factors, including but not limited to the factors set
6 forth in subsections (2) and (6)(a) of this section.

7 ➔Section 27. KRS 341.990 is amended to read as follows:

8 (1) Except as otherwise provided in subsection (11) of this section, any employee of
9 any state agency who violates any of the provisions of KRS 341.110 to 341.230
10 shall be guilty of a Class B misdemeanor.

11 (2) Any person subpoenaed to appear and testify or produce evidence in an inquiry,
12 investigation, or hearing conducted under this chapter who fails to obey the
13 subpoena shall be guilty of a Class B misdemeanor.

14 (3) Any subject employer, or officer or agent of a subject employer, who violates
15 subsection (1) of KRS 341.470 shall be guilty of a Class A misdemeanor.

16 (4) Any person who violates subsection (2) of KRS 341.470 shall be guilty of a Class A
17 misdemeanor.

18 (5) Any person who knowingly makes a false statement or representation of a material
19 fact or knowingly fails to disclose a material fact to the secretary to obtain or
20 increase any benefit under this chapter or under an employment security law of any
21 other state, or of the federal government, either for himself or for any other person,
22 business entity, or organization shall be guilty of a Class A misdemeanor unless the
23 value of the benefits procured or attempted to be procured is one hundred dollars
24 (\$100) or more, in which case he shall be guilty of a Class D felony.

25 (6) (a) Any person who knowingly makes a false statement or representation, or who
26 knowingly fails to disclose a material fact to prevent or reduce the payment of
27 benefits to any worker entitled thereto, or to avoid becoming or remaining

1 subject to this chapter, or to avoid or reduce any payment required of an
2 employing unit under this chapter shall be guilty of a Class A misdemeanor
3 unless the liability avoided or attempted to be avoided is one hundred dollars
4 (\$100) or more, in which case he shall be guilty of a Class D felony.

5 (b) Any person who willfully fails or refuses to furnish any reports required, or to
6 produce or permit the inspection or copying of records required in this chapter
7 shall be guilty of a Class B misdemeanor. Each such false statement,
8 representation or failure and each day of failure or refusal shall constitute a
9 separate offense.

10 (7) In any prosecution for the violation of subsection (5) or (6) of this section, it shall
11 be a defense if the person relied on the advice of an employee or agent of the Office
12 of Unemployment Insurance~~[, Department of Workforce Investment]~~.

13 (8) Any person who willfully violates any provision of this chapter or any rule or
14 regulation under it, the violation of which is made unlawful or the observance of
15 which is required under the terms of this chapter, and for which no specific penalty
16 is prescribed in this chapter or in any other applicable statute, shall be guilty of a
17 violation. Each day the violation continues shall constitute a separate offense.

18 (9) In addition to the higher rates imposed under KRS 341.540(7), any person, whether
19 or not an employing unit, who knowingly advises or assists an employing unit in the
20 violation or attempted violation of KRS 341.540 or any other provision of this
21 chapter related to determining the assignment of a contribution rate shall be subject
22 to a civil monetary penalty of not less than five thousand dollars (\$5,000).

23 (10) Proceeds from all penalties imposed under subsection (9) of this section and KRS
24 341.540 shall be deposited in the unemployment compensation administration
25 account and shall be expended solely for the cost of administration of this chapter
26 consistent with KRS 341.240.

27 (11) Any person who violates the confidentiality provision in KRS 341.190(4) shall be

1 guilty of a Class A misdemeanor.

2 →Section 28. KRS 12.020 is amended to read as follows:

3 Departments, program cabinets and their departments, and the respective major
4 administrative bodies that they include are enumerated in this section. It is not intended
5 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
6 bureau, interstate compact, commission, committee, conference, council, office, or any
7 other form of organization shall be included in or attached to the department or program
8 cabinet in which they are included or to which they are attached by statute or statutorily
9 authorized executive order; except in the case of the Personnel Board and where the
10 attached department or administrative body is headed by a constitutionally elected officer,
11 the attachment shall be solely for the purpose of dissemination of information and
12 coordination of activities and shall not include any authority over the functions,
13 personnel, funds, equipment, facilities, or records of the department or administrative
14 body.

15 I. Cabinet for General Government - Departments headed by elected officers:

- 16 (1) The Governor.
- 17 (2) Lieutenant Governor.
- 18 (3) Department of State.
- 19 (a) Secretary of State.
- 20 (b) Board of Elections.
- 21 (c) Registry of Election Finance.
- 22 (4) Department of Law.
- 23 (a) Attorney General.
- 24 (5) Department of the Treasury.
- 25 (a) Treasurer.
- 26 (6) Department of Agriculture.
- 27 (a) Commissioner of Agriculture.

- 1 (b) Kentucky Council on Agriculture.
- 2 (7) Auditor of Public Accounts.
- 3 II. Program cabinets headed by appointed officers:
- 4 (1) Justice and Public Safety Cabinet:
- 5 (a) Department of Kentucky State Police.
- 6 (b) Department of Criminal Justice Training.
- 7 (c) Department of Corrections.
- 8 (d) Department of Juvenile Justice.
- 9 (e) Office of the Secretary.
- 10 (f) Office of Drug Control Policy.
- 11 (g) Office of Legal Services.
- 12 (h) Office of the Kentucky State Medical Examiner.
- 13 (i) Parole Board.
- 14 (j) Kentucky State Corrections Commission.
- 15 (k) Office of Legislative and Intergovernmental Services.
- 16 (l) Office of Management and Administrative Services.
- 17 (m) Department of Public Advocacy.
- 18 (2) Education and Workforce Development Cabinet:
- 19 (a) Office of the Secretary.
- 20 1. Governor's Scholars Program.
- 21 2. Governor's School for Entrepreneurs Program.
- 22 3. Office of the Kentucky Workforce Innovation Board.
- 23 4. Foundation for Adult Education.
- 24 5. Early Childhood Advisory Council.
- 25 (b) Office of Legal and Legislative Services.
- 26 1. Client Assistance Program.
- 27 (c) Office of Communication.

- 1 (d) Office of Administrative Services.
- 2 1. Division of Human Resources.†
- 3 ~~2.—Division of Operations and Support Services.†~~
- 4 2.~~[3.]~~Division of Fiscal Management.
- 5 (e) Office of Technology Services.
- 6 (f) Office of Educational Programs.
- 7 (g) Office of the Kentucky Center for Statistics.
- 8 (h) Board of the Kentucky Center for Statistics.
- 9 (i) Board of Directors for the Center for School Safety.
- 10 (j) Department of Education.
- 11 1. Kentucky Board of Education.
- 12 2. Kentucky Technical Education Personnel Board.
- 13 (k) Department for Libraries and Archives.
- 14 (l) Department of Workforce Investment.
- 15 1. Office of Vocational Rehabilitation.
- 16 a. Division of Kentucky Business Enterprise.
- 17 b. Division of the Carl D. Perkins Vocational Training Center.
- 18 c. Division of Blind Services.
- 19 d. Division of Field Services.
- 20 e. Statewide Council for Vocational Rehabilitation.†
- 21 ~~2.—Office of Unemployment Insurance.†~~
- 22 2.~~[3.]~~Office of Employer and Apprenticeship Services.
- 23 a. Division of Apprenticeship.
- 24 ~~[4.—Office of Career Development.†~~
- 25 3.~~[5.]~~Office of Adult Education.†
- 26 ~~6.—Unemployment Insurance Commission.†~~
- 27 4.~~[7.]~~Kentucky Apprenticeship Council.

- 1 (m) Foundation for Workforce Development.
- 2 (n) Kentucky Workforce Investment Board.
- 3 (o) Education Professional Standards Board.
- 4 1. Division of Educator Preparation.
- 5 2. Division of Certification.
- 6 3. Division of Professional Learning and Assessment.
- 7 4. Division of Legal Services.
- 8 (p) Kentucky Commission on the Deaf and Hard of Hearing.
- 9 (q) Kentucky Educational Television.
- 10 (r) Kentucky Environmental Education Council.
- 11 (3) Energy and Environment Cabinet:
- 12 (a) Office of the Secretary.
- 13 1. Office of Legislative and Intergovernmental Affairs.
- 14 2. Office of Legal Services.
- 15 a. Legal Division I.
- 16 b. Legal Division II.
- 17 3. Office of Administrative Hearings.
- 18 4. Office of Communication.
- 19 5. Mine Safety Review Commission.
- 20 6. Office of Kentucky Nature Preserves.
- 21 7. Kentucky Public Service Commission.
- 22 (b) Department for Environmental Protection.
- 23 1. Office of the Commissioner.
- 24 2. Division for Air Quality.
- 25 3. Division of Water.
- 26 4. Division of Environmental Program Support.
- 27 5. Division of Waste Management.

- 1 6. Division of Enforcement.
- 2 7. Division of Compliance Assistance.
- 3 (c) Department for Natural Resources.
- 4 1. Office of the Commissioner.
- 5 2. Division of Mine Permits.
- 6 3. Division of Mine Reclamation and Enforcement.
- 7 4. Division of Abandoned Mine Lands.
- 8 5. Division of Oil and Gas.
- 9 6. Division of Mine Safety.
- 10 7. Division of Forestry.
- 11 8. Division of Conservation.
- 12 9. Office of the Reclamation Guaranty Fund.
- 13 (d) Office of Energy Policy.
- 14 1. Division of Energy Assistance.
- 15 (e) Office of Administrative Services.
- 16 1. Division of Human Resources Management.
- 17 2. Division of Financial Management.
- 18 3. Division of Information Services.
- 19 (4) Public Protection Cabinet.
- 20 (a) Office of the Secretary.
- 21 1. Office of Communications and Public Outreach.
- 22 2. Office of Legal Services.
- 23 a. Insurance Legal Division.
- 24 b. Charitable Gaming Legal Division.
- 25 c. Alcoholic Beverage Control Legal Division.
- 26 d. Housing, Buildings and Construction Legal Division.
- 27 e. Financial Institutions Legal Division.

- 1 f. Professional Licensing Legal Division.
- 2 3. Office of Administrative Hearings.
- 3 4. Office of Administrative Services.
- 4 a. Division of Human Resources.
- 5 b. Division of Fiscal Responsibility.
- 6 (b) Kentucky Claims Commission.
- 7 (c) Kentucky Boxing and Wrestling Commission.
- 8 (d) Kentucky Horse Racing Commission.
- 9 1. Office of Executive Director.
- 10 a. Division of Pari-mutuel Wagering and Compliance.
- 11 b. Division of Stewards.
- 12 c. Division of Licensing.
- 13 d. Division of Enforcement.
- 14 e. Division of Incentives and Development.
- 15 f. Division of Veterinary Services.
- 16 (e) Department of Alcoholic Beverage Control.
- 17 1. Division of Distilled Spirits.
- 18 2. Division of Malt Beverages.
- 19 3. Division of Enforcement.
- 20 (f) Department of Charitable Gaming.
- 21 1. Division of Licensing and Compliance.
- 22 2. Division of Enforcement.
- 23 (g) Department of Financial Institutions.
- 24 1. Division of Depository Institutions.
- 25 2. Division of Non-Depository Institutions.
- 26 3. Division of Securities.
- 27 (h) Department of Housing, Buildings and Construction.

- 1 1. Division of Fire Prevention.
- 2 2. Division of Plumbing.
- 3 3. Division of Heating, Ventilation, and Air Conditioning.
- 4 4. Division of Building Code Enforcement.
- 5 (i) Department of Insurance.
- 6 1. Division of Insurance Product Regulation.
- 7 2. Division of Administrative Services.
- 8 3. Division of Financial Standards and Examination.
- 9 4. Division of Agent Licensing.
- 10 5. Division of Insurance Fraud Investigation.
- 11 6. Division of Consumer Protection.
- 12 (j) Department of Professional Licensing.
- 13 1. Real Estate Authority.
- 14 (5) Labor Cabinet.
- 15 (a) Office of the Secretary.
- 16 1. Office of General Counsel.
- 17 a. Workplace Standards Legal Division.
- 18 b. Workers' Claims Legal Division.
- 19 **c. Career Development and Unemployment Insurance Legal**
- 20 **Division.**
- 21 2. Office of Administrative Services.
- 22 a. Division of Human Resources Management.
- 23 b. Division of Fiscal Management.
- 24 c. Division of **Operations and Support Services**~~[- Professional~~
- 25 ~~Development and Organizational Management].~~
- 26 d. Division of Information Technology and Support Services.
- 27 3. Office of Inspector General.

- 1 (b) Department of Workplace Standards.
- 2 1. Division of Occupational Safety and Health Compliance.
- 3 2. Division of Occupational Safety and Health Education and
- 4 Training.
- 5 3. Division of Wages and Hours.
- 6 (c) Department of Workers' Claims.
- 7 1. Division of Workers' Compensation Funds.
- 8 2. Office of Administrative Law Judges.
- 9 3. Division of Claims Processing.
- 10 4. Division of Security and Compliance.
- 11 5. Division of Information Services.
- 12 6. Division of Specialist and Medical Services.
- 13 7. Workers' Compensation Board.
- 14 (d) Workers' Compensation Funding Commission.
- 15 (e) Occupational Safety and Health Standards Board.
- 16 (f) State Labor Relations Board.
- 17 (g) Employers' Mutual Insurance Authority.
- 18 (h) Kentucky Occupational Safety and Health Review Commission.
- 19 (i) Workers' Compensation Nominating Committee.
- 20 **(j) Office of Unemployment Insurance.**
- 21 **(k) Unemployment Insurance Commission.**
- 22 **(l) The Career Development Office.**
- 23 (6) Transportation Cabinet:
- 24 (a) Department of Highways.
- 25 1. Office of Project Development.
- 26 2. Office of Project Delivery and Preservation.
- 27 3. Office of Highway Safety.

- 1 4. Highway District Offices One through Twelve.
- 2 (b) Department of Vehicle Regulation.
- 3 (c) Department of Aviation.
- 4 (d) Department of Rural and Municipal Aid.
 - 5 1. Office of Local Programs.
 - 6 2. Office of Rural and Secondary Roads.
- 7 (e) Office of the Secretary.
 - 8 1. Office of Public Affairs.
 - 9 2. Office for Civil Rights and Small Business Development.
 - 10 3. Office of Budget and Fiscal Management.
 - 11 4. Office of Inspector General.
- 12 (f) Office of Support Services.
- 13 (g) Office of Transportation Delivery.
- 14 (h) Office of Audits.
- 15 (i) Office of Human Resource Management.
- 16 (j) Office of Information Technology.
- 17 (k) Office of Legal Services.
- 18 (7) Cabinet for Economic Development:
 - 19 (a) Office of the Secretary.
 - 20 1. Office of Legal Services.
 - 21 2. Department for Business Development.
 - 22 3. Department for Financial Services.
 - 23 a. Kentucky Economic Development Finance Authority.
 - 24 b. Finance and Personnel Division.
 - 25 c. IT and Resource Management Division.
 - 26 d. Compliance Division.
 - 27 e. Incentive Administration Division.

- 1 f. Bluegrass State Skills Corporation.
- 2 4. Office of Marketing and Public Affairs.
- 3 a. Communications Division.
- 4 b. Graphics Design Division.
- 5 5. Office of Workforce, Community Development, and Research.
- 6 6. Office of Entrepreneurship.
- 7 a. Commission on Small Business Advocacy.
- 8 (8) Cabinet for Health and Family Services:
- 9 (a) Office of the Secretary.
- 10 1. Office of the Ombudsman and Administrative Review.
- 11 2. Office of Public Affairs.
- 12 3. Office of Legal Services.
- 13 4. Office of Inspector General.
- 14 5. Office of Human Resource Management.
- 15 6. Office of Finance and Budget.
- 16 7. Office of Legislative and Regulatory Affairs.
- 17 8. Office of Administrative Services.
- 18 9. Office of Application Technology Services.
- 19 (b) Department for Public Health.
- 20 (c) Department for Medicaid Services.
- 21 (d) Department for Behavioral Health, Developmental and Intellectual
- 22 Disabilities.
- 23 (e) Department for Aging and Independent Living.
- 24 (f) Department for Community Based Services.
- 25 (g) Department for Income Support.
- 26 (h) Department for Family Resource Centers and Volunteer Services.
- 27 (i) Office for Children with Special Health Care Needs.

- 1 (j) Office of Health Data and Analytics.
- 2 (9) Finance and Administration Cabinet:
- 3 (a) Office of the Secretary.
- 4 (b) Office of the Inspector General.
- 5 (c) Office of Legislative and Intergovernmental Affairs.
- 6 (d) Office of General Counsel.
- 7 (e) Office of the Controller.
- 8 (f) Office of Administrative Services.
- 9 (g) Office of Policy and Audit.
- 10 (h) Department for Facilities and Support Services.
- 11 (i) Department of Revenue.
- 12 (j) Commonwealth Office of Technology.
- 13 (k) State Property and Buildings Commission.
- 14 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 15 (m) Kentucky Employees Retirement Systems.
- 16 (n) Commonwealth Credit Union.
- 17 (o) State Investment Commission.
- 18 (p) Kentucky Housing Corporation.
- 19 (q) Kentucky Local Correctional Facilities Construction Authority.
- 20 (r) Kentucky Turnpike Authority.
- 21 (s) Historic Properties Advisory Commission.
- 22 (t) Kentucky Tobacco Settlement Trust Corporation.
- 23 (u) Kentucky Higher Education Assistance Authority.
- 24 (v) Kentucky River Authority.
- 25 (w) Kentucky Teachers' Retirement System Board of Trustees.
- 26 (x) Executive Branch Ethics Commission.
- 27 (10) Tourism, Arts and Heritage Cabinet:

- 1 (a) Kentucky Department of Tourism.
- 2 1. Division of Tourism Services.
- 3 2. Division of Marketing and Administration.
- 4 3. Division of Communications and Promotions.
- 5 (b) Kentucky Department of Parks.
- 6 1. Division of Information Technology.
- 7 2. Division of Human Resources.
- 8 3. Division of Financial Operations.
- 9 4. Division of Facilities Management.
- 10 5. Division of Facilities Maintenance.
- 11 6. Division of Customer Services.
- 12 7. Division of Recreation.
- 13 8. Division of Golf Courses.
- 14 9. Division of Food Services.
- 15 10. Division of Rangers.
- 16 11. Division of Resort Parks.
- 17 12. Division of Recreational Parks and Historic Sites.
- 18 (c) Department of Fish and Wildlife Resources.
- 19 1. Division of Law Enforcement.
- 20 2. Division of Administrative Services.
- 21 3. Division of Engineering, Infrastructure, and Technology.
- 22 4. Division of Fisheries.
- 23 5. Division of Information and Education.
- 24 6. Division of Wildlife.
- 25 7. Division of Marketing.
- 26 (d) Kentucky Horse Park.
- 27 1. Division of Support Services.

- 1 2. Division of Buildings and Grounds.
- 2 3. Division of Operational Services.
- 3 (e) Kentucky State Fair Board.
- 4 1. Office of Administrative and Information Technology Services.
- 5 2. Office of Human Resources and Access Control.
- 6 3. Division of Expositions.
- 7 4. Division of Kentucky Exposition Center Operations.
- 8 5. Division of Kentucky International Convention Center.
- 9 6. Division of Public Relations and Media.
- 10 7. Division of Venue Services.
- 11 8. Division of Personnel Management and Staff Development.
- 12 9. Division of Sales.
- 13 10. Division of Security and Traffic Control.
- 14 11. Division of Information Technology.
- 15 12. Division of the Louisville Arena.
- 16 13. Division of Fiscal and Contract Management.
- 17 14. Division of Access Control.
- 18 (f) Office of the Secretary.
- 19 1. Office of Finance.
- 20 2. Office of Government Relations and Administration.
- 21 3. Office of Film and Tourism Development.
- 22 (g) Office of Legal Affairs.
- 23 (h) Office of Human Resources.
- 24 (i) Office of Public Affairs and Constituent Services.
- 25 (j) Office of Arts and Cultural Heritage.
- 26 (k) Kentucky African-American Heritage Commission.
- 27 (l) Kentucky Foundation for the Arts.

- 1 (m) Kentucky Humanities Council.
- 2 (n) Kentucky Heritage Council.
- 3 (o) Kentucky Arts Council.
- 4 (p) Kentucky Historical Society.
- 5 1. Division of Museums.
- 6 2. Division of Oral History and Educational Outreach.
- 7 3. Division of Research and Publications.
- 8 4. Division of Administration.
- 9 (q) Kentucky Center for the Arts.
- 10 1. Division of Governor's School for the Arts.
- 11 (r) Kentucky Artisans Center at Berea.
- 12 (s) Northern Kentucky Convention Center.
- 13 (t) Eastern Kentucky Exposition Center.
- 14 (11) Personnel Cabinet:
- 15 (a) Office of the Secretary.
- 16 (b) Department of Human Resources Administration.
- 17 (c) Office of Employee Relations.
- 18 (d) Kentucky Public Employees Deferred Compensation Authority.
- 19 (e) Office of Administrative Services.
- 20 (f) Office of Legal Services.
- 21 (g) Governmental Services Center.
- 22 (h) Department of Employee Insurance.
- 23 (i) Office of Diversity, Equality, and Training.
- 24 (j) Office of Public Affairs.
- 25 III. Other departments headed by appointed officers:
- 26 (1) Council on Postsecondary Education.
- 27 (2) Department of Military Affairs.

- 1 (3) Department for Local Government.
- 2 (4) Kentucky Commission on Human Rights.
- 3 (5) Kentucky Commission on Women.
- 4 (6) Department of Veterans' Affairs.
- 5 (7) Kentucky Commission on Military Affairs.
- 6 (8) Office of Minority Empowerment.
- 7 (9) Governor's Council on Wellness and Physical Activity.
- 8 (10) Kentucky Communications Network Authority.
- 9 ➔Section 29. The General Assembly confirms Executive Order 2020-686, dated
- 10 August 14, 2020, to the extent it is not otherwise confirmed or superseded by this Act.